TMC Education Corporation Ltd

Since 1981

Every Step With You

ANNUAL REPORT 2014

Developing Successful and High Performance Graduates

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Cert No. : EDU-2-2006
Validity: 01/10/2012 - 30/09/2016

TMC Academy
Registration No. 201003953Z
Registration Period: 20 May 2010 to 19 May 2014

CORPORATE VISION

The leading academy that develops successful and high performance graduates.

CORPORATE MISSION

We commit to delivering high quality courses with industry relevant skills and knowledge in a nurturing environment.

FOUR CORE VALUES

PROFESSIONALISM
AFFINITY
CONTINUOUS IMPROVEMENT
EMPOWERMENT

CHAIRMAN'S **STATEMENT**

On behalf of the Board of Directors of TMC Education Corporation Ltd and its subsidiaries ("the Group"), I am pleased to present to you the annual report for our financial year ended 30 June 2014 ("FY2014").

During the year, the Group changed its accounting policy with respect to subsequent measurement of investment property from "cost model" to "fair value model" and this policy requires changes in the fair value of investment property to be recognized in the profit and loss accounts. The Group is of the view that adopting the fair value model provides more relevant information about the Group's financial performance and assists stakeholders to better understand the risks and value of the Group. Under the accounting standards, this change in accounting policy is required to be applied retrospectively. With this change, the financial statements of the Group in previous financial years are restated to adopt the change in policy, as a comparative for the Group's current financial performance.

FY2014 was indeed a challenging year. The Group incurred a loss after tax of $3.90 million despite a fair value gain on revaluation of investment properties of $820,000 recognized during this period. The loss after tax in FY2014 was due mainly to the lower course fee revenue and student population during the year. However, operating expenses in FY2014 decreased from $15.19 million in FY2013 to $15.16 million in FY2014 due mainly to the cost cutting measures adopted in FY2014. On a whole, the Group incurred a basic loss per share of 2.31 cents in FY2014 as compared to the loss per share of 1.71 cents in FY2013.

FINANCIAL REVIEW

Revenue for FY2014 amounted to $11.30 million as compared to a revenue of $12.47 million in FY2013. The Singapore operations accounted for $10.26 million while the China operations accounted for $1.04 million. The Group recognized a fair value gain from revaluation of investment properties of $820,000 as a result of the change of accounting policy from cost model to fair value model, as elaborated above.

Operating expenses for FY2014 were $15.16 million, a decrease of $25,000 from FY2013 ($15.19 million). The decrease was due mainly to the lower course materials and subscriptions expense, advertising and promotion expenses, plant and equipment and investment properties related expense, and other operating expenses. The lower course materials and subscriptions expenses were from lower programmes fees paid to overseas university partners and course material expenses. The lower advertising and promotion expenses were due mainly to lower advertising expenses and student grants incurred in FY2014. Likewise, lower plant and equipment and investment properties related expenses were incurred as a result of lower management fee for its investment properties and other facility expenses. The other operating expenses were lower in FY2014 due mainly to lower student recruitment expenses incurred during the year.

Major operating expenses incurred in FY2014 were for staff costs ($6.80 million), operating lease expenses ($3.41 million), plant and equipment and investment properties related expenses ($1.31 million), course materials and subscription expenses ($891,000), advertising and promotion expenses ($753,000) and other operating expenses ($1.99 million). With a finance cost of $34,000 and no tax expense, the loss after tax was $3.90 million in FY2014.

During the year, cash balance decreased by $748,000 from $3.35 million in FY2013 to $2.60 million in FY2014. The decrease was due mainly to the deficit in operating cash flow of $3.66 million and net investment in capital expenditure of $375,000. This decrease was partially funded by the net proceeds of $2.84 million from bank borrowings and withdrawal of fixed deposit from the bank of $511,000.

The Group's shareholder equity in FY2014 decreased by $3.93 million from $21.47 million in FY2013 to $17.54 million in FY2014. The decrease was due mainly to the operating loss incurred in FY2014.

As a result of the above, the Group incurred a basic loss per share of 2.31 cents in FY2014 as compared to a loss per share of 1.71 cents in FY2013. The net asset per share was 10.65 cents as at 30 June 2014 as compared to 12.98 cents as at 30 June 2013.

CORPORATE REVIEW

As a private education institution in Singapore, we operate in a highly regulated industry where the barrier of entry is high, and trust by our stakeholders and quality of our education programmes cannot be compromised. Coupled these with the increasing cost of compliance and operating expenses, the management is always looking for ways to streamline the operations to keep the business efficient and sustainable in the long term.

As pioneer in the private education business, we would like to emphasize that education is a business that needs patience and commitment. Initiatives adopted by the institutions take time to materialize, and results of these initiatives are only expected to be visible over a period of time. Many of our initiatives taken in the past are still ongoing and the effect of the implementation is expected to be felt in the coming two to three financial periods. At the same time, growth in student numbers will need time to materialize because of this.

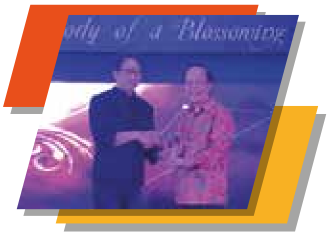
While it is in the interest of the management to keep the business profitable, it is also important to operate and grow our student numbers. This is to meet the requirement of our stakeholders, students and university partners so that our business is sustainable in the long term and meets the needs of the industry. Students and parents treat education as a life-long investment and it is in our interest to ensure that our programmes meet their expectations while looking into the interest of our other stakeholders. We would thus need the commitment of our management and the support of our stakeholders to achieve this.

Having said that, we would like to highlight that the following initiatives were implemented in the current financial year.

Firstly, as part of our corporate social responsibility, and in an effort to grow our student population, we have signed a Memorandum of Understanding (MOU) with nEbO, the youth arm of NTUC, to offer grant and scholarship to their deserving members. Besides fulfilling our social responsibilities and contributing to the educational development in Singapore, this outreach helps to promote our Group's programmes and recognition. Initiatives also include working with nEbO and other community based organisations to promote our academic programmes.

Secondly, in an effort to make our academic programmes more industry ready and be accepted in the industry, we had obtained endorsement and support from the various industry associations such as Food and Beverage Managers' Association ("FBMA"). This initiative allows us to incorporate internship as a requirement of our hospitality programme curriculums, and also helps to increase the recognition of our hospitality programmes and the employability of our graduates.

Thirdly, in the area of marketing, our school has been approved as an Approved Training Organisation (ATO) by the Singapore Workplace Development Agency (WDA), and many of our Diploma and Higher Diploma academic programmes qualify for the Singapore Workforce Skills Qualifications (WSQ) scheme. Under this scheme, students that enrol in our programmes qualify for training grant of up to 95% of the course fee from the Singapore government if they were eligible for the scheme. With this status, we are working towards making our academic programmes more accepted and demanded in the industry.



THE YEAR AHEAD

FY2015 will continue to be challenging for the Group.

The external challenges we face include competitions from other education institutions in key locations around the globe, as well as local existing and new educational institutions including public institutions that are set up by the government to partner reputable overseas universities to offer similar academic programmes as ours.

The internal challenges are the continued needs to increase the quality of our programmes and making them industry relevant, meeting the compliance requirements of the industry, and managing higher operating costs and challenges of recruiting and retaining highly qualified professionals.

Our Group is presently working on the following initiatives:

- We are continuing with our effort to make our programmes more industry ready and to incorporate internship opportunities in more of our programmes. In this initiative, we are working with the relevant industry associations and will be getting more of them on board to recognize the quality of our programmes and provide opportunity for our students to get internship in their member organisations.

- We are continuing with the process of negotiating with overseas university partners to offer more programmes that meet the industry requirements.

- We are continuing with our marketing effort to increase student population from both local and international markets including marketing our programmes to local students under the WSQ-ATO scheme to make our programmes attractive.

- We are also presently in discussion with our joint venture partner in China to fully dilute our shareholdings in the loss-making kindergarten business and hope that this dilution will help the Group to focus on our post-secondary programmes to improve our business performance in the future.

- We are continuing with the streamlining of processes with the view to making our operations more efficient.

As for our non-core activity, our Group has $23.08 million of investment properties as at 30 June 2014, which consist of 35 office units located at 111 North Bridge Road, Peninsula Plaza, Singapore 179098. These properties have a total floor area of 1,209 square metres and are on a 999-year lease with 814 years remaining. The properties are currently fully leased out, generating lease income for the Group. We shall continue to re-assess our options in relation to these investment properties, if required. Such options may include maintaining or realising part or whole of the investment, taking into account among other considerations, prevailing market conditions, our Group's cash flows and funding needs, with the best interests of our Group and shareholders in mind. We will keep shareholders updated on any material developments.

APPRECIATION

Finally, I would like to take this opportunity to thank the members of the board for their valuable counsel, our advisers, management and staff for their commitment, passion and dedication in making our business sustainable, our students and their parents for the trust and opportunity given to us to nurture our students to be successful and high performance graduates, our University partners and other stakeholders for the support and confidence in us. As we work towards a good future, I appreciate shareholders to continue to support us.

Dr Chin Kon Yuen
CHAIRMAN AND CEO

BOARD OF DIRECTORS

01 Dr Chin Kon Yuen

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dr Chin Kon Yuen, one of the founders of the Company, has played a pivotal role in planning and charting the development of the Group since its inception in 1981. Presently serving as the Executive Chairman and Chief Executive Officer, he is instrumental in putting forth and implementing the Group's policies on business growth and engaging in high level collaboration with potential business partners on matters of business development, franchising and overseas expansion. Dr Chin completed his tertiary education in Marketing from the Institute of Marketing, UK, and attained his tertiary qualification in Management Studies which was jointly awarded by the University of Chicago, US, and Singapore National Productivity Board. In 1994, he was conferred an honorary degree of Doctor of Technology by Staffordshire University, UK, for his contribution in creating education opportunities for young people in Singapore to gain professional computing qualifications from Diploma level to Master Degree. Dr Chin is currently the Second Vice President of Singapore Association for Private Education (SAPE), an association set up to represent private education institutions in Singapore.

02 Ms Yeow Cheng Khim

EXECUTIVE DIRECTOR

Ms Yeow Cheng Khim, the Executive Director has served the Company since 1984. Ms Yeow's present role includes being overall in-charge of the daily operations of the Group. She is instrumental in negotiating with international educators and university partners at the highest level on academic matters, and successfully brought in many bachelor and master degree programmes from various renowned Australian as well as UK universities. In addition, Ms Yeow is actively involved in regular validation audits conducted by university partners and professional bodies as well as quality certification bodies. One of her significant contributions to TMC's quality journey was her role in strategizing a systematic approach towards attaining and maintaining the prestigious EduTrust Certification and, organizing and guiding the staff in preparing the final documentation for submission to the Council for Private Education (CPE). Ms Yeow has accumulated close to 30 years of experience in managing various schools under TMC Academy. She has taught as Course Director and Senior Lecturer, and has good knowledge of the education systems in Singapore, Australia and UK. Prior to joining TMC, Ms Yeow was an Accountant cum Administration Manager with a UK MNC, and a Management Accountant with a public listed manufacturing company. Ms Yeow received her Bachelor of Accountancy Degree from the University of Singapore and holds a Master of Science Degree (Business Systems Analysis and Design) from City University, UK. She is a Member of the Chartered Institute of Cost and Management Accountants, UK, and a Fellow of CPA Australia.

03 Mr Chen Timothy Teck Leng

LEAD INDEPENDENT DIRECTOR AND CHAIRMAN OF THE AUDIT & REMUNERATION COMMITTEE

Mr Chen Timothy Teck Leng was appointed as a Director on 10 December 2010. Mr Chen has over 25 years of management experience in international finance, insurance, banking and corporate advisory work. He has held positions in international financial institutions including Bank of America, Wells Fargo Bank, Bank of Nova Scotia and SunLife Assurance Company of Canada. He obtained his B.Sc. (Banking) from University of Tennessee and MBA (Finance) from Ohio State University. He has also obtained his Certified Corporate Director (ICD.D) from the Canadian Institute of Corporate Director. He is presently an independent director of Tianjin Zhongxin Pharmaceutical Group Corporation, XinRen Aluminium Holdings Ltd, Hu An Cable Holdings Ltd, Logistic Holdings Ltd and Yangzijiang Shipbuilding Holdings Ltd, which are companies listed on the SGX-ST.

04 Mr Woo Lee Yong

INDEPENDENT DIRECTOR AND CHAIRMAN OF THE NOMINATING COMMITTEE

Mr Woo Lee Yong was appointed as a Director on 1 April 2002 and last re-elected on 25 October 2013. Mr Woo gained extensive university teaching and research experience during his decade long stint as a Senior Lecturer with the National University of Singapore from 1985 to 1995. Prior to that, Mr Woo was with Singapore Airlines for 18 years where he held various positions including Project Manager, Chief Information Systems Manager, Asst Director of Management Services and Asst Director of Finance. He has extensive experience in consultancy work, having successfully carried out consultancy assignments in Singapore and China. Mr Woo holds a M.Sc (Organisational Psychology) from Manchester School of Management, UMIST, UK, and a B.Sc (Mathematics & Statistics) from the University of New South Wales, Australia, and has also attended the Management Development Programme from Harvard Business School, US, and Executive Development Programme from Cornell University, US.

05 Mr Wong Hin Sun Eugene

INDEPENDENT DIRECTOR

Mr Wong Hin Sun Eugene was appointed as a Director on 15 August 2012. Mr Wong has over 15 years of private equity experience, starting from his tenure in Crimson Asia Capital Singapore to his current venture capital investment company, Sirius Venture Capital Pte Ltd, which he founded. He is currently the non-executive chairman of CrimsonLogic Pte Ltd, a leading Global eGovt solutions firm. Mr Wong is a non-executive director of Ajisen (China) Holdings Limited, a company listed on the Hong Kong Stock Exchange, a non-executive director of Japan Foods Holding Ltd., Neo Group Limited, Jason Marine Group Limited and Singapore Kitchen Equipment Limited listed on Catalist Board of the SGX-ST. Mr Wong currently serves on the board of Agri-Food & Veterinary Authority of Singapore ("AVA Singapore") and International Enterprise Singapore ("IE Singapore"). He was an Adjunct Associate Professor at the National University of Singapore ("NUS"), teaching entrepreneurial finance and private equity from 2008 to 2012. Mr. Wong graduated with a Bachelor of Business Administration (First-Class Honours) from NUS and an MBA from Imperial College London. He attended the Owner President Management Program at Harvard Business School. He is a Chartered Financial Analyst (CFA) and a Fellow of the Australia Institute of Company Directors and Fellow of Hong Kong Institute of Directors.

SENIOR **MANAGEMENT**

1. Dr Chin Kon Yuen
2. Ms Yeow Cheng Khim
3. Ms Pauline Ang Hwee Hoon
4. Mr Johnny Yeo Sheok Yeow
5. Dr Hew Gill
6. Mr Kelvin Yeo Chee Wee

NON-ACADEMIC KEY MANAGEMENT STAFF

Mr Johnny Yeo Sheok Yeow

CHIEF FINANCIAL OFFICER AND DIRECTOR OF CORPORATE SERVICES

Mr Johnny Yeo Sheok Yeow joined TMC in 2009 as its Group Financial Controller. Mr Yeo has extensive working experience in finance, accounting and administrative management in private and public-listed companies, both local and overseas. Before joining TMC, Mr Yeo was the Chief Financial Officer with a MNC in the electronics industry for 5 years heading the Finance and Accounting functions of its international branded distribution division. Prior to this, Mr Yeo was the Group Finance Manager with a public listed property development, hospitality and engineering group in Singapore for 3 years. Mr Yeo has also worked for over 6 years as a Finance Manager with a major shipyard in Singapore where he managed the finance and accounting functions of a group companies in Singapore and Indonesia. Mr Yeo holds a Master of Business Administration Degree from Nanyang Technological University, Singapore, and a Bachelor of Commerce Degree from Murdoch University, Australia. He is also a FCA with the Institute of Singapore Chartered Accountants (ISCA).

Mr Kelvin Yeo Chee Wee

DIRECTOR – MARKETING AND BUSINESS DEVELOPMENT

Mr Kelvin Yeo Chee Wee joined TMC as the Director of Marketing and Business Development. He has more than 6 years of experience in private education institutions, firstly as an academic and subsequently in sales, marketing and business development. Prior to his private education industry experience, Mr Yeo was in the hospitality and leisure industry taking on sales and marketing functions in hotel and leisure companies. He is also a certified WSQ course developer and trainer, and has conducted seminars and speaks on conferences organized by local agencies and industry associations. Mr Yeo holds a Bachelor of Business Administration Degree from RMIT University, Australia, Graduate Diploma in Marketing from Marketing Institute of Singapore, and Master of Business Administration Degree from University of South Australia.

Ms Tio Hui Hui

DEPUTY DIRECTOR – HUMAN RESOURCE

Ms Tio Hui Hui joined TMC in 1994 and was tasked to take care of the undergraduate and postgraduate degree programmes in various functions including administration, student services, marketing and student recruitment. She has accumulated much experience in school administration and liaison with overseas university partners and institutions of higher learning. Ms Tio's present portfolio covers human resource and administration matters of the Group. Prior to joining TMC as Senior Course Coordinator, Ms Tio was a Centre Manager for a private education institution. Ms Tio holds a Bachelor of Science in Business Administration Degree from the University of Alabama in Huntsville, US.

Ms Pauline Ang Hwee Hoon

REGISTRAR

Ms Pauline Ang Hwee Hoon started her career with TMC Academy in 1990 as a Lecturer in Computer Mathematics and other computer software application packages. Over the years, she was promoted several times from Lecturer to Subject Leader, Senior Lecturer to Assistant Course Director and then Deputy Course Director to Dean. Ms Ang is presently the Registrar in the Academic division and is currently overseeing the three sections in the Registrar's unit: Student Administration, Resources & Examinations and Academic Services & Quality Assurance. She is also the Management Representative for EduTrust and ISO Certifications. Ms Ang graduated with a Bachelor in Science (Mathematics) Degree from the National University of Singapore and holds a LCCI Higher Diploma in Accounting.

NON-ACADEMIC KEY MANAGEMENT STAFF

Ms Wendy Yeo Mui Koon

ASSISTANT REGISTRAR – RESOURCES & EXAMINATIONS

Ms Wendy Yeo Mui Koon is presently the Assistant Registrar for Resources & Examinations. She is responsible for the scheduling of courses and planning of schedules for academic staff. She also oversees the examinations function. Ms Yeo has been with TMC since 1994, during which she started her career as a Course Planner with the Group. Prior to joining TMC, she spent four years doing material planning and purchasing for both local and overseas companies and about two years in engineering. Ms Yeo holds a Diploma in Manufacturing Engineering from Singapore Polytechnic.

Ms Shermaine Leong Hon Sum

ASSISTANT REGISTRAR – STUDENT ADMINISTRATION

Ms Shermaine Leong Hon Sum joined TMC in 2012 as an Assistant Registrar for Student Administration. She is responsible for the management of student services and admission. Prior to joining TMC, Ms Leong spent 5 years in the education industry with experience in student administration and academic support. Ms Leong obtained her Bachelor of Science (Hons) in Business and Management Studies Degree from University of Bradford (UK).

Ms Ivory Tan Pei Ling

ASSISTANT REGISTRAR – QUALITY ASSURANCE

Ms Ivory Tan Pei Ling joined TMC in 2005 as an Executive in the Student Services department. Over the years, she has accumulated much experience in the various operations of the Group and was promoted several times from Assistant Manager to Manager to Acting Registrar. In her present role as Assistant Registrar – Quality Assurance, she handles all quality assurance matters and, audit visits from statutory bodies and university partners. Ms Tan graduated with a Bachelor of Arts & Social Science (Economics) Degree from the National University of Singapore.

Ms Angi Yap Mui Ling

SENIOR MANAGER – STUDENT RECRUITMENT AND MARKETING

Ms Angi Yap Mui Ling joined TMC in 2005 as a Student Recruitment and Marketing Manager in 2005 and is presently the Senior Manager in Student Recruitment and Marketing in the International Office. Ms Yap has more than 12 years experience in the private education industry and her current portfolio involves student recruitment and marketing in our key international markets. Ms Yap obtained her Bachelor of Arts (Business Administration) Degree from Ottawa University.

Ms Yu Chu Lee

SENIOR ACCOUNTANT

Ms Yu Chu Lee joined TMC in 2009 and was promoted to Senior Accountant in 2011. She has many years of experience in accounting. Prior to joining TMC, Ms Yu spent 3 years as an Accountant in a public listed company. Ms Yu obtained her Bachelor of Finance Degree from University of Putra, Malaysia, and is a member of the Association of Chartered Certified Accountants (ACCA), UK.

ACADEMIC KEY MANAGEMENT STAFF

Dr Hew Gill

ACADEMIC DIRECTOR AND HEAD OF PSYCHOLOGY PROGRAMME

Dr Hew Gill is appointed Academic Director and Head of Psychology Programme in 2013. Dr Gill obtained his Bachelor of Science (Honours) Degree from University of Bradford and PhD from Leeds University. He is a Chartered Psychologist, Associate Fellow of the British Psychological Society and Member of the American Psychological Association. As an academic, Dr Gill is known for his research on personality and behavior, and has lectured and examined UK university courses including Industrial/Organisational Psychology, Assessment and Appraisal, Psychometrics, Clinical Interviewing, and Research Methods and Ethics. Prior to joining TMC, Dr Hew held senior position in a financial institution and was an entrepreneur. He has also held portfolios and leadership roles in public sector welfare and voluntary organisations.

Mr Dutta Pinaki

DEAN – SCHOOL OF TOURISM, HOSPITALITY & CULINARY ARTS

Mr Dutta Pinaki is the Dean of the School of Tourism, Hospitality & Culinary Arts. Mr Dutta started his career with TMC in 2007 as an Associate Senior Lecturer. He is experienced in teaching various hospitality and tourism courses under TMC. He completed his Master of Arts in Hospitality Management Degree from University of Brighton, UK. He also has a Bachelor in Science Degree from the University of Calcutta and a Diploma in Hotel and Restaurant Management from IIAS, India. He has many years of experience in management positions in the UK and India. He has also done a number of research works in the field of hospitality and tourism and his research interests include visitor management, sustainable tourism, tourism anthropology and marketing space tourism. He was elected as a member of the Hotel and Catering International Management Association in 2006 and a member of the Institute of Hospitality, UK, in 2008.

Dr N.V. Prasad

DEAN – SCHOOL OF INFORMATION TECHNOLOGY, DIGITAL MEDIA & MASS COMMUNICATION

Dr N.V. Prasad joined TMC in 2014 as the Dean of the School of Information Technology, Digital Media & Mass Communication. Prior to joining TMC, he was an Associate Professor at the School of Communication, Universiti Sains Malaysia, Penang (USM). He obtained his Bachelor and Masters of Arts in English Literature Degree from Madurai Kamaraj University in India and PhD in new media technology and design from USM. He taught film & broadcast-ing courses including screen production, film aesthetics, film aesthetics, television genre, audio visual literacy, creative editing and film and television studies, as well as headed the film and broadcasting department at USM. Prior to his academic experience, Dr Prasad had produced many documentary videos for national television broadcasters and conducted numerous workshops on media literacy. His research interests include media literacy, film & television studies, television production and environmental communication.

BUSINESS REVIEW

FY2014 was a challenging year for the Group. The Singapore operations accounted for 90% of our total course revenue and made an operating loss after tax of $3.6 million while the China operations contributed 10% of our total course revenue, and made an operating loss of $250,000. Both the operations saw a decrease in their student population.

As in previous years, the decrease in our student numbers for our Singapore operations was caused mainly by the teach-out of some of our degree programmes, a highly competitive industry and a gestation period for our new programmes to gain in popularity.

In the area of revenue by courses of study, the Business programmes were the major contributor with 29% of our total revenue. This was followed by our English Language Proficiency programmes (18%), Tourism, Hospitality and Culinary Arts programmes (14%), GCE 'O' level preparatory programmes (11%), Pre-School programmes for children (11%), Psychology programmes (5%), Information Technology programmes (5%), Mass Communication programmes (5%) and Law programmes (2%).

During the year, we continued to take part in numerous exhibitions and trade fairs in Singapore and in the region including JobsCentral Job Fair and Career Fair. In addition, the Group placed high emphasis on social media and internet-based marketing in FY2014 and will continue to do so, as this is an increasingly popular platform to reach out to our segment of students. We believe that the marketing effort in these areas will bring positive results and increase our student population in the next few financial periods.

We have also increased our collaborations with community-based organizations and during the year, have signed a Memorandum of Understanding ("MOU") with nEbO, the youth arm of NTUC, to offer bursary scholarships and educational grants to their deserving members. Besides fulfilling our social responsibilities and contributing to the educational development of Singapore, this collaboration helps to promote the Group's academic programmes and increase its recognition. Increased emphasis will be placed on working with our community-based organization partners and taking part in joint activities and events to promote our programmes and recruitment of students into these programmes.

In the area of adult learners and working professionals in the industry, our school is approved by the Singapore Workplace Development Agency (WDA) as an Approved Training Organisation (ATO) and many of our Diploma and Higher Diploma academic programmes qualified for the Singapore Workforce Skills Qualifications (WSQ) scheme. Under this scheme, students that enrol in our programmes qualify for training grant of up to 95% of the course fee from the Singapore government if they were eligible for the scheme. With this status, we believe we are able to attract more adult learners and working professionals who are keen to upgrade their skills and professional development to enrol in our academic programmes.

During the year, initiatives were also made to improve our programme curriculum and to make it more industry ready. One area is the incorporation of internship opportunities in our programme curriculums. For instance, we have obtained endorsement and support from the various industy associations such as Food and Beverage Managers' Association ("FBMA"). The endorsement and support from these associations allow us to internship with their member organisations and increase the recognition of our programmes and employability of our graduates in the industry.

In addition, we have also introduced new programmes and certifications that are in line with the trend of the industry. The enrolment for these new programmes will need time to pick up and we are confident that these programmes will help to improve our financials in the future and make our programmes more relevant to the industry in the long term.

To focus our attention on our core business activities, we are presently in discussion with our joint venture partner in China to fully dilute our shareholdings in the loss-making kindergarten business and hope that this dilution will help the Group to focus on our post-secondary programmes to improve our business performance in the future.

Finally, TMC Academy Pte Ltd, is nominated for The Promising SME 500 Award 2014 by the Small and Medium Business Association ("SMBA"). This nomination recognizes business excellence of small and medium size businesses in Singapore and we are honoured to be selected for this award. This recognition also helps in promoting our services in the private education industry in Singapore.

We believe that the above and other initiatives to be launched in FY2015 will continue to enable us to meet the challenging times in the industry, and improve our performance in the future.

MILESTONES

1981
Established TMC Computer School at Kramat Lane in Singapore

1984
Launched first proprietary diploma programme

1991
- Start of TMC Computer School expansion in Singapore (Relocation from Kramat Lane to Peninsula Plaza)
- Established TMC Centre for Advanced Seminars (Singapore) and started first intake of Bachelor of Applied Science (Computing) through Distance Education from Monash University, Australiars (Singapore) and started first intake of Bachelor Applied Science (Computing) through Distance Education from Monash University, Australia

1994
- Established TMC Business School in Singapore
- Established PCEC–STMC, Shanghai, China

1995
- Established TMC Language School in Singapore
- Collaboration with Deakin University, Australia

2000
Signed agreement with the Royal Society of Arts/University of Cambridge Local Examinations Syndicate (RSA/UCLES) on validation of TMC proprietary courses in Diploma and Higher Diploma

2001
Granted Cambridge International Associate Partner Status

2002
- Awarded ISO 9001: 2000 Certification
- Signed Memorandum of Understanding (MOU) with UCLES to launch GCE 'O' Level Examinations in China
- Launched first pilot GCE 'O' Level Centre in Xian (China)

2003
- Established TMC-Cambridge Education (Beijing) Ltd in China
- Established Creative Education Development (Shenyang) Ltd in China
- Launched first childcare centre in Shenyang (China)
- Established Hawthorn English Language Centre – Singapore
- Launched 'TMC Academy' brand name

1996
Established TMC School of Arts and Humanities in Singapore

1997
Awarded ISO 9001: 1994 Certification

1999
- Established Monash-TMC Education Centre in Singapore
- Established franchise in Cebu (Philippines) and Xian (China)
- Collaboration with University of Newcastle, Australia
- Obtained official listing on SESDAQ (now known as Catalist) on 27 September 1999 after the successful initial public offering of 16 million shares

2004
- Awarded Singapore Quality Class (SQC) for Private Education Organisations (PEOs) by Spring Singapore
- Acquired majority interest in Xian TMC International College (China)
- Collaboration with University of Greenwich, UK

2005
- Set up TMC Academic Advisory Board
- Awarded CaseTrust for Education by Consumers Association of Singapore
- Collaboration with Southern New Hampshire University, USA

TMC & AFFILIATES

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Shenyang City, 110032
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Tel and Fax: (8624) 8681 0117

AFFILIATES

AUSTRALIA
- Monash College

SWITZERLAND
- Business & Hotel Management School

UNITED KINGDOM
- Liverpool John Moores University
- University of Cambridge International Examinations
- University of Gloucestershire
- University of Greenwich
- University of London International Programmes

UNITED STATES OF AMERICA
- University of Missouri in Kansas City

MILESTONES

2006

- Ranked among the top 500 public listed companies by revenue in the 19th Singapore 1000 and Singapore SME 500 publication by DP Information Group
- Celebrated 25th anniversary of establishment
- Launched new TMC logo

2007

- Entered into joint venture agreement with Lorna Whiston Schools Pte Ltd to develop English-based bilingual curriculum for childcare centre in Shenyang, China
- Collaboration with UK's Liverpool John Moores University in summer school programmes
- Attained Institute of Technical Education (ITE) Approved Training Provider Status

2008

- Collaboration with University of Hertfordshire, UK
- Collaboration with University of Gloucestershire, UK
- Granted Singapore HEALTH (Helping Employee s Achieve Life-Time Health) Award (Bronze) by Health Promotion Board

2011

Opened main campus at 38C Jalan Pemimpin (Off Bishan Street 21) Singapore 577180

2012

- Collaboration with University of Aberdeen, UK
- Celebrated 30th Anniversary of Establishment
- Granted Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award (Gold) by Health Promotion Board

2013

- Opened city campus at 250 Middle Road Singapore 188983
- Collaboration with University of Missouri in Kansas City, US
- Collaboration with Business & Hotel Management School, Lucerne-Switzerland
- Signed agreement with Financial Planning Association of Singapore ("FPAS") to be an approved education provider for the Certified Financial Planner ("CFP"), Associate Wealth Planner ("AWP") and Associate Financial Planner ("AFP") certification programmes in Singapore.
- Signed Memorandum of Understanding (MOU) with MENDAKI on scholarship and grant
- Signed Memorandum of Understanding (MOU) with SINDA on scholarship and grant
- Signed Memorandum of Understanding (MOU) with SAFRA on scholarship and grant

2009

- Awarded ISO 9001:2008 Certification
- Awarded Registered Centre Status by University of London (External System) now known as University of London International Programmes, UK
- Collaboration with The University of California, Berkeley, USA, in summer sessions

2010

- Awarded 4-year EduTrust Certification by the Council for Private Education, Singapore
- Granted Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award (Silver) by Health Promotion Board

2014

- Signed Memorandum of Understanding (MOU) with nEbO on scholarship and grant
- TMC Academy Pte Ltd is nominated for The Promising SME 500 Award 2014 by the Small and Medium Business Association ("SMBA")

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr Chin Kon Yuen
Yeow Cheng Khim
Chen Timothy Teck Leng (Lead Independent Director)
Woo Lee Yong (Independent Director)
Wong Hin Sun Eugene (Independent Director)

AUDIT COMMITTEE

Chen Timothy Teck Leng (Committee Chairman)
Woo Lee Yong
Wong Hin Sun Eugene

NOMINATING COMMITTEE

Woo Lee Yong (Committee Chairman)
Chen Timothy Teck Leng
Wong Hin Sun Eugene

REMUNERATION COMMITTEE

Chen Timothy Teck Leng (Committee Chairman)
Woo Lee Yong
Wong Hin Sun Eugene

COMPANY SECRETARY

Ong Sing Huat

REGISTERED OFFICE

38C Jalan Pemimpin
(Off Bishan Street 21)
Singapore 577180
Tel: (65) 6671 2788
Fax: (65) 6671 2731

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

INDEPENDENT AUDITORS

Foo Kon Tan Grant Thornton LLP
47 Hill Street #05-01
Singapore Chinese Chamber of Commerce and Industry Building
Singapore 179365
Audit Partner: Mr Toh Kim Teck (with effect from Financial Year 2013)

COMPANY SPONSOR

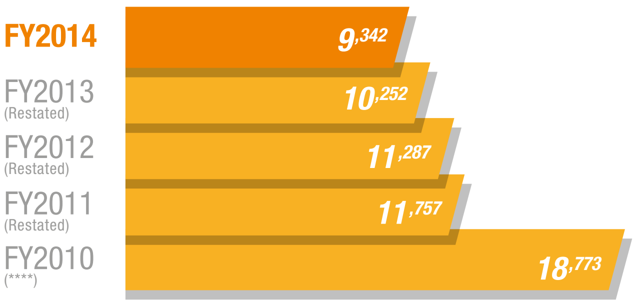
PrimePartners Corporate Finance Pte. Ltd.
20 Cecil Street
#21-02 Equity Plaza
Singapore 049705

BANKERS

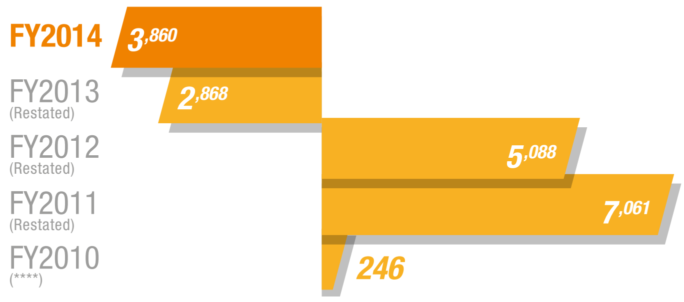
DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
Bank of China Limited
Hong Leong Finance Limited

FINANCIAL HIGHLIGHTS

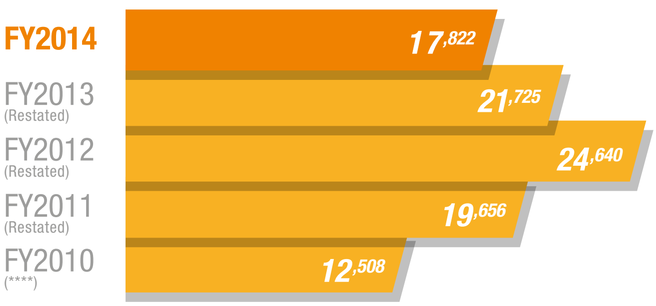
Turnover (S$'000)



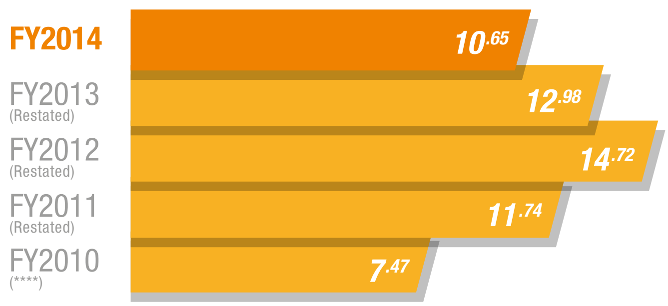
Profit/(Loss)
Attributable to Shareholders (S$'000)



Shareholders' Fund (S$'000)



Net Assets Per Share (CENTS)



	FY2010 (****)	FY2011 (Restated)	FY2012 (Restated)	FY2013 (Restated)	FY2014
FOR THE YEAR (S$'000)					
Turnover *	18,773	11,757	11,287	10,252	9,342
Profit/(Loss) before Tax	68	6,935	5,252	(2,810)	(3,902)
Profit/(Loss) after Tax before Non-Controlling Interests	246	6,954	5,235	(2,810)	(3,902)
Profit/(Loss) Attributable to Shareholders	246	7,061	5,088	(2,868)	(3,860)
AT YEAR END (S$'000)					
Shareholders' Funds	12,508	19,656	24,640	21,725	17,822
Fixed Assets **	12,792	6,586	2,196	2,388	2,058
Investment Property **	-	16,283	28,220	22,260	23,080
Current Assets	6,685	3,114	3,840	4,653	3,458
Current Liabilities	7,543	6,980	9,199	7,404	7,992
PER SHARE DATA (CENTS)					
Net Earnings/(Loss) ***	0.15	4.22	3.04	(1.71)	(2.31)
Net Assets	7.47	11.74	14.72	12.98	10.65

* Amounts exclude other revenue.
** Office units are reclassified from Fixed Assets to Investment Property with effect from FY 2011
*** The figures shown do not take into consideration the dilutive effect arising from TMC Share Option Scheme
**** For the period from 1 January 2009 to 30 June 2010
***** Restatements are made for FY2011 to FY2013 numbers due to changes in accounting policy for Investment Property (please refer to Note 27 of Notes to the Accounts)

Corporate Governance

The Board of Directors (the "**Board**") of TMC Education Corporation Ltd (the "**Company**") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "**Group**"). The Board recognises the importance of practising good corporate governance as a fundamental part of its responsibilities to look after and enhance shareholders' values and the financial performance of the Group.

The Monetary Authority of Singapore ("**MAS**") issued the revised Code of Corporate Governance on 2 May 2012 and is effective for annual reports relating to financial years commencing from 1 November 2012. The Code is not mandatory, but listed Companies are required under the Singapore Exchange Listing Rules to disclose their corporate governance practices and give explanations for deviations from the 2012 Code in their annual reports.

This report describes the Company's corporate governance practices that were in place throughout the 12 months financial period ended 30 June 2014 ("**FY2014**"), with specific reference to the Code of Corporate Governance 2012 (the "**Code**"). Where there are deviations from the Code, appropriate explanations are provided. The Company has complied with the principles of the Code where appropriate.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the requirements of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

The Board confirms the Group has adhered to all principles and guidelines set out in the Code for FY2014, except as otherwise stated.

The Code

The Code is divided into four main sections, namely:

(A) Board Matters
(B) Remuneration Matters
(C) Accountability and Audit
(D) Shareholders rights and Responsibilities

(A) BOARD MATTERS

The Board of Directors as at 30 June 2014 comprises:

Dr Chin Kon Yuen (Chairman and Chief Executive Director)
Yeow Cheng Khim (Executive Director)
Woo Lee Yong (Independent and Non-Executive Director)
Chen Timothy Teck Leng (Lead Independent Non-Executive Director)
Wong Hin Sun Eugene (Independent and Non-Executive Director)

Principle 1: Board's Conduct of its Affairs

Every Company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Guideline 1.1

The Board's role is to:

(a) provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(c) review management performance;

(d) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(e) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and others are understood and met; and

(f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Board regularly reviews the Group's strategic business plans, the assessment of key risks by management and the operational and financial performance of the Group to enable the Group to meet its objectives. The Board has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal controls to safeguard shareholders' interests and the Group's assets. All Board members bring their independent judgment, diversified knowledge and experience to bear on issues of strategy (including social and environmental issues), performance, resources and standards of conduct and ethics.

Guideline 1.2

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

Guideline 1.3

The Board may delegate the authority to make decisions to any board committee but without abdicating its responsibility. Any such delegation should be disclosed.

Guideline 1.4

The Board should meet regularly and as warranted by particular circumstances, as deemed appropriate by the board members. Companies are encouraged to amend their Articles of Association (or other constitutive documents) to provide for telephonic and video-conference meetings. The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings, should be disclosed in the Company's Annual Report.

Guideline 1.5

Every Company should prepare a document with guidelines setting forth:

(a) the matters reserved for the Board's decision; and

(b) clear directions to Management on matters that must be approved by the Board.

The types of material transactions that require board approval under such guidelines should be disclosed in the Company's Annual Report.

The Board objectively takes decisions in the interests of the Group. The Board has delegated specific responsibilities to three committees, namely the Audit, Nomination and Remuneration Committees. Information on each of the three committees is set out below. The Board accepts that while these committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. Matters requiring the Board's decision and endorsement are defined in the Board's terms of reference.

Apart from its statutory duties and responsibilities, the Board oversees the business affairs and dealings of the Group, determines the Group's corporate strategies and sets its directions and goals. It also monitors and evaluates the Group's operations and financial performance, establishes targets for management and monitors the achievement of these targets. The Board works with the management to achieve this and the management remains accountable to the Board.

Corporate Governance

The Board has put in place a set of internal controls that lists out operational and financial policies and procedures. The internal controls are reviewed by the Board regularly. The Board is responsible for the overall corporate governance compliance of the Group.

The Board has delegated certain matters to specialised committees of the Board (the "**Board Committees**"), to assist the Board in carrying out and discharging its duties and of its responsibilities efficiently and effectively. There are three committees of the Board, namely, the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**"). Each Board Committee has its terms of reference and operating procedures, which are reviewed periodically. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Catalist Rules and the Code.

The Board meets at least four times a year and it also meets regularly to review, consider and approve strategic, operational and financial matters. Important matters concerning the Group are put before the Board for its decision and approval. Where necessary, additional or ad-hoc meetings may be held to address significant transactions or issues. Matters that are specifically reserved for the approval by the Board include, among others:

- approving the Group's policies, strategies and financial objectives, and monitoring the performance of management;
- overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approving the nominations of persons to the Board and appointment of key management staff;
- approving annual budgets, major funding proposals, investments and divestment proposals; and
- assuming responsibility for corporate governance and compliance with the Catalist Rules, the Code and the rules and requirements of regulatory bodies that the Company is subject to.

In addition to the above and in line with the Code, the Board intends to also:

- identify key stakeholder groups to gain their perceptions of the Company's reputation and standing; and
- set the Company's values and standards (including ethical standards) to ensure that obligations to the shareholders and other stakeholders are understood and met.

All Directors are updated regularly on changes in Company's policies and business updates. Newly appointed Directors will be provided with a formal letter, setting out the Director's duties and obligations and will be given appropriate briefings by the management on the business activities of the Group, its strategic directions and the Company's corporate governance policies and practices.

Corporate Governance

The number of meetings of the Board and Board Committees held during FY2014 and the attendance of each Director at the said meetings are tabulated below:

Attendance at Meetings

	Board Committees			
	Board	**Audit**	**Nominating**	**Remuneration**
No. of meetings held	4	4	1	1
No. of meetings attended by each Board member				
Dr Chin Kon Yuen	4	4	1	1
Yeow Cheng Khim	4	4	1	1
Woo Lee Yong	4	4	1	1
Chen Timothy Teck Leng	4	4	1	1
Wong Hin Sun Eugene	4	4	1	1

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Guidelines 2.1

There should be a strong and independent element on the Board, with Independent Directors making up at least one-third of the Board.

Guidelines 2.2

The Independent Directors should make up at least half of the Board where:

(a) the Chairman of the Board (the "**Chairman**") and the chief executive officer (or equivalent) (the "**CEO**") is the same person;

(b) the Chairman and the CEO are immediate family members;

(c) the Chairman is part of the management team; or

(d) the Chairman is not an Independent Director.

Board Composition and Independent Directors

The Board comprises five members, of whom three are Non-Executive Directors and two are Executive Directors. All Non-Executive Directors, are independent i.e., they have no relationship with the Company, its related companies, its 10% shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Group, and they are able to exercise objective judgment on corporate affairs independently from management and its 10% shareholders. Independent and Non-Executive Directors make up more than half of the Board.

Corporate Governance

During FY2014, the Board comprises two Executive Directors and three Independent Non-Executive Directors:

Name of Directors	Board of Directors	Date of first Appointment	Date of last re-election	Audit Committee	Nominating Committee	Remuneration Committee
Dr Chin Kon Yuen[1]	Executive Director (Chairman)	1 March 1982	25 October 2013[2]	-	-	-
Yeow Cheng Khim[1]	Executive Director	23 March 1984	25 October 2013[3]	-	-	-
Woo Lee Yong	Independent Director	1 April 2002	25 October 2013[4]	Member	Chairman	Member
Chen Timothy Teck Leng	Lead Independent Director	10 December 2010	25 October 2012[3]	Chairman	Member	Chairman
Wong Hin Sun Eugene	Independent Director	15 August 2012	25 October 2013	Member	Member	Member

Notes:-

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

(2) Under the Articles of Association of the Company, the office of Chairman is not due for rotation but Dr Chin Kon Yuen will retire at the forthcoming Annual General Meeting ("AGM") pursuant to Section 153(6) of the Companies Act.

(3) Ms Yeow Cheng Khim and Mr Chen Timothy Teck Leng will retire at the forthcoming AGM pursuant to Article 104 of the Articles of Association of the Company.

(4) Mr Woo Lee Yong will retire at the forthcoming AGM pursuant to Section 153(6) of the Companies Act.

The directorships or chairmanships held by the Directors presently or in the last three years in other listed companies are set out in the table below:

Name of Director	Company	Date of Appointment	Date of Resignation
Dr Chin Kon Yuen	Nil	NA	NA
Yeow Cheng Khim	Nil	NA	NA
Woo Lee Yong	Nil	NA	NA
Chen Timothy Teck Leng	Tianjin Zhongxin Pharmaceutical Group Corporation	May 2014	-
	HuAn Cable Holdings Ltd	October 2009	-
	XinRen Aluminium Holdings Ltd	October 2010	-
	Sunmart Holding Co. Ltd	February 2009	April 2011
	Logistic Holdings Ltd	December 2012	-
	Yangzijiang Shipbuilding Holdings Ltd	April 2013	-
Wong Hin Sun Eugene	Ajisen (China) Holdings Limited	March 2007	-
	Haike Chemical Group Limited	January 2007	October 2010
	Japan Foods Holding Ltd	November 2008	-
	Jason Marine Group Limited	September 2009	-
	Q & M Dental Group (Singapore) Limited	October 2009	April 2013
	Neo Group Limited	June 2012	-
	Singapore Kitchen Equipment Limited	June 2013	-

Corporate Governance

As 3 out of 5 Directors are Independent Directors, the requirement of the Code that the Independent Director must make up at least one-third of the Board is satisfied. The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company.

Guideline 2.4

The independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such Director should be considered independent.

Mr Woo Lee Yong ("**Mr Woo**") has served as the Independent Director of the Company for more than nine (9) years from his date of first appointment to the Board. In FY2014, the Board had assessed the independence of Mr Woo after considering the recommendations set out in the Code, and was fully satisfied that he has demonstrated complete independence, robustness of character and judgement in his designated role and member of the Board. The Board was of the view that notwithstanding his long tenure, Mr Woo is and has been able to maintain independence in his deliberation on Group's matters, and concluded that the issue of independence has not been compromised, and Mr Woo is considered by the Board to be still independent.

Guideline 2.5

The Board should examine its size and, with a view to determining the impact of the number upon effectiveness, decide on what it considers an appropriate size for the Board, which facilitates effective decision making. The Board should take into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board should not be so large as to be unwieldy.

Board Size

The Board's composition, size, balance and independence of each Non-Executive Director are reviewed by the NC. The NC adopts the Code's definition of what constitutes an Independent Director. The NC has reviewed and determined that Mr Woo, Mr Chen Timothy Teck Leng and Mr Wong Hin Sun Eugene are independent.

The Directors consider the Board's present size and composition appropriate, taking into account the nature and scope of the Group's operations, the skills and knowledge of the Directors. The NC is of the view that the current Board comprises persons whose diverse skills, experience and attributes provide for an effective Board. The Board members also collectively possess the necessary core competencies for an effective functioning of the Board.

The Board considers the present Board size as appropriate for the current scope and nature of the Group's operations. As Independent and Non-Executive Directors make up more than half of the Board, no individual or group is able to dominate the Board's decision-making process. There is also balance in the Board because of the presence of Independent and Non-Executive Directors of the calibre necessary to carry sufficient weight in Board decisions. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent and Non-Executive Directors is particularly important in ensuring that the strategies proposed by management are constructively challenged, fully discussed and examined.

Guideline 2.6

The Board and its Board Committees should comprise Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. They should also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

The Board comprises individuals who are suitably qualified with the necessary mix of expertise, experience and knowledge. Please refer to the "Board of Directors" section in the Annual Report for details of the qualifications and experience of the Directors. The directorships or chairmanships held by the Directors presently or in the last three years in other listed companies are set out in the table above.

Corporate Governance

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing Company's business. No one individual represents a considerable concentration of power.

Guidelines 3.1

The Chairman and the CEO should in principle be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The division of responsibilities between the Chairman and the CEO should be clearly established, set out in writing and agreed by the Board. In addition, the Board should disclose the relationship between the Chairman and the CEO if they are immediate family members.

Dr Chin Kon Yuen ("**Dr Chin**") is currently the Chairman and CEO of the Company. The Board is of the view that, given the scope and nature of the operations of the Group and the strong element of independence of the Board, it is not necessary to separate the functions of the Chairman and CEO.

As Chairman, Dr Chin is responsible for (a) ensuring that Board meetings are held when necessary and (b) scheduling and preparing agendas and exercising control over the information flow between the Board and Management. Dr Chin is assisted by the Company Secretary at all Board meetings. Where necessary, the auditors of the Company and other external consultants are invited to attend Board meetings to assist the Directors in their deliberations.

As CEO, Dr Chin is responsible for the business strategy and direction of the Group, implementation of the Group's corporate plans and policies, and executive decision-making.

Major decisions made by the Chairman and the CEO are reviewed by the Board. His performance and re-appointment to the Board are reviewed by the NC and his remuneration package is reviewed by the RC. The AC, NC and RC comprise of Independent Directors of the Company. As such, the Board believes that there are adequate safeguards in place to ensure a balance of power and authority such that no one individual represents a considerable concentration of power.

In addition, as recommended by the Code, the Board has appointed Independent Non-Executive Director, Mr Chen Timothy Teck Leng, as Lead Independent Director. Employees and shareholders of the Company with serious concerns that could have a large impact on the Group shall be able to contact Mr Chen Timothy Teck Leng or other members of the AC if the normal channels had failed to resolve or when such contact channels were inappropriate.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The NC comprises three Directors, all of whom are Independent Non-Executive Directors. The NC meets at least once a year. The members of the NC are as follows:

Mr. Woo Lee Yong	(Chairman)	Independent Director
Mr. Chen Timothy Teck Leng	(Member)	Lead Independent Director
Mr. Wong Hin Sun Eugene	(Member)	Independent Director

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the particular skill, experience and knowledge, business, finance and management skills necessary to the Group's businesses and each Director, through his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The process for the search, selection and appointment of new Directors are as follows:

- the NC has, at its disposal, executive search companies, personal contacts and recommendations in its search and nomination process for the right candidate;
- the NC meets with the short-listed candidates to assess their suitability and to ensure that the candidates are aware of the expectations and the level of commitment required of them; and
- the NC makes recommendations to the Board for approval.

The NC is responsible for:

- deciding how the Board's performance may be evaluated and proposing objective performance criteria;
- regularly reviewing the Board structure and size and making recommendations to the Board with regards to any adjustments that are deemed necessary;
- re-nomination of our Directors having regard to the Director's contribution and performance;
- determining on an annual basis whether or not a Director is independent under the definition set out in the Code;
- deciding whether a Director, who has multiple board representation, is able to and has adequately carried out his duties as Director; and
- making recommendation to the Board on all Board appointments and re-appointments including making recommendations on the composition of the Board and the balance between Executive and Non-Executive Directors appointed to the Board.

All Directors shall submit themselves for re-nomination and re-election at regular intervals and at least every three years. The independence of each Director is reviewed by the NC with reference to the guidelines set out in the Code. The NC had assessed the independence of the Directors and is satisfied that there are no relationships which would deem any of the Independent Directors not to be independent.

At the forthcoming AGM of the Company, one-third of the Board shall retire and if desired, the persons retiring may offer themselves for re-election as Directors.

The Directors due for retirement at the AGM are Ms Yeow Cheng Khim ("**Ms Yeow**") and Mr Chen Timothy Teck Leng ("**Mr Chen**"). Ms Yeow will, upon re-election as a Director, remain as a Non-Independent Executive Director of the Company. Mr Chen will, upon re-election as a Director, remain as an Independent Director, Chairman of the AC and RC and a member of the NC. Being eligible, Ms Yeow and Mr Chen have offered themselves for re-election as Directors of the Company. The NC has considered Ms Yeow and Mr Chen's overall contribution and performance, and recommended to the Board the re-election of Ms Yeow and Mr Chen as Directors of the Company at the forthcoming AGM of the Company. In addition, pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Woo and Dr Chin will retire at the forthcoming AGM. Mr Woo will, upon re-election as a Director, remain as an Independent Director, Chairman of the NC and a member of the AC and RC. Dr Chin will, upon re-election as a Director, remain as an Executive Director and Chairman of the Board.

The NC has considered Mr Woo and Dr Chin's overall contribution and performance and recommended to the Board that Mr Woo and Dr Chin, having consented, be nominated for re-appointment as Directors of the Company at the forthcoming AGM.

The Code requires listed companies to fix the maximum number of board representations on other listed companies that their Directors may hold and to disclose this in their annual report. The Board, with the concurrence of the NC, has agreed that the Company shall not impose a maximum number of listed board representations on the Directors as the Board is of the opinion that setting a fixed number would not adequately take into account the varied circumstances of each Director. The NC will instead focus on whether a Director has sufficient time to adequately discharge his duties to the Company. Although some of the Board members have multiple board representations, the NC was satisfied that sufficient time and attention had been given to the affairs of the Company by the Directors. The NC would monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company.

Principle 5: Board Performance

There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

The NC is also responsible for deciding how the Board's performance may be evaluated and proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company. The NC had adopted processes for the evaluation of the Board's performance and effectiveness as a whole and the Board Committees, and the performance of the individual Directors, based on performance criteria set by the Board. The objective of the annual evaluation is to identify areas for improvement and to implement appropriate action.

The NC evaluates each Director's performance based on the following review parameters, including:

- attendance at Board/ Board Committee meetings;
- participation at meetings;
- involvement in management;
- availability for consultation and advice, when required;
- independence of the Directors; and
- appropriate skill, experience and expertise.

Although the Board performance evaluation does not include a benchmark index of its industry peers and its share performance, the Board performance assessment is undertaken collectively and informally on a continual basis by the NC with input from the other Board members. The NC also takes into account of the Board's balance and mix in evaluating the performance and effectiveness of the Board as a whole.

The NC may act on the performance evaluation result and where appropriate, propose new members to be appointed to the Board or seek resignation of Directors.

The NC had reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for FY2014 and was of the view that the performance of the Board as a whole has been satisfactory.

The NC will continue to review the formal assessment processes for evaluating Board performance, its Board Committees, as well as the contribution of individual Directors to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination as a Director of the Company.

Principle 6: Access to Information

In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Directors have unrestricted access to the Company's records and information, all Board and Board Committee minutes, and management accounts so as to enable them to carry out their duties. Directors may also liaise with senior executives and other employees to seek additional information if required.

Corporate Governance

Detailed Board papers and agenda with the relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues, are sent out to the Directors before meetings so that all Directors can better understand the issues beforehand, allowing more time at such meetings for questions that the Directors may have.

Should Directors, whether as a group or individually, require professional advice, the Company, upon direction by the Board, shall appoint a professional advisor to render advice. The costs shall be borne by the Company.

The Company Secretary or his delegate(s) attends all Board meetings and is responsible to the Board for advising on the implementation of the Group's compliance requirements pursuant to the relevant statutes and regulations. All Directors have separate and independent access to the Company Secretary. The appointment and removal of the Company Secretary is subject to approval of the Board.

(B) REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The Company has established a RC for determining the remuneration of Directors and key executives of the Company. The RC comprises three Non-Executive Independent Directors, as set out below:

Mr. Chen Timothy Teck Leng	(Chairman)	Lead Independent Director
Mr. Wong Hin Sun Eugene	(Member)	Independent Director
Mr. Woo Lee Yong	(Member)	Independent Director

The responsibilities of the RC are:

- to recommend to the Board on matters relating to remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind, of the Directors and key executives;
- to review and recommend to the Board the terms of the service agreements of the Directors;
- to determine the appropriateness of the remuneration of the Directors;
- to consider the disclosure requirements for Directors' and key executives' remuneration as required by the SGX-ST; and
- to administer the TMC Share Award Scheme.

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and key management executives. The recommendations of the RC are submitted to the Board for endorsement. All aspects of remuneration, including, but not limited to, Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are reviewed by the RC. No Director is involved in deciding his or her own remuneration.

The RC has the right to seek professional advice internally and externally relating to the remuneration of all Directors. The expenses of such advice shall be borne by the Company.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

The remuneration policy of the Group is to provide compensation packages at market rates that reward successful performance and attract, retain and motivate Directors and key executives.

The Group's remuneration policy comprises a fixed component and a variable component. The fixed component is in the form of fixed monthly salary or allowance whereas the variable component is linked to the performance of the Group and individual.

The remuneration packages of the Executive Directors are based on service contracts. Independent Directors are paid yearly Directors' fees of an agreed amount and these fees are subject to shareholders' approval at the AGM.

In setting remuneration packages, the RC ensures that the Directors and key executives are adequately but not excessively remunerated as compared to the industry and in comparable companies.

Principle 9: Disclosure on Remuneration

Each Company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the Company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

Details of the Directors' remuneration for FY2014 are set out below:

	Annual Remuneration* $	Directors' Fees $	Base/Fixed Salary* $	Variable or Performance Related Income/ Bonus* $	Allowances* & Benefits $
$250,000 to $499,999					
Dr Chin Kon Yuen	346,814	21,500	251,213	2,724	71,377
Yeow Cheng Khim	296,129	21,500	224,405	2,724	47,500
Below $250,000					
Woo Lee Yong	40,000	40,000	-	-	-
Chen Timothy Teck Leng	60,000	60,000	-	-	-
Wong Hin Sun Eugene	40,000	40,000	-	-	-

* Inclusive of Central Provident Fund Contributions

For FY2014, the RC had recommended to the Board, Directors' fees of $183,000 for the period, 1 July 2014 to 30 June 2015, which will be tabled at the forthcoming AGM for shareholders' approval.

There is no employee who is an immediate family member of any Director or any key executive whose remuneration exceeds $50,000 per annum for FY2014.

The name and remuneration of each of the top five key executives (who are not Directors), as well as the aggregate remuneration paid to the top five key executives are not disclosed in this report. The Board believes that disclosure of the name and the remuneration of individual key executives as recommended by the Code would be disadvantageous to the business interest of the Company, in view of the shortage of talented and experienced personnel in the education industry. There are no persons occupying managerial positions in the Company who are related to a Director or substantial shareholder of the Company or any of its principal subsidiaries.

There are no termination, retirement and post-employment benefits granted to the Directors or the top five key executives.

Corporate Governance

Share Purchase Mandate

The Share Purchase Mandate of the Company was approved and adopted by its shareholders at an extraordinary general meeting held on 31 March 2011 ("**2011 EGM**"). The Share Purchase Mandate authorised the Directors to make share purchases from time to time by way of market purchase or off-market purchase as follows:

(a) the maximum number of shares which can be purchased pursuant to the Share Purchase Mandate is such number of shares which represents up to a maximum of ten per cent (10%) of the issued ordinary shares in the capital of the Company;

(b) any share purchases undertaken shall be at the price of up to but not exceeding the maximum price being an amount which shall not exceed the sum constituting five per cent (5%) above the average closing price of the shares over the period of five (5) market days in which transactions in the shares on the SGX-ST were recorded, in the case of a market purchase, before the day on which such purchase is made, and, in the case of an off-market purchase, immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs after the relevant five (5) day period; and

(c) the authority conferred on the Directors by the Share Purchase Mandate to purchase shares shall continue in force for the period commencing from the renewal of the Share Purchase Mandate approved by the shareholders at the last annual general meeting of the Company held on 25 October 2013 and expiring on the earlier of the date the next annual general meeting of the Company is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in general meeting.

The renewal of the Share Purchase Mandate will be tabled at the forthcoming AGM for shareholders' approval.

For FY2014, the Company did not purchase any shares pursuant to the Share Purchase Mandate.

TMC Share Award Scheme

Awards granted under the TMC Share Award Scheme are principally performance-based, incorporating an element of stretched targets for management and staff.

The TMC Share Award Scheme of the Company was approved and adopted by its shareholders at the 2011 EGM. Under the TMC Share Award Scheme, the aggregate number of shares which may be issued or transferred pursuant to awards granted under the scheme on any date, when added to (i) the number of shares issued and issuable and/or transferred and transferable in respect of all awards granted under the scheme; and (ii) all shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed fifteen per cent (15%) of the issued and paid-up share capital (excluding treasury shares) of the Company on the day preceding that date.

Further, the number of shares which are the subject of each award to be granted to a participant in accordance with the scheme shall be determined at the absolute discretion of the Directors of the Company authorised and appointed by the Board to administer the scheme, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and resourcefulness with which the performance condition may be achieved within the performance period, provided that in relation to controlling shareholders and associates of controlling shareholders:

(a) the aggregate number of shares comprised in awards granted to controlling shareholders or associates of controlling shareholders under the scheme shall not exceed twenty five per cent (25%) of the aggregate number of shares (comprised in awards) which may be granted under the scheme; and

(b) the number of shares available to each controlling shareholder or associate of a controlling shareholder shall not exceed ten per cent (10%) of the shares available under the scheme.

For FY2014, the Company did not award any shares pursuant to the TMC Share Award Scheme.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects

The Board is accountable to the shareholders while the Management is accountable to the Board.

The Management will provide the Board with detailed management accounts of the Group's performance, position and prospects on a quarterly basis. The Board is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with statutory requirements and the Catalist Rules.

The Management also presents to the Board the half-yearly and full-year accounts and the AC reports to the Board on the results for review and approval. The Board approves the results after review and authorizes the release of the results to the SGX-ST and the public via SGXNET. By presenting the annual financial statements, half-year and full-year results announcements to shareholders, it is the aim of the Board to provide the shareholders with a balanced and comprehensive assessment of the Group's financial position, performance and prospects.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that it is responsible for maintaining a sound system of internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, and can provide only reasonable and not absolute assurance against the occurrence of material errors and other situations not currently within the contemplation or beyond the control of the Board.

The Company has outsourced its internal audit function to RSM Ethos Pte Ltd. The internal audit plan, which is approved by the AC, is drawn up by the internal auditors in consultation with the Management and the AC.

During FY2014, the Group's external auditors (to the extent as required by them to form an audit opinion on the statutory financial statements) and internal auditors conducted a review of the adequacy of the Group's internal control system. Findings and recommendations for improvement were reported to the AC.

The AC also enquires and relies on reports from the Management and external auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC had reviewed with the Management and external auditors their findings of the existence and adequacy of material accounting controls procedures as part of its audit for the financial year under review. The AC is of the view that the works carried out by the Management and external auditors are adequate.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and its risk management systems were adequate and effective as at 30 June 2014. In addition, the Board has received assurances from the CEO and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the Group maintains an effective risk management and internal control systems.

The AC and the Board will continue to review the adequacy and effectiveness of the key internal control system, including financial, operational, compliance and information technology controls, and risk management system on an on-going basis.

Corporate Governance

Principle 12: Audit Committee

The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC consists of the following three Directors, including the Chairman, all of whom are Non-Executive Independent Directors:

Mr. Chen Timothy Teck Leng	(Chairman)	Lead Independent Director
Mr. Wong Hin Sun Eugene	(Member)	Independent Director
Mr. Woo Lee Yong	(Member)	Independent Director

The AC has specific terms of reference and has met four times during FY2014.

The role of the AC is to assist the Board in the execution of its corporate governance responsibilities within its terms of reference and requirements.

The responsibilities of the AC are to:

- review the audit plans of the external auditors and ensure the adequacy of the Group's system of accounting controls and the co-operation given by the management to the external auditors;
- review the financial statements of the Group before their submission to the Board, and before their announcement;
- review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- review the cost effectiveness and the independence and objectivity of the external auditors;
- review the nature and extent of non-audit services provided by the external auditors;
- review the assistance given by the Group's officer to the auditors;
- nominate external auditors for re-appointment;
- review the effectiveness of the Company's internal audit function;
- review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, and by such amendments made thereto from time to time;
- review interested person transactions in accordance with the requirements of the Catalist Rules; and
- review the adequacy and effectiveness of the Group's internal control system, including financial, operational, compliance, and information technology controls as well as risk management system.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite accounting or related financial management expertise or experience.

The AC is kept abreast by the Management and external auditors of changes to accounting standards and by the Company Secretary and Sponsors on the Catalist Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The AC has power to conduct or authorise investigations into any matters within the AC's scope of responsibility.

The aggregate amount of audit fees paid to the Company's external auditors, Foo Kon Tan Grant Thornton LLP for FY2014 was $136,500. There were no non-audit fees paid to the external auditors for FY2014.

The AC reviews the independence of the external auditors annually. For FY2014, the AC had reviewed all non-audit services provided by the external auditors and confirmed that these non-audit services would not affect the independence and objectivity of the external auditors. The Group confirms that it has complied with Rule 712 and Rule 715 of the Catalist Rules in relation to its auditing firms. The AC has recommended to the Board the re-appointment of Foo Kon Tan Grant Thornton LLP as the external auditors of the Group at the forthcoming AGM.

The AC has full access and cooperation of the management and also full discretion to invite any Director or key management to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. The AC also has met the auditors without the presence of the management during FY2014.

The Group has implemented the whistle blowing policy since 2006. The policy aims to provide an avenue for employees to raise concerns about misconducts in the Group and at the same time assure them that they will be protected from victimisation for whistle blowing in good faith. Cases that are significant are reviewed by the AC for adequacy and independence of investigation actions and resolutions. Contact details of the AC have been made available to all employees.

Principle 13: Internal Audit

The Company should establish an internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's assets and business.

The Company has appointed RSM Ethos Pte Ltd, an independent audit firm, to undertake an internal audit function for the Group. The internal audits were carried out in accordance to the approved audit plan for FY2014 and the findings and corrective actions taken by Management had been submitted to the AC. The internal auditors have unrestricted direct access and reports directly to the AC on audit matters.

The AC reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. Following the review of the internal auditor's internal audit plan and their evaluation of the system of internal controls, the AC is satisfied that the internal audit is adequately resourced and has the appropriate standing within the Group. The AC will review annually the adequacy and effectiveness of the internal audit function.

(D) SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the share price or value.

The Group strongly encourages shareholder participation during the annual general meeting. Shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business related matters. While acknowledging the voting by poll is integral in the enhancement of corporate governance, resolutions are passed by hand at the general meetings as the Company is concerned over the cost effectiveness of conducting voting by poll. Nevertheless, the Company may from time to time review the need to conduct poll voting for all resolutions to be passed at the general meetings of the Company.

Registered shareholders including corporations, who are unable to attend the annual general meeting are provided the option to appoint a nominee or custodial services to appoint not more than two proxies. This allows shareholders who hold shares through corporations to attend and participate in the annual general meeting as proxies.

Corporate Governance

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company believes that prompt disclosure of relevant information and a high standard of disclosure are the keys to raise the level of corporate governance. The Board believes in regular and timely communication with our shareholders. In line with continuous disclosure obligations of Company pursuant to the Catalist Rules, the Company's policy is that all shareholders should be equally and timely informed of all major developments that impact the Company.

Information is communicated to our shareholders on a timely basis and made through:

- annual reports where the Board makes every effort to ensure that all relevant information about the Group, including future developments, disclosures required by the Companies Act (Cap. 50), and Financial Reporting Standards are disclosed;
- SGXNET and news releases;
- press releases on major developments of the Group;
- disclosures to the SGX-ST; and
- the Group's website www.tmc.edu.sg at which shareholders can access information relating to the Group.

Dividend Policy

The Group has in place a dividend policy which governs the form, frequency and amount of dividends to be distribute to the shareholders. No dividend was declared in FY2014 as the Company has not been profitable in FY2014.

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Group believes in encouraging shareholder participation at general meetings. A shareholder who is entitled to attend and vote may either vote in person or appoint a nominee or custodial services to appoint not more than two proxies.

For shareholders present in person, while acknowledging the voting by poll is integral in the enhancement of corporate governance, resolutions are passed by hand at the general meetings as the Company is concerned over the cost effectiveness of conducting voting by poll. Nevertheless, the Company may from time to time review the need to conduct poll voting for all resolutions to be passed at the general meetings of the Company.

Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

At each annual general meeting, the Chairman presents the progress and performance of the Group and encourages shareholders to participate in the Question and Answer session. The external auditor is also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

Corporate Governance

The chairpersons of the Board Committees, or members of the Board Committees standing in for them, are present at each annual general meeting, and other general meetings held by the Company, if any, to address shareholders' queries. Appropriate senior management personnel/members are also present at general meetings to respond, if necessary, to operational questions from shareholders.

The annual general meeting is the principal forum for dialogue with our shareholders. Our Company encourages our shareholders to attend the annual general meeting to ensure a high level of accountability and to keep informed of the Group's strategy and goals.

In general, separate resolutions are proposed for substantially separate issues and for items of special business. Where appropriate, an explanation for proposed resolution would be provided.

The Board welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or at the annual general meeting. The Directors, including the chairpersons of each Board Committee, the management and the external auditors will be present at the annual general meeting to address shareholders' queries.

Shareholders can vote in person or appoint not more than two proxies to attend and vote on their behalf. There is no provision in the Company's Articles that limits the number of proxies for nominee companies.

The Company practices having separate resolutions at general meetings on each distinct issue and will make available minutes of general meetings to shareholders upon their requests.

Internal Code on Dealings in Securities

Pursuant to Rule 1204(19) of the Catalist Rules, the Company has put in place an internal code on dealings with securities, which has been issued to all Directors and employees setting out the implications on insider trading.

The internal code prohibits the dealing in securities of the Company by the Company, its Directors and employees while in possession of price-sensitive information, and during the period beginning one month before the announcement of the half yearly and annual results, and ending on the date of the announcement. Directors are required to report securities dealings to the Company Secretary who will assist to make the necessary announcements.

In addition, Directors and employees are reminded to observe insider trading laws at all times and are advised not to deal in the Company's securities on short-term considerations.

Risk Management

As the Company does not have a risk management committee, the AC and management assume the responsibility of the risk management function. Management reviews regularly the Company's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The Group has not obtained a general mandate from shareholders in respect of any interested person transactions and there were no transactions with interested persons in FY2014.

Catalist Sponsored Regime

Pursuant to Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to the former Continuing Sponsor, CNP Compliance Pte Ltd in FY2014. The Company has since 1 July 2014 appointed PrimePartners Corporate Finance Pte. Ltd. as the new Continuing Sponsor. No non-sponsor fee was paid to PrimePartners Corporate Finance Pte. Ltd. in FY2014.

Corporate Governance

Material Contracts

There were no material contracts entered into by the Company or any of its subsidiaries companies involving the interest of the CEO, each Director or controlling shareholder of the Company, either still subsisting at the end of the financial year, or if not the subsisting, which were entered into since the end of the previous financial year.

Treasury Shares

There were no treasury shares as at 30 June 2014.

Directors' Report
for the financial year ended 30 June 2014

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 30 June 2014.

Names of directors

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

Dr Chin Kon Yuen
Yeow Cheng Khim
Chen Timothy Teck Leng (Lead Independent Director)
Woo Lee Yong (Independent Director)
Wong Hin Sun Eugene (Independent Director)

Arrangements to acquire shares or debentures

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

Directors' interest in shares or debentures

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

	Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
	As at 1.7.2013	**As at 30.6.2014**	**As at 21.7.2014**	As at 1.7.2013	**As at 30.6.2014**	**As at 21.7.2014**
The Company - TMC Education Corporation Ltd	Number of ordinary shares					
Dr Chin Kon Yuen	75,766,600	**75,766,600**	**75,766,600**	27,598,000	**29,223,000**	**29,223,000**
Yeow Cheng Khim	27,598,000	**29,223,000**	**29,223,000**	75,766,600	**75,766,600**	**75,766,600**
Woo Lee Yong	971,220	**971,220**	**971,220**	-	**-**	**-**
Wong Hin Sun Eugene	4,188,000	**4,508,000**	**4,508,000**	-	**-**	**-**

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

	As at 1.7.2013	**As at 30.6.2014**
	Number of ordinary shares	
TMC (China) Holdings Pte Ltd	931,261	**931,261**

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

According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Share Option Scheme as set out below:

	As at 1.7.2013	**As at 30.6.2014**
	Number of unissued ordinary shares under option	
Woo Lee Yong	300,000	**100,000**

Directors' benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 16 to the financial statements.

Share Option Scheme

The TMC Share Option Scheme ("SOS") was approved and adopted by the Company's shareholders at an Extraordinary General Meeting held on 25 May 2001 and subsequent amendments were approved on 25 November 2005. The SOS was administered by the Company's Remuneration Committee, comprising three directors, Chen Timothy Teck Leng (Chairman), Woo Lee Yong and Wong Hin Sun Eugene. The SOS was for a period of ten years and expired on 24 May 2011.

Other information regarding the SOS is set out below:

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

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

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

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

Share Option Scheme (cont'd)

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

Date of grant of options	Exercise price per share	Options outstanding as at 1.7.2013	Options Exercised	Options forfeited	Options expired	**Options outstanding as at 30.6.2014**	Expiry date	Options exercisable as at 30.6.2013	**Options exercisable as at 30.6.2014**
01.12.2003	$0.1037	18,870	-	-	18,870	**-**	30.11.2013	18,870	**-**
28.06.2004	$0.0994	26,418	-	-	26,418	**-**	27.06.2014	26,418	**-**
13.12.2004	$0.0612	26,418	-	-	-	**26,418**	12.12.2014	26,418	**26,418**
07.03.2006	$0.0453	67,934	-	-	-	**67,934**	06.03.2016	67,934	**67,934**
26.06.2006	$0.0429	26,418	-	-	-	**26,418**	25.06.2016	26,418	**26,418**
11.12.2006	$0.0620	47,804	-	3,774	-	**44,030**	10.12.2016	47,804	**44,030**
18.06.2007	$0.1248	124,546	-	8,806	-	**115,740**	17.06.2017	124,546	**115,740**
10.12.2007	$0.1370	112,000	-	10,000	-	**102,000**	09.12.2017	112,000	**102,000**
16.06.2008	$0.1050	118,000	-	11,000	-	**107,000**	15.06.2018	118,000	**107,000**
16.12.2008	$0.0610	100,000	-	-	100,000	**-**	15.12.2013	100,000	**-**
16.12.2008	$0.0610	68,000	-	3,000	-	**65,000**	15.12.2018	68,000	**65,000**
19.06.2009	$0.0600	100,000	-	-	100,000	**-**	18.06.2014	100,000	**-**
19.06.2009	$0.0600	124,000	-	9,000	-	**115,000**	18.06.2019	124,000	**115,000**
03.12.2009	$0.0640	100,000	-	-	-	**100,000**	02.12.2014	100,000	**100,000**
03.12.2009	$0.0640	114,000	-	10,000	-	**104,000**	02.12.2019	114,000	**104,000**
		1,174,408	-	55,580	245,288	**873,540**		1,174,408	**873,540**

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

	Options granted during the financial year ended 30.6.2014	Aggregate options granted since commence-ment of SOS to 30.6.2014	Aggregate options lapsed since commence-ment of SOS to 30.6.2014	Aggregate options expired since commence-ment of SOS to 30.6.2014	Aggregate options exercised since commence-ment of SOS to 30.6.2014	Aggregate options outstanding as at 30.6.2014
Directors						
Woo Lee Yong	-	1,265,620	-	(400,000)	(765,620)	100,000
Former directors	-	1,891,430	(1,251,620)	-	(639,810)	-
Others						
Academic advisors	-	2,635,860	(1,954,860)	-	(681,000)	-
Employees	-	6,240,877	(3,656,112)	(130,836)	(1,680,389)	773,540
	-	12,033,787	(6,862,592)	(530,836)	(3,766,819)	873,540

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

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

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

Share Award Scheme

Following the expiry of the SOS on 24 May 2011, the Company implemented the TMC Share Award Scheme ("SAS") to replace the SOS. The SAS was approved and adopted by the Company's shareholders at an Extraordinary General Meeting held on 31 March 2011. The SAS is administered by the Company's Remuneration Committee, comprising three directors, Chen Timothy Teck Leng (Chairman), Woo Lee Yong and Wong Hin Sun Eugene.

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

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

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

Audit Committee

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

Chen Timothy Teck Leng (Chairman)
Woo Lee Yong
Wong Hin Sun Eugene

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

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

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

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

(iv) half-yearly financial information, the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2014 as well as the auditor's report thereon; and

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

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

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

Independent auditor

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

On behalf of the Directors

DR CHIN KON YUEN

YEOW CHENG KHIM

Dated: 28 August 2014

Statement by Directors
for the financial year ended 30 June 2014

In our opinion:

(a) the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, having regard to the deficiency in working capital of $9,151,117 as at 30 June 2014, which was mainly contributed by amounts due to wholly-owned subsidiaries amounting to $5,581,655 for which the directors of the Company have the power and authority to manage the payment obligations to the said wholly-owned subsidiaries if the need ever arises, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

DR CHIN KON YUEN

YEOW CHENG KHIM

Dated: 28 August 2014

Independent auditor's report to the members of TMC Education Corporation Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of TMC Education Corporation Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

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

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Chartered Accountants

Singapore, 28 August 2014

Statements of Financial Position

as at 30 June 2014

		The Group			The Company		
		30 June	30 June	1 July	**30 June**	30 June	1 July
		2014	2013	2012	**2014**	2013	2012
	Note	**$**	$	$	**$**	$	$
			Restated	Restated		Restated	Restated
ASSETS							
Non-Current Assets							
Plant and equipment	4	**2,057,945**	2,388,217	2,195,695	**2,029,077**	2,344,590	2,167,402
Investment properties	5	**23,080,000**	22,260,000	28,220,000	**23,080,000**	22,260,000	28,220,000
Intangible assets	6	**176,850**	171,709	213,069	**176,850**	171,709	213,069
Subsidiaries	7	**-**	-	-	**2,000,016**	2,000,014	2,000,014
		25,314,795	24,819,926	30,628,764	**27,285,943**	26,776,313	32,600,485
Current Assets							
Trade and other receivables	8	**567,636**	503,089	326,949	**518,754**	440,043	280,180
Cash and cash equivalents	9	**2,890,468**	4,149,692	3,512,962	**414,654**	1,221,880	708,278
		3,458,104	4,652,781	3,839,911	**933,408**	1,661,923	988,458
Total assets		**28,772,899**	29,472,707	34,468,675	**28,219,351**	28,438,236	33,588,943
EQUITY							
Share capital	10	**11,477,119**	11,477,119	11,477,119	**11,477,119**	11,477,119	11,477,119
Reserves	11	**6,344,448**	10,247,837	13,162,916	**3,414,452**	7,280,696	10,456,586
Equity attributable to owners of the Company		**17,821,567**	21,724,956	24,640,035	**14,891,571**	18,757,815	21,933,705
Non-controlling interests		**(283,297)**	(259,155)	(303,601)	-	-	-
Total equity		**17,538,270**	21,465,801	24,336,434	**14,891,571**	18,757,815	21,933,705
LIABILITIES							
Non-Current Liabilities							
Borrowings	13	**3,243,255**	602,829	933,328	**3,243,255**	602,829	933,328
Current Liabilities							
Trade and other payables	14	**6,743,151**	6,354,081	6,948,909	**8,836,302**	8,027,596	8,471,906
Borrowings	13	**1,248,223**	1,049,996	2,250,004	**1,248,223**	1,049,996	2,250,004
		7,991,374	7,404,077	9,198,913	**10,084,525**	9,077,592	10,721,910
Total liabilities		**11,234,629**	8,006,906	10,132,241	**13,327,780**	9,680,421	11,655,238
Total equity and liabilities		**28,772,899**	29,472,707	34,468,675	**28,219,351**	28,438,236	33,588,943

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

Consolidated Statement of Comprehensive Income

for the financial year ended 30 June 2014

	Note	**2014** **$**	2013 $ Restated
Revenue	3	**9,342,087**	10,252,216
Other income	15	**1,132,681**	1,024,922
Fair value gain on investment properties	5	**820,000**	1,190,000
Course materials and subscriptions		**(890,209)**	(1,060,776)
Staff costs	16	**(6,804,786)**	(6,486,829)
Plant and equipment, investment properties and related expenses		**(1,310,922)**	(1,376,486)
Advertising and promotion		**(752,515)**	(845,706)
Operating lease expense		**(3,412,166)**	(3,374,390)
Other expenses		**(1,991,701)**	(2,043,872)
Finance costs	17	**(34,056)**	(89,014)
Loss before taxation	18	**(3,901,587)**	(2,809,935)
Tax expense	19	**-**	-
Loss for the year		**(3,901,587)**	(2,809,935)
Other comprehensive income:			
Currency translation differences - foreign operations, at nil tax		**73,994**	(60,698)
Total comprehensive loss for the year		**(3,827,593)**	(2,870,633)
(Loss)/Profit attributable to:			
Owners of the Company		**(3,860,180)**	(2,867,965)
Non-controlling interests		**(41,407)**	58,030
		(3,901,587)	(2,809,935)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(3,803,451)**	(2,915,079)
Non-controlling interests		**(24,142)**	44,446
		(3,827,593)	(2,870,633)
Loss per share (cents)			
- basic	20.1	**(2.31)**	(1.71)
- diluted	20.2	**(2.31)**	(1.71)

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

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2014

	Share capital $	Exchange fluctuation reserve $	Share option reserve $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
	Equity attributable to owners of the Company						
At 1 July 2012 (as previously reported)	11,477,119	189,779	497,598	(4,704,431)	7,460,065	(303,601)	7,156,464
Effects of change in accounting policy on investment properties (Note 27)	-	-	-	17,179,970	17,179,970	-	17,179,970
At 1 July 2012 (as restated)	11,477,119	189,779	497,598	12,475,539	24,640,035	(303,601)	24,336,434
Total comprehensive loss for the year							
Profit for the year (as previously reported)	-	-	-	50,936	50,936	58,030	108,966
Effects of change in accounting policy on investment properties (Note 27)	-	-	-	(2,918,901)	(2,918,901)	-	(2,918,901)
Loss for the year (as restated)	-	-	-	(2,867,965)	(2,867,965)	58,030	(2,809,935)
Other comprehensive loss:							
Foreign currency translation differences	-	(47,114)	-	-	(47,114)	(13,584)	(60,698)
Total comprehensive loss for the year (as restated)	-	(47,114)	-	(2,867,965)	(2,915,079)	44,446	(2,870,633)
At 30 June 2013 (as restated)	11,477,119	142,665	497,598	9,607,574	21,724,956	(259,155)	21,465,801
At 1 July 2013 (as previously reported)	11,477,119	142,665	497,598	(4,653,495)	7,463,887	(259,155)	7,204,732
Effects of change in accounting policy on investment properties (Note 27)	-	-	-	14,261,069	14,261,069	-	14,261,069
At 1 July 2013 (as restated)	11,477,119	142,665	497,598	9,607,574	21,724,956	(259,155)	21,465,801
Total comprehensive loss for the year							
Loss for the year	**-**	**-**	**-**	**(3,860,180)**	**(3,860,180)**	**(41,407)**	**(3,901,587)**
Other comprehensive income:							
Foreign currency translation differences	**-**	**56,729**	**-**	**-**	**56,729**	**17,265**	**73,994**
Total comprehensive loss for the year	**-**	**56,729**	**-**	**(3,860,180)**	**(3,803,451)**	**(24,142)**	**(3,827,593)**
Transactions with owners, recognised directly in equity							
Dividend (Note 12)	**-**	**-**	**-**	**(99,938)**	**(99,938)**	**-**	**(99,938)**
Total transactions with owners	**-**	**-**	**-**	**(99,938)**	**(99,938)**	**-**	**(99,938)**
At 30 June 2014	**11,477,119**	**199,394**	**497,598**	**5,647,456**	**17,821,567**	**(283,297)**	**17,538,270**

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

Consolidated Statement of Cash Flows
for the financial year ended 30 June 2014

	Note	**2014** **$**	2013 $ Restated
Cash Flows from Operating Activities			
Loss before taxation		**(3,901,587)**	(2,809,935)
Adjustments for:			
Amortisation of intangible assets	6	**64,260**	95,180
Depreciation of plant and equipment	4	**640,375**	594,730
Fair value gain on investment properties	5	**(820,000)**	(1,190,000)
Gain on disposal of investment properties	15	**-**	(317,190)
Intangible assets written off	6	**6,021**	45,143
Interest expense	17	**34,056**	89,014
Interest income	15	**(2,473)**	(7,446)
Gain on disposal of plant and equipment	15	**(9,202)**	-
Plant and equipment written off	4	**1**	7,435
Operating loss before working capital changes		**(3,988,549)**	(3,493,069)
Change in operating receivables		**(64,547)**	(176,140)
Change in operating payables		**389,070**	(594,828)
Cash used in operations		**(3,664,026)**	(4,264,037)
Income tax paid		**-**	-
Net cash used in operating activities		**(3,664,026)**	(4,264,037)
Cash Flows from Investing Activities			
Interest received		**2,473**	7,446
Proceeds from disposal of investment properties		**-**	7,467,190
Proceeds from disposal of plant and equipment		**24,111**	-
Acquisition of intangible assets		**(75,422)**	(98,963)
Acquisition of plant and equipment		**(325,707)**	(791,097)
Net cash (used in)/generated from investing activities		**(374,545)**	6,584,576
Cash Flows from Financing Activities			
Fixed deposit pledged		**510,609**	(201,756)
Interest paid		**(34,056)**	(89,014)
Dividend paid		**(99,938)**	-
Proceeds from bank loans		**4,100,000**	800,000
Repayments of bank loans		**(1,261,347)**	(2,330,507)
Net cash generated from/(used in) financing activities		**3,215,268**	(1,821,277)
Net (decrease)/increase in cash and cash equivalents		**(823,303)**	499,262
Cash and cash equivalents at beginning of year		**3,347,936**	2,912,962
Effects of exchange rate changes on cash and cash equivalents		**74,688**	(64,288)
Cash and cash equivalents at end of year	9	**2,599,321**	3,347,936

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

Notes to the Financial Statements

for the financial year ended 30 June 2014

1 General information

The financial statements of TMC Education Corporation Ltd (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

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

The registered office and principal place of business are located at 38C Jalan Pemimpin, Singapore 577180.

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

2(a) Basis of preparation

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

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

As at 30 June 2014, the Group's and the Company's current liabilities exceeded current assets by $4,533,270 and $9,151,117, respectively. Notwithstanding this, based on profitability and cash flows projections for the next 5 years, the directors consider that there is no material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern, and that it is appropriate for the Group and the Company to prepare financial statements on a going concern basis, as there is reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Group and the Company has been strategically disposing of its investment properties which are not related to its core business of provision of educational courses and conducting examinations. As at 30 June 2014, the carrying amount of the Group's and the Company's investment properties was $23,080,000 (2013: $22,260,000) as determined by an independent firm of professional valuers.

As at 30 June 2014, amounts due to wholly-owned subsidiaries totalled $5,581,655. The directors of the Company have the power and authority to manage the payment obligations to the said wholly-owned subsidiaries if the need ever arises. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

At the reporting date, the Group and the Company have unutilised bank credit facilities amounted to approximately $3.1 million.

As at 30 June 2014, the Group's current liabilities included non-refundable course and examination fees received in advance from students amounting to $2,957,728. Excluding this amount, the Group's current liabilities would have been $5,033,646 compared to current assets of $3,458,104 as at 30 June 2014.

The financial statements do not include any adjustment relating to the recoverability, amount and classification of the reported assets or the amount and classification of the reported liabilities that might result if the going concern basis is found to be inappropriate.

2(a) Basis of preparation (cont'd)

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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

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

Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment property requires the use of comparable historical transactions. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. As changes in the expected level of usage and/or technological developments could impact the economic useful lives and the residual values of these assets, future depreciation charges could be revised. A 5% (2013: 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately 1% (2013: 1%) variance in the Group's loss for the financial year.

Impairment of non-financial assets

Plant and equipment, subsidiaries and intangible asset are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value in use requires the Group to make estimate of the expected future cash flows from the cash-generating unit and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives and utilisation of the assets, discount rates and other factors.

Impairment of loans and receivables

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. A significant degree of judgement is applied by management when considering whether a trade receivable is impaired. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions.

2(a) Basis of preparation (cont'd)

Significant accounting estimates and judgements (cont'd)

Deferred taxation on investment properties

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

Income tax

Significant judgement is involved in determining provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(b) New accounting standards and interpretations

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

On 1 July 2013, the Company adopted the amended FRSs that are mandatory for application from that date.

Reference	Description
FRS 19	Employee Benefits
FRS 107	Disclosures - Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurement
Improvements to FRSs 2012	

FRS 107 Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 107 provides disclosure requirements that are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a company's financial position. The new disclosures require information about the gross amount of financial assets and liabilities before offsetting and the amounts set off in accordance with the offsetting model in FRS 32.

FRS 113 Fair Value Measurement

FRS 113 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of FRS 113 is broad and it applies for both financial and non-financial items for which other FRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

FRS 113 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

The adoption of the above amended standards does not have any material impact on the basic and fully diluted earnings per share of the Group.

2(b) New accounting standards and interpretations (cont'd)

(ii) Accounting standards and interpretations not yet effective

The following are the new or amended FRS and INT FRS issued in 2013 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual period beginning on or after)
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Company in the period of their initial adoption.

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

2(c) Summary of significant accounting policies

Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable or convertible.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. Liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

2(c) Summary of significant accounting policies (cont'd)

Basis of consolidation (cont'd)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquire and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

On acquisition of a subsidiary, goodwill is initially recognised at cost and is subsequently measured at cost and tested for impairment. On disposal of a subsidiary, the amount of goodwill attributable to the disposed subsidiary is included in the determination of the profit or loss on disposal.

Non-controlling interests

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

Loss of control

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

The consolidated financial statements reflect external transactions and balances only. In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2(c) Summary of significant accounting policies (cont'd)

Plant and equipment and depreciation

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

Renovations	3 to 8 years
Furniture and fittings	10 years
Office and training equipment	10 years
Computers and software	3 years
Motor vehicle	5 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

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

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

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Investment properties

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

Prior to 1 July 2013, with respect to the accounting policy for subsequent measurement of investment properties, the Group and the Company adopted the "cost model" under FRS 40 Investment Property, which requires an investment property to be measured, after initial measurement, at depreciated cost (less any accumulated impairment losses). With effect from 1 July 2013, the Group and the Company changed its accounting policy to the "fair value model" under FRS 40, which requires an investment property to be measured, after initial measurement, at fair value with changes in fair value recognised in profit or loss. FRS 40 permits entities to choose either the "cost model" or the "fair value model". Details of the reasons for and effects of this change in accounting policy are disclosed in Note 27.

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

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

2(c) Summary of significant accounting policies (cont'd)

Investment properties (cont'd)

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

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

- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;

- commencement of development with a view to sell, for a transfer from investment properties to development properties; and

- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An item of intangible asset is written off when no further economic benefits are expected to arise.

<u>Development expenditure</u>

Development costs related to course materials are capitalised only if development costs can be measured reliably, the project is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete the development and to use or sell the assets. Capitalised development expenditure is amortised on a straight-line basis over its estimated useful life of five years.

Financial assets

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

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

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

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

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

2(c) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

<u>Loans and receivables</u>

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

Loans and receivables include trade and other receivables (excluding prepayments) and cash and bank balances. They are subsequently measured at amortised cost using the effective interest method, less allowance for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks and fixed deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of fixed deposit pledged as collateral and bank overdraft which is repayable on demand and which forms an integral part of cash management.

Share capital

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

Financial liabilities

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

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. Financial liabilities are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

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

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

2(c) Summary of significant accounting policies (cont'd)

Financial liabilities (cont'd)

Borrowings which are due to be settled within 12 months after the reporting date are included in current borrowings in the statement of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Borrowings to be settled within the Group's normal operating cycle are considered as current. Borrowings with agreements incorporating an overriding repayment on demand clause, which gives the lenders the right to demand repayment at any time, at their sole discretion and irrespective of whether a default event has occurred are considered as current. Other borrowings due to be settled more than 12 months after the reporting date are included in non-current borrowings in the statement of financial position.

Leases

Where the Group is the lessee,

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term.

Where the Group is the lessor,

Operating leases

Assets leased out under operating leases are included in investment properties. Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease.

Income taxes

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

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

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

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised either in other comprehensive income or directly in equity.

2(c) Summary of significant accounting policies (cont'd)

Income taxes (cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Employee benefits

<u>Short-term employee benefits</u>

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

<u>Defined contribution plans</u>

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

<u>Share-based payment transactions</u>

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

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.

2(c) Summary of significant accounting policies (cont'd)

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Intangible assets with indefinite useful lives are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

Revenue recognition

Course fee is recognised over the period in which the course is run. Examination fee is recognised upon the completion of the examination. Course and examination fees relating to future periods are included in course and examination fees received in advance as a liability.

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease.

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grants. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

2(c) Summary of significant accounting policies (cont'd)

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss, unless they arise from net investment in foreign operations. Those currency translation differences are recognised in other comprehensive income under currency translation reserve and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise share options.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

2(c) Summary of significant accounting policies (cont'd)

Segment reporting (cont'd)

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

3 Principal activities and revenue

Revenue comprises course and examination fees earned from providing education courses to students. Revenue excludes inter-company transactions and applicable goods and services tax.

4 Plant and equipment

The Group	Renovations $	Furniture and fittings $	Office and training equipment $	Computers and software $	Motor vehicle $	Total $
Cost						
At 1 July 2012	2,177,439	483,911	290,141	1,403,631	321,426	4,676,548
Additions	429,713	74,656	82,125	204,603	-	791,097
Write-offs	-	(110,297)	(92,331)	(93,576)	-	(296,204)
Translation differences	3,872	1,159	566	2,028	-	7,625
At 30 June 2013	**2,611,024**	**449,429**	**280,501**	**1,516,686**	**321,426**	**5,179,066**
Additions	**166,119**	**26,039**	**13,108**	**120,441**	**-**	**325,707**
Disposals	**-**	**-**	**(9,922)**	**-**	**(321,426)**	**(331,348)**
Write-offs	**-**	**-**	**-**	**(4,308)**	**-**	**(4,308)**
Translation differences	**(4,508)**	**(1,245)**	**(747)**	**(2,115)**	**-**	**(8,615)**
At 30 June 2014	**2,772,635**	**474,223**	**282,940**	**1,630,704**	**-**	**5,160,502**
Accumulated depreciation						
At 1 July 2012	547,110	317,764	174,585	1,129,482	311,912	2,480,853
Depreciation	338,896	25,067	20,065	208,861	1,841	594,730
Write-offs	-	(110,017)	(85,185)	(93,567)	-	(288,769)
Translation differences	2,024	562	242	1,207	-	4,035
At 30 June 2013	**888,030**	**233,376**	**109,707**	**1,245,983**	**313,753**	**2,790,849**
Depreciation	**418,053**	**30,530**	**23,629**	**168,163**	**-**	**640,375**
Disposal	**-**	**-**	**(2,686)**	**-**	**(313,753)**	**(316,439)**
Write-offs	**-**	**-**	**-**	**(4,307)**	**-**	**(4,307)**
Translation differences	**(4,248)**	**(1,160)**	**(614)**	**(1,899)**	**-**	**(7,921)**
At 30 June 2014	**1,301,835**	**262,746**	**130,036**	**1,407,940**	**-**	**3,102,557**
Net book value						
At 30 June 2014	**1,470,800**	**211,477**	**152,904**	**222,764**	**-**	**2,057,945**
At 30 June 2013	1,722,994	216,053	170,794	270,703	7,673	2,388,217

4 Plant and equipment (cont'd)

The Company	Renovations $	Furniture and fittings $	Office and training equipment $	Computers and software $	Motor vehicle $	Total $
Cost						
At 1 July 2012	2,023,504	437,907	267,657	1,323,075	321,426	4,373,569
Additions	411,524	73,222	76,020	204,603	-	765,369
Write-offs	-	(110,297)	(92,331)	(93,576)	-	(296,204)
At 30 June 2013	**2,435,028**	**400,832**	**251,346**	**1,434,102**	**321,426**	**4,842,734**
Additions	**166,119**	**26,039**	**12,929**	**119,256**	**-**	**324,343**
Disposals	**-**	**-**	**(9,922)**	**-**	**(321,426)**	**(331,348)**
Write-offs	**-**	**-**	**-**	**(4,308)**	**-**	**(4,308)**
At 30 June 2014	**2,601,147**	**426,871**	**254,353**	**1,549,050**	**-**	**4,831,421**
Accumulated depreciation						
At 1 July 2012	399,629	275,354	153,602	1,065,670	311,912	2,206,167
Depreciation	329,079	25,436	20,150	204,240	1,841	580,746
Write-offs	-	(110,017)	(85,185)	(93,567)	-	(288,769)
At 30 June 2013	**728,708**	**190,773**	**88,567**	**1,176,343**	**313,753**	**2,498,144**
Depreciation	**411,978**	**28,038**	**20,950**	**163,980**	**-**	**624,946**
Disposals	**-**	**-**	**(2,686)**	**-**	**(313,753)**	**(316,439)**
Write-offs	**-**	**-**	**-**	**(4,307)**	**-**	**(4,307)**
At 30 June 2014	**1,140,686**	**218,811**	**106,831**	**1,336,016**	**-**	**2,802,344**
Net book value						
At 30 June 2014	**1,460,461**	**208,060**	**147,522**	**213,034**	**-**	**2,029,077**
At 30 June 2013	1,706,320	210,059	162,779	257,759	7,673	2,344,590

The motor vehicle of the Group and the Company was registered in the name of a director and is held in trust for the Company.

5 Investment properties

The Group and the Company	2014 $	2013 $ Restated
At fair value:		
At 1 July	**22,260,000**	28,220,000
Disposals	**-**	(7,150,000)
Gain on fair value	**820,000**	1,190,000
At 30 June	**23,080,000**	22,260,000

Investment properties consist of 35 office units (2013: 35 office units) located at 111 North Bridge Road, Peninsula Plaza, Singapore 179098. The properties have a total floor area of 1,209 square meters (2013: 1,209 square meters). The properties are on 999-year lease and the unexpired lease term of the properties is 814 years (2013: 815 years).

5 Investment properties (cont'd)

The aggregate fair value of the investment properties at the end of the reporting period is $23,080,000 (2013: $22,260,000) as determined by an independent firm of professional valuers. 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 a willing buyer and a willing seller in an arm's length transaction. With regards to estimating the fair value of the investment properties, the "highest and best use" of the properties is their current use. There has been no change to the valuation technique from the previous financial year. Further details of the methods of and assumptions used in determination of fair value of the Group's and the Company's investment properties are disclosed in Note 25.

During the previous financial year, three office units with a floor area of 369 square meters and a carrying amount of $7,150,000 was sold to a third party for a cash consideration of $7,467,190. Accordingly, a gain of $317,190 was recognised in profit or loss (Note 15).

As at 30 June 2014, 35 units (2013: 20 units) of the investment properties are leased to third parties under operating leases during the financial year. Any vacant units during the financial year are held for purpose of lease out under operating leases.

24 office units (2013: 10 office units) of the investment properties of with a floor area of 720 square meters (2013: 276 square meters) and carrying amount of $13,790,000 (2013: $5,190,000) are mortgaged to secure bank loans (Note 13).

The following amounts were recognised in profit or loss:

The Group and the Company	**2014** **$**	2013 $ Restated
Rental income (Note 15)	**730,888**	244,674
Direct operating expenses arising from investment properties that generated rental income	**243,202**	98,421
Direct operating expenses arising from investment properties that did not generate rental income	**24,028**	329,681

6 Intangible assets

The Group and the Company	Development expenditure $
Cost	
At 1 July 2012	623,578
Additions	98,963
Write-offs	(140,880)
At 30 June 2013	**581,661**
Additions	**75,422**
Write-offs	**(59,970)**
At 30 June 2014	**597,113**
Accumulated amortisation	
At 1 July 2012	410,509
Amortisation	95,180
Written-offs	(95,737)
At 30 June 2013	**409,952**
Amortisation	**64,260**
Write-offs	**(53,949)**
At 30 June 2014	**420,263**
Net book value	
At 30 June 2014	**176,850**
At 30 June 2013	171,709

7 Subsidiaries

The Company	**2014 $**	2013 $
Unquoted equity investments, at cost:		
At 1 July	**2,931,276**	2,931,276
Addition	**2**	-
At 30 June	**2,931,278**	2,931,276
Allowance for impairment losses:		
At 1 July and 30 June	**(931,262)**	(931,262)
	2,000,016	2,000,014

7 Subsidiaries (cont'd)

The subsidiaries are:

Name	Principal activities	Country of incorporation/ principal place of business	Effective equity interest held by the Group	
			2014	2013
			%	%
Held by the Company				
Asia Pacific College Int'l Pte Ltd [1]	Dormant	Singapore	**100**	100
Boston East Int'l Pte Ltd [1]	Investment holding	Singapore	**100**	100
Technology Management Centre (HK) Limited [2]	Inactive	Hong Kong	**100**	100
TMC (China) Holdings Pte Ltd [1]	Investment holding	Singapore	**51**	51
Technology Management & Communications Academy Pte Ltd [1]	Inactive	Singapore	**100**	100
TMC Academy Pte Ltd [1]	Provision of educational courses and conducting examinations	Singapore	**100**	100
TMC Franchise Int'l Pte Ltd [1]	Inactive	Singapore	**100**	100
TMC (Malaysia) Holdings Pte Ltd [1]	Inactive	Singapore	**100**	100
TMC Pte Ltd [1]	Dormant	Singapore	**100**	100
Creative Education Development Pte Ltd [1]	Dormant	Singapore	**100**	100
TMC Learning Hub Pte Ltd [1, 4]	Provision of education services	Singapore	**100**	-
Held by TMC (China) Holdings Pte Ltd				
Creative Education Development (Shenyang) Ltd [3]	Investment holding	People's Republic of China	**51**	51
Held by Creative Education Development (Shenyang) Ltd				
Lorna Whiston Creative Kindergarten [3]	Provision of kindergarten and early childhood education	People's Republic of China	**51**	51
Held by Boston East Int'l Pte Ltd				
TMC-Cambridge Education (Beijing) Ltd [3]	Provision of marketing & recruitment support services	People's Republic of China	**100**	100

1 Audited by Foo Kon Tan Grant Thornton LLP.

2 Audited by Lee, Sek, Chiu & Hui, Certified Public Accountants, Hong Kong. The subsidiary's share capital comprises two ordinary shares, of which one is held by a director in trust for the Company.

3 Audited by Grant Thornton Zhi Tong, People's Republic of China.

4 Incorporated on 28 April 2014.

8 Trade and other receivables

		The Group		The Company	
		2014	2013	**2014**	2013
		$	$	**$**	$
Trade receivables		**88,772**	38,789	**87,431**	38,789
Impairment losses:					
- At 1 July		**(23,204)**	(72,190)	**(23,204)**	(72,190)
- Allowance utilised		**21,824**	48,986	**21,824**	48,986
- At 30 June		**(1,380)**	(23,204)	**(1,380)**	(23,204)
	(a)	**87,392**	15,585	**86,051**	15,585
Other receivables		**19,690**	9,180	**15,022**	4,765
Deposits		**55,863**	76,941	**50,618**	70,855
		75,553	86,121	**65,640**	75,620
Impairment losses:					
- At 1 July		**(9,209)**	(9,209)	**(9,209)**	(9,209)
- Allowance made (Note 18)		**(12,686)**	-	**(12,686)**	-
- Allowance utilised		**2,809**	-	**2,809**	-
- At 30 June		**(19,086)**	(9,209)	**(19,086)**	(9,209)
	(b)	**56,467**	76,912	**46,554**	66,411
Amounts due from subsidiaries (non-trade)		**-**	-	**6,882,019**	6,797,794
Allowance for impairment losses:					
- At 1 July		**-**	-	**(6,797,794)**	(6,766,913)
- Allowance made		**-**	-	**(84,225)**	(30,881)
- At 30 June		**-**	-	**(6,882,019)**	(6,797,794)
	(c)	**-**	-	**-**	-
Total "loans and receivables" (a + b + c)		**143,859**	92,497	**132,605**	81,996
Prepayments		**423,777**	410,592	**386,149**	358,047
Total trade and other receivables		**567,636**	503,089	**518,754**	440,043

The non-trade amounts due from subsidiaries, comprising advances, are unsecured, interest-free and repayable on demand.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2014	2013	**2014**	2013
	$	$	**$**	$
Australian dollar	**-**	10,192	**-**	10,192
Renminbi	**46,497**	63,046	**-**	-
Singapore dollar	**521,139**	429,851	**518,754**	429,851
	567,636	503,089	**518,754**	440,043

The Group and the Company actively reviews the trade receivable balances and follows up on outstanding debts with the customers.

8 Trade and other receivables (cont'd)

The credit risk for trade receivables based on the information provided by key management is as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	$	$	**$**	$
By geographical areas				
Australia	**-**	15,585	**-**	15,585
Singapore	**87,392**	-	**86,051**	-
	87,392	15,585	**86,051**	15,585

The ageing analysis of "loans and receivables" is as follows:

	2014		2013	
	Gross	**Impairment losses**	Gross	Impairment losses
The Group	**$**	**$**	$	$
Not past due	**41,696**	**-**	74,911	-
Past due less than 90 days	**86,051**	**-**	5,393	-
Past due over 90 days	**36,578**	**(20,466)**	44,606	(32,413)
	164,325	**(20,466)**	124,910	(32,413)
The Company				
Not past due	**6,917,128**	**(6,882,019)**	6,866,619	(6,797,794)
Past due less than 90 days	**86,051**	**-**	5,393	-
Past due over 90 days	**31,911**	**(20,466)**	40,191	(32,413)
	7,035,090	**(6,902,485)**	6,912,203	(6,830,207)

The Group's and the Company's impairment losses arose mainly from balances which are considered not collectible.

Based on historical default rates, the Group believes that no significant impairment allowance is necessary in respect of "loans and receivables" not past due or past due within 90 days as they mainly arise from customers that have a good credit record with the Group.

9 Cash and cash equivalents

	The Group		The Company	
	2014	2013	**2014**	2013
	$	$	**$**	$
Fixed deposits	**291,147**	801,756	**291,147**	801,756
Cash on hand and in banks	**2,599,321**	3,347,936	**123,507**	420,124
	2,890,468	4,149,692	**414,654**	1,221,880

The Group's and the Company's fixed deposits of $291,147 (2013: $801,756) at the end of the reporting period was pledged as security to obtain banker's guarantees.

9 Cash and cash equivalents (cont'd)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	2014 $	2013 $
Fixed deposits	**291,147**	801,756
Cash on hand and in banks	**2,599,321**	3,347,936
	2,890,468	4,149,692
Less: Fixed deposit pledged	**(291,147)**	(801,756)
Cash and cash equivalents in the consolidated statement of cash flows	**2,599,321**	3,347,936

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2014	2013	**2014**	2013
	$	$	**$**	$
Australian dollar	**46,399**	89,611	**34,568**	24,108
Hong Kong dollar	**81**	82	**81**	82
Renminbi	**542,632**	645,804	**-**	-
Singapore dollar	**2,301,219**	3,414,056	**379,868**	1,197,551
United States dollar	**137**	139	**137**	139
	2,890,468	4,149,692	**414,654**	1,221,880

The fixed deposits have an average maturity within 4 months (2013: within 1 month) from the end of the reporting period with a weighted average interest rate of 0.01% (2013: 0.05%) per annum.

10 Share capital

The Company	2014 $	2013 $
Issued and fully paid, with no par value		
167,396,419 ordinary shares	**11,477,119**	11,477,119

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

11 Reserves

	The Group			The Company		
	30 June 2014	30 June 2013	1 July 2012	**30 June 2014**	30 June 2013	1 July 2012
	$	$	$	**$**	$	$
		Restated	Restated		Restated	Restated
Exchange fluctuation reserve	**199,394**	142,665	142,665	**-**	-	-
Share option reserve	**497,598**	497,598	497,598	**497,598**	497,598	497,598
Retained earnings	**5,647,456**	9,607,574	12,522,653	**2,916,854**	6,783,098	9,958,988
	6,344,448	10,247,837	13,162,916	**3,414,452**	7,280,696	10,456,586

Exchange fluctuation reserve

Exchange fluctuation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

Share option reserve

Share option reserve represents the cumulative value of employee services received from directors, academic advisors and employees for the issue of share options.

12 Dividends

	The Group		The Company	
	2014	2013	**2014**	2013
	$	$	$	$
First and final dividend paid of 0.0597 cents per share in respect of the financial year ended 30 June 2013	**99,938**	-	**99,938**	-

13 Borrowings

		2014	2013
The Group and the Company	Note	**$**	$
Non-current			
Bank loans (secured)	13.1	**3,243,255**	602,829
Current			
Bank loans (secured)	13.1	**1,248,223**	1,049,996
		4,491,478	1,652,825

13 Borrowings (cont'd)

13.1 Bank loans (secured)

The Group and the Company	Note	2014 $	2013 $
Bank loan I	(a)	**596,329**	852,825
Bank loan II	(b)	**-**	800,000
Bank loan III	(c)	**3,895,149**	-
		4,491,478	1,652,825
Represented by:			
Non-current		**3,243,255**	602,829
Current		**1,248,223**	1,049,996
		4,491,478	1,652,825

(a) Bank loan I comprises a drawdown of $1,000,000 on 5 November 2012. The loan is repayable by 48 monthly principal instalments of $20,833 or by any such instalments as may be specified or fixed by the bank from time to time. Interest is charged at 1.75% (2013: 1.75%) per annum over the bank's prevailing cost of funds.

(b) Bank loan II comprised two drawdowns of $500,000 on 27 June 2013 and $300,000 on 28 June 2013, respectively. The loan was fully repaid on 26 July 2013. Interest was charged at 1.5% (2013: 1.5%) per annum over the bank's prevailing cost of funds.

(c) Bank loan III comprises five drawdowns of $550,000 on 29 November 2013, $500,000 on 26 December 2013, $600,000 on 27 February 2014, $750,000 on 28 April 2014 and $1,700,000 on 26 June 2014, respectively. The loan is repayable by 48 monthly principal instalments of $85,417 or by any such instalments as may be specified or fixed by the bank from time to time. Interest is charged at 2.03% per annum over the bank's prevailing cost of funds.

The bank loans are secured by mortgages over the Group's and the Company's investment properties of 24 office units (2013: 10 office units) with a floor area of 720 square metres (2013: 276 square metres) and carrying amount of $13,790,000 (2013: $5,190,000) (Note 5) at the reporting date.

13.2 Currency risk

Borrowings are denominated in Singapore dollars.

13.3 Weighted average effective interest rates

The weighted average interest rates of borrowings at the end of the reporting period are as follows:

	2014	2013
Bank loans (secured)	**2.02%**	2.06%

13.4 Carrying amounts and fair values

The fair values of variable rate borrowings approximate their carrying amounts at the end of the reporting period.

14 Trade and other payables

	The Group		The Company	
	2014	2013	**2014**	2013
	$	$	**$**	$
Trade payables	**1,401,375**	1,352,708	**1,384,574**	1,351,980
Accrued expenses	**1,684,852**	1,344,361	**1,631,279**	1,300,178
Amounts due to subsidiaries (non-trade)	**-**	-	**5,581,655**	5,277,137
Amount due to non-controlling interests (non-trade)	**209,333**	178,222	**-**	-
Other payables	**489,863**	295,674	**238,794**	98,301
Total "non-derivative financial liabilities"	**3,785,423**	3,170,965	**8,836,302**	8,027,596
Course and examination fees received in advance (non-refundable)	**2,957,728**	3,183,116	**-**	-
Total trade and other payables	**6,743,151**	6,354,081	**8,836,302**	8,027,596

The non-trade amounts due to subsidiaries and non-controlling interest, comprising advances, are unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2014	2013	**2014**	2013
	$	$	**$**	$
Australian dollar	**45,018**	4,997	**45,018**	4,997
Hong Kong dollar	**1,841**	1,765	**-**	-
Indonesian rupiah	**63**	77	**63**	77
British pound	**400,276**	349,228	**400,276**	349,228
Renminbi	**320,906**	315,573	**-**	-
Singapore dollar	**5,964,647**	5,679,590	**8,380,545**	7,670,443
United States dollar	**10,400**	2,851	**10,400**	2,851
	6,743,151	6,354,081	**8,836,302**	8,027,596

15 Other income

	2014	2013
<u>**The Group**</u>	**$**	$
		Restated
Exchange gain, net	**-**	62,063
Government grants	**264,304**	124,257
Graduation fees	**18,519**	27,631
Interest income from cash and cash equivalents	**2,473**	7,446
Rental income from investment properties (Note 5)	**730,888**	244,674
Rental income – others	**48,363**	68,585
Gain on disposal of investment properties	**-**	317,190
Gain on disposal of plant and equipment	**9,202**	-
Others	**58,932**	173,076
	1,132,681	1,024,922

Others mainly relate to course material fees, excursion fees, registration fees, transportation fees and other miscellaneous fees charged to nursery students in the People's Republic of China.

16 Staff costs

The Group	2014 $	2013 $
Key management personnel:		
Directors' fees	**183,000**	159,445
Directors' remuneration other than fees		
- salaries and other related costs	**579,869**	534,384
- contributions to defined contribution plans	**20,074**	25,099
	782,943	718,928
Other than directors		
- salaries and other related costs	**1,563,073**	1,826,738
- contributions to defined contribution plans	**152,700**	193,798
	1,715,773	2,020,536
Total key management personnel compensation	**2,498,716**	2,739,464
Other than key management personnel:		
- salaries and other related costs	**3,846,012**	3,367,626
- contributions to defined contribution plans	**460,058**	379,739
	4,306,070	3,747,365
Total staff costs	**6,804,786**	6,486,829

17 Finance costs

The Group	2014 $	2013 $
Interest expense		
- bank loans (secured)	**34,056**	88,993
- bank overdraft	-	21
	34,056	89,014

18 Loss before taxation

The following items have been included in arriving at loss before taxation:

The Group	Note	2014 $	2013 $ Restated
Amortisation of intangible assets	6	**64,260**	95,180
Audit fees paid/payable to:			
- auditor of the Company		**136,000**	136,500
- other auditors		**42,759**	39,678
Depreciation of plant and equipment	4	**640,375**	594,730
Impairment losses on other receivables	8	**12,686**	-
Intangible assets written off	6	**6,021**	45,143
Plant and equipment written off	4	**1**	7,435

19 Tax expense

The Group	2014 $	2013 $
Current tax expense	-	-
Deferred tax expense	-	-
	-	-

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the accounting loss as a result of the following:

The Group	2014 $	2013 $ Restated
Loss before taxation	(3,901,587)	(2,809,935)
Tax at statutory rate of 17% (2013: 17%)	(663,270)	(477,689)
Tax effect on non-deductible expenses	12,897	241,197
Tax effect on non-taxable income	(139,400)	(298,685)
Tax incentives	(49,321)	(47,582)
Temporary differences not recognised	104,887	98,727
Deferred tax assets on current year losses not recognised	754,192	481,966
Difference in foreign tax rate	(19,985)	2,066
	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items

	The Group		The Company	
	2014 $	2013 $	2014 $	2013 $
Tax losses	9,823,000	5,598,000	8,798,000	4,843,000
Deductible temporary differences	1,432,000	820,000	1,432,000	820,000
	11,255,000	6,418,000	10,230,000	5,663,000

Tax losses of $1,025,000 (2013: $755,000) expire from 2015 through 2019. The remaining tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

20 Loss per share

20.1 Basic loss per share

The calculation of basic loss per share was based on the loss attributable to ordinary shareholders of $3,860,180 (2013: $2,867,965) and a weighted average number of ordinary shares outstanding of 167,396,419 (2013: 167,396,419) and calculated as follows:

(a) Loss attributable to ordinary shareholders

The Group	**2014** **$**	2013 $ Restated
(Loss)/Profit attributable to ordinary shareholders (as previously reported)	**(3,860,180)**	50,936
Effects of change in accounting policy for investment properties (Note 27)	**-**	(2,918,901)
Loss attributable to ordinary shareholders (as restated)	**(3,860,180)**	(2,867,965)

(b) Weighted average number of ordinary shares

The Group	**2014**	2013
	Number of ordinary shares	
Weighted average number of ordinary shares during the year	**167,396,419**	167,396,419

20.2 Diluted loss per share

The share options outstanding have an anti-dilutive effect on the basic losses per share of the Group for the years ended 30 June 2014 and 2013. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 30 June 2014 and 2013.

21 Equity-settled share-based payment transactions

Share Option Scheme

The TMC Share Option Scheme ("SOS") was approved and adopted by the Company's members at an Extraordinary General Meeting held on 25 May 2001 and subsequent amendments were approved on 25 November 2005. The SOS was administered by the Company's Remuneration Committee, comprising three directors, Chen Timothy Teck Leng (Chairman), Woo Lee Yong and Wong Hin Sun Eugene. The SOS was for a period of ten years and expired on 24 May 2011.

Other information regarding the SOS is set out below:

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

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

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

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

21 Equity-settled share-based payment transactions (cont'd)

Share Option Scheme (cont'd)

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

Date of grant of options	Exercise price per share	Options outstanding as at 1.7.2013	Options exercised	Options forfeited	Options expired	**Options outstanding as at 30.6.2014**	Expiry date	Options exercisable as at 30.6.2013	**Options exercisable as at 30.6.2014**
01.12.2003	$0.1037	18,870	-	-	18,870	**-**	30.11.2013	18,870	**-**
28.06.2004	$0.0994	26,418	-	-	26,418	**-**	27.06.2014	26,418	**-**
13.12.2004	$0.0612	26,418	-	-	-	**26,418**	12.12.2014	26,418	**26,418**
07.03.2006	$0.0453	67,934	-	-	-	**67,934**	06.03.2016	67,934	**67,934**
26.06.2006	$0.0429	26,418	-	-	-	**26,418**	25.06.2016	26,418	**26,418**
11.12.2006	$0.0620	47,804	-	3,774	-	**44,030**	10.12.2016	47,804	**44,030**
18.06.2007	$0.1248	124,546	-	8,806	-	**115,740**	17.06.2017	124,546	**115,740**
10.12.2007	$0.1370	112,000	-	10,000	-	**102,000**	09.12.2017	112,000	**102,000**
16.06.2008	$0.1050	118,000	-	11,000	-	**107,000**	15.06.2018	118,000	**107,000**
16.12.2008	$0.0610	100,000	-	-	100,000	**-**	15.12.2013	100,000	**-**
16.12.2008	$0.0610	68,000	-	3,000	-	**65,000**	15.12.2018	68,000	**65,000**
19.06.2009	$0.0600	100,000	-	-	100,000	**-**	18.06.2014	100,000	**-**
19.06.2009	$0.0600	124,000	-	9,000	-	**115,000**	18.06.2019	124,000	**115,000**
03.12.2009	$0.0640	100,000	-	-	-	**100,000**	02.12.2014	100,000	**100,000**
03.12.2009	$0.0640	114,000	-	10,000	-	**104,000**	02.12.2019	114,000	**104,000**
		1,174,408	-	55,580	245,288	**873,540**		1,174,408	**873,540**

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

	Options granted during the financial year ended 30.6.2014	Aggregate options granted since commence-ment of SOS to 30.6.2014	Aggregate options lapsed since commence-ment of SOS to 30.6.2014	Aggregate options expired since commence-ment of SOS to 30.6.2014	Aggregate options exercised since commence-ment of SOS to 30.6.2014	Aggregate options outstanding as at 30.6.2014
Directors						
Woo Lee Yong	-	1,265,620	-	(400,000)	(765,620)	100,000
Former directors	-	1,891,430	(1,251,620)	-	(639,810)	-
Others						
Academic advisors	-	2,635,860	(1,954,860)	-	(681,000)	-
Employees	-	6,240,877	(3,656,112)	(130,836)	(1,680,389)	773,540
	-	12,033,787	(6,862,592)	(530,836)	(3,766,819)	873,540

21 Equity-settled share-based payment transactions (cont'd)

Share Option Scheme (cont'd)

The number and weighted average exercise prices and fair values of share options are as follows:

	Weighted average exercise price 2014 $	**Number of options 2014**	Weighted average exercise price 2013 $	Number of options 2013
Outstanding at beginning of year	**0.0801**	**1,174,408**	0.0882	1,627,790
Forfeited during the year	**0.1044**	**(55,580)**	0.0944	(167,834)
Expired during the year	**0.0717**	**(245,288)**	0.1180	(285,548)
Outstanding at end of year	**0.0948**	**873,540**	0.0801	1,174,408
Exercisable at end of year	**0.0948**	**873,540**	0.0801	1,174,408

The weighted average remaining contractual life of share options outstanding at the reporting date is 3.29 years (2013: 3.58 years).

No options were exercised during the financial years ended 30 June 2014 and 2013.

All of the share options were fully vested and the fair value of the share options were fully recognised prior to the financial year ended 30 June 2012.

Share Award Scheme

Following the expiry of the SOS on 24 May 2011, the Company implemented the TMC Share Award Scheme ("SAS") to replace the SOS. The SAS was approved and adopted by the Company's members at an Extraordinary General Meeting held on 31 March 2011. The SAS is administered by the Company's Remuneration Committee, comprising three directors, Chen Timothy Teck Leng (Chairman), Woo Lee Yong and Wong Hin Sun Eugene.

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

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

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

22 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties based on terms agreed between the parties:

The Company	**2014 $**	2013 $
Service fees charged to a subsidiary	**8,208,869**	8,913,110

23 Commitments

23.1 Operating lease commitments (non-cancellable)

Where the Group and the Company are the lessee,

At the reporting date, the Group and the Company were committed to making the following payments in respect of non-cancellable operating leases of campus and office premises and office equipment with an original term of more than one year:

	The Group		The Company	
	2014	2013	**2014**	2013
	$	$	**$**	$
Not later than one year	**3,369,338**	3,383,500	**3,260,447**	3,271,747
Later than one year and not later than five years	**3,580,511**	4,574,855	**3,493,398**	4,351,350
	6,949,849	7,958,355	**6,753,845**	7,623,097

The leases on these campus and office premises expire between October 2015 and March 2019. There is an option to renew the lease in October 2017.

Where the Group and the Company are the lessor,

At the reporting date, the Group and the Company had the following rental income receivable under non-cancellable operating leases for commercial premises (investment properties) with an original term of more than one year:

The Group and the Company	**2014** **$**	2013 $
Not later than one year	**606,674**	476,483
Later than one year and not later than five years	**224,415**	198,970
	831,089	675,453

The leases on these commercial premises expire between November 2014 and May 2016 and contain renewal options.

24 Operating segments

Business and geographical segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each strategic business unit, the Group Chief Executive Officer ("CEO") reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Provision of education courses to tertiary students in Singapore.
- Provision of kindergarten and early childhood education to nursery students in the People's Republic of China ("PRC").

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by Group CEO. Segment profit is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

24 Operating segments (cont'd)

The Group	Tertiary education in Singapore $	Pre-school education in PRC $	Others $	Total $
2014				
External revenue	**8,317,505**	**1,024,582**	**-**	**9,342,087**
Segment results	**(4,598,741)**	**(249,606)**	**(267,230)**	**(5,115,577)**
Fair value gain on investment properties	**-**	**-**	**820,000**	**820,000**
Government grants	**264,304**	**-**	**-**	**264,304**
Graduation fees	**18,519**	**-**	**-**	**18,519**
Interest income	**375**	**2,098**	**-**	**2,473**
Rental income from investment properties	**-**	**-**	**730,888**	**730,888**
Rental income – others	**48,363**	**-**	**-**	**48,363**
Gain on disposal of plant and equipment	**9,202**	**-**	**-**	**9,202**
Sundry income	**45,824**	**13,108**	**-**	**58,932**
Interest expense	**(34,056)**	**-**	**-**	**(34,056)**
Depreciation of plant and equipment	**(624,946)**	**(15,429)**	**-**	**(640,375)**
Amortisation of intangible assets	**(64,260)**	**-**	**-**	**(64,260)**
Reportable segment (loss)/profit before taxation	**(4,935,416)**	**(249,829)**	**1,283,658**	**(3,901,587)**
Capital expenditure	**399,765**	**1,364**	**-**	**401,129**
Reportable segment assets	**6,328,060**	**726,254**	**23,080,000**	**30,134,314**
Reportable segment liabilities	**(9,087,629)**	**(3,508,415)**	**-**	**(12,596,044)**
2013 (Restated)				
External revenue	9,216,472	1,035,744	-	10,252,216
Segment results	(3,662,246)	(155,585)	(428,102)	(4,245,933)
Fair value gain on investment properties	-	-	1,190,000	1,190,000
Exchange (loss)/gain	(11,517)	73,580	-	62,063
Government grants	124,257	-	-	124,257
Graduation fees	27,631	-	-	27,631
Interest income	5,108	2,338	-	7,446
Rental income from investment properties	-	-	244,674	244,674
Rental income – others	68,585	-	-	68,585
Gain on disposal of investment properties	-	-	317,190	317,190
Sundry income	53,601	119,475	-	173,076
Interest expense	(89,014)	-	-	(89,014)
Depreciation of plant and equipment	(580,746)	(13,984)	-	(594,730)
Amortisation of intangible assets	(95,180)	-	-	(95,180)
Reportable segment (loss)/profit before taxation	(4,159,521)	25,824	1,323,762	(2,809,935)
Capital expenditure	864,332	25,728	-	890,060
Reportable segment assets	7,713,390	853,577	22,260,000	30,826,967
Reportable segment liabilities	(5,901,634)	(3,459,532)	-	(9,361,166)

24 Operating segments (cont'd)

Reconciliations of reportable segment revenue, loss before taxation, assets and liabilities

The Group	2014 $	2013 $ Restated
Revenue		
Total revenue for reportable segments	**9,342,087**	10,252,216
Consolidated revenue	**9,342,087**	10,252,216
Assets		
Total assets for reportable segments	**30,134,314**	30,826,967
Elimination of inter-segment assets	**(1,361,415)**	(1,354,260)
Consolidated total assets	**28,772,899**	29,472,707
Liabilities		
Total liabilities for reportable segments	**12,596,044**	9,361,166
Elimination of inter-segment liabilities	**(1,361,415)**	(1,354,260)
Consolidated total liabilities	**11,234,629**	8,006,906

25 Financial risk management

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Group's and the Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Company's activities. The Group and the Company, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

25.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

There is no exposure to credit risk for students who pay their course and examination fees in advance.

25 Financial risk management (cont'd)

25.1 Credit risk (cont'd)

For trade receivables, the Group and the Company adopt the practice of dealing only with those customers of appropriate credit history. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company have established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group and the Company grant credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through ongoing credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

The Group's and the Company's trade receivables comprise two debtors (2013: two debtors) that represented 66% (2013: 60%) of trade receivables.

The Group and the Company establish an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group and the Company are satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The Group and the Company evaluate whether there is any objective evidence that trade and other receivables are impaired, and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group and the Company base the estimates on the ageing of the trade receivable balances, creditworthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated. In determining the recoverability of trade and other receivables, the Group and the Company consider any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the end of the reporting period.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 8.

25.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

25 Financial risk management (cont'd)

25.2 Liquidity risk (cont'd)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

		-----Contractual undiscounted cash flows------		
	Carrying amount	Total	Less than 1 year	Between 2 and 5 years
The Group	$	$	$	$
2014				
Non-derivative financial liabilities				
Trade and other payables	**3,785,423**	**3,785,423**	**3,785,423**	**-**
Borrowings	**4,491,478**	**4,661,808**	**1,327,675**	**3,334,133**
	8,276,901	**8,447,231**	**5,113,098**	**3,334,133**
2013				
Non-derivative financial liabilities				
Trade and other payables	3,170,965	3,170,965	3,170,965	-
Borrowings	1,652,825	1,682,877	1,064,883	617,994
	4,823,790	4,853,842	4,235,848	617,994
The Company				
2014				
Non-derivative financial liabilities				
Trade and other payables	**8,836,302**	**8,836,302**	**8,836,302**	**-**
Borrowings	**4,491,478**	**4,661,808**	**1,327,675**	**3,334,133**
	13,327,780	**13,498,110**	**10,163,977**	**3,334,133**
2013				
Non-derivative financial liabilities				
Trade and other payables	8,027,596	8,027,596	8,027,596	-
Borrowings	1,652,825	1,682,877	1,064,883	617,994
	9,680,421	9,710,473	9,092,479	617,994

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient level of cash and cash equivalents and has available adequate amount of committed credit facilities from financial institutions to meet their working capital requirements.

25 Financial risk management (cont'd)

25.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their variable rate bank loans.

Sensitivity analysis for interest rate risk

For the variable rate bank loans, a change of 75 (2013: 75) basis points ("bp") in interest rates at the reporting date would have decreased/increased profit or loss and equity by amounts as shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Loss before tax		Equity	
	---Increase/(Decrease)---		---Increase/(Decrease)---	
	(75bp Increase)	(75bp Decrease)	(75bp Increase)	(75bp Decrease)
	$	$	$	$
The Group and the Company				
2014				
Variable rate bank loans	**33,686**	**(33,686)**	**(33,686)**	**33,686**
2013				
Variable rate bank loans	12,396	(12,396)	(12,396)	12,396

25.4 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to currency risk on trade and other receivables, cash and cash equivalents and trade and other payables that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Australian dollar (AUD), Singapore dollar (SGD) and British pound (GBP).

The Group and the Company do not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis for foreign currency risk

A 10% (2013: 10%) strengthening/weakening of the above currencies against the functional currencies of the group entities at the reporting date would have increased/decreased profit or loss and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

25 Financial risk management (cont'd)

25.4 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk (cont'd)

	2014 Loss before tax - increase/ (decrease) $	2014 Equity - increase/ (decrease) $	2013 Loss before tax - increase/ (decrease) $	2013 Equity - increase/ (decrease) $
The Group				
AUD - strengthened 10% (2013: 10%)	**(138)**	**138**	(9,481)	9,481
- weakened 10% (2013: 10%)	**138**	**(138)**	9,481	(9,481)
GBP - strengthened 10% (2013: 10%)	**36,554**	**(36,554)**	34,923	(34,923)
- weakened 10% (2013: 10%)	**(36,554)**	**36,554**	(34,923)	34,923
The Company				
AUD - strengthened 10% (2013: 10%)	**1,045**	**(1,045)**	(2,930)	2,930
- weakened 10% (2013: 10%)	**(1,045)**	**1,045**	2,930	(2,930)
GBP - strengthened 10% (2013: 10%)	**36,554**	**(36,554)**	34,923	(34,923)
- weakened 10% (2013: 10%)	**(36,554)**	**36,554**	(34,923)	34,923

25.5 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, and hence are not exposed to any movement in market prices.

25.6 Financial instruments by category

The carrying amounts of financial assets and financial liabilities are as follows:

	The Group 2014 $	The Group 2013 $	The Company 2014 $	The Company 2013 $
Financial assets				
Financial assets measured at amortised cost:				
Trade and other receivables (excluding prepayments)	**143,859**	92,497	**132,605**	81,996
Cash and cash equivalents	**2,890,468**	4,149,692	**414,654**	1,221,880
	3,034,327	4,242,189	**547,259**	1,303,876
Financial liabilities				
Financial liabilities measured at amortised cost:				
Trade and other payables (excluding course and examination fees received in advance (non-refundable))	**3,785,423**	3,170,965	**8,836,302**	8,027,596
Borrowings	**4,491,478**	1,652,825	**4,491,478**	1,652,825
	8,276,901	4,823,790	**13,327,780**	9,680,421

25 Financial risk management (cont'd)

25.7.1 Fair value measurement of financial instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, and borrowings) approximate their fair values because of the short period to maturity.

25.7.2 Fair value measurement of non-financial assets

Fair value hierarchy

The table below analyses non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company	Level 1 $	Level 2 $	Level 3 $	Total $
2014				
Investment properties (Note 5)	**-**	**-**	**23,080,000**	**23,080,000**
2013				
Investment properties (Note 5)	-	-	22,260,000	22,260,000

The following table shows the significant unobservable inputs used in the valuation:

Type	Fair value as at 30 June 2014	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	$23,080,000	Direct comparison approach	Price per square meter	Any significant isolated increase/ (decrease) in this input would result in a significantly higher/ (lower) value measurement
			Discount on the quality of the commercial premises (16%)	Any significant isolated increase/ (decrease) in this input would result in a significantly (lower)/ higher value measurement

26 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The Group's approach to capital management remains unchanged from the prior financial year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises trade and other payables and borrowings, less cash and cash equivalents. Total capital represents equity attributable to owners of the Company.

The Group	2014 $	2013 $ Restated
Trade and other payables (Note 14)	**6,743,151**	6,354,081
Borrowings (Note 13)	**4,491,478**	1,652,825
Total debt	**11,234,629**	8,006,906
Less: Cash and cash equivalents (Note 9)	**(2,890,468)**	(4,149,692)
Net debt	**8,344,161**	3,857,214
Equity attributable to owners of the Company	**17,821,567**	21,724,956
Total capital and net debt	**26,165,728**	25,582,170
Gearing ratio	**32%**	15%

27 Effects of change in accounting policy for investment properties

On 1 July 2013, the Group and the Company changed its accounting policy with respect to subsequent measurement of investment properties from the "cost model" to the "fair value model", with changes in fair value to be recognised in profit or loss under FRS 40 Investment Property. FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors states that "an entity shall change an accounting policy only if the change results in the financial statements providing reliable and more relevant information about the effects on transactions, other events or conditions on the entity's financial position, financial performance or cash flows". According to FRS 40, a change from one model to the other is made only if the change results in a more appropriate presentation. For guidance, FRS 40 also states that this is highly unlikely to be the case for a change from the "fair value model" to the "cost model". The Group and the Company is of the view and has assessed that subsequent measurement of the Group's and the Company's investment properties using the "fair value model" provides more relevant information about their financial performance, assists users of the Group's and the Company's financial statements to better understand the risks associated with the investment properties, and provides better consistency with industry practice in relation to these types of assets.

27 Effects of change in accounting policy for investment properties (cont'd)

In accordance to FRS 8, this change in accounting policy was applied retrospectively. FRS 8 defines that "retrospective application is applying a new accounting policy to transactions, other events and conditions as if the policy had always been applied" and also stated that "the entity shall adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied". As a result, certain line items of, and related notes disclosure information in, the comparative financial statements have been adjusted. Further details of the effects of the change in these comparative financial information, including earnings per share, are set out below.

(i) Reconciliation of statements of financial position as at 30 June 2013:

	The Group			The Company		
	As previously reported	Effects of the change	As restated	As previously reported	Effects of the change	As restated
	$	$	$	$	$	$
ASSETS						
Non-Current Assets						
Property, plant and equipment	2,388,217	-	2,388,217	2,344,590	-	2,344,590
Investment properties	7,998,931	14,261,069	22,260,000	7,998,931	14,261,069	22,260,000
Intangible assets	171,709	-	171,709	171,709	-	171,709
Subsidiaries	-	-	-	2,000,014	-	2,000,014
	10,558,857	14,261,069	24,819,926	12,515,244	14,261,069	26,776,313
Current Assets						
Trade and other receivables	503,089	-	503,089	440,043	-	440,043
Cash and bank balances	4,149,692	-	4,149,692	1,221,880	-	1,221,880
	4,652,781	-	4,652,781	1,661,923	-	1,661,923
Total assets	15,211,638	14,261,069	29,472,707	14,177,167	14,261,069	28,438,236
EQUITY						
Share capital	11,477,119	-	11,477,119	11,477,119	-	11,477,119
Reserves	(4,013,232)	14,261,069	10,247,837	(6,980,373)	14,261,069	7,280,696
Equity attributable to owners of the Company	7,463,887	14,261,069	21,724,956	4,496,746	14,261,069	18,757,815
Non-controlling interests	(259,155)	-	(259,155)	-	-	-
Total equity	7,204,732	14,261,069	21,465,801	4,496,746	14,261,069	18,757,815
LIABILITIES						
Non-Current Liabilities						
Borrowings	602,829	-	602,829	602,829	-	602,829
Current Liabilities						
Trade and other payables	6,354,081	-	6,354,081	8,027,596	-	8,027,596
Borrowings	1,049,996	-	1,049,996	1,049,996	-	1,049,996
	7,404,077	-	7,404,077	9,077,592	-	9,077,592
Total liabilities	8,006,906	-	8,006,906	9,680,421	-	9,680,421
Total equity and liabilities	15,211,638	14,261,069	29,472,707	14,177,167	14,261,069	28,438,236

Notes to the Financial Statements

for the financial year ended 30 June 2014

27 Effects of change in accounting policy for investment properties (cont'd)

(ii) Reconciliation of statements of financial position as at 1 July 2012:

	The Group			The Company		
	As previously reported	Effects of the change	As restated	As previously reported	Effects of the change	As restated
	$	$	$	$	$	$
ASSETS						
Non-Current Assets						
Property, plant and equipment	2,195,695	-	2,195,695	2,167,402	-	2,167,402
Investment properties	11,040,030	17,179,970	28,220,000	11,040,030	17,179,970	28,220,000
Intangible assets	213,069	-	213,069	213,069	-	213,069
Subsidiaries	-	-	-	2,000,014	-	2,000,014
	13,448,794	17,179,970	30,628,764	15,420,515	17,179,970	32,600,485
Current Assets						
Trade and other receivables	326,949	-	326,949	280,180	-	280,180
Cash and bank balances	3,512,962	-	3,512,962	708,278	-	708,278
	3,839,911	-	3,839,911	988,458	-	988,458
Total assets	17,288,705	17,179,970	34,468,675	16,408,973	17,179,970	33,588,943
EQUITY						
Share capital	11,477,119	-	11,477,119	11,477,119	-	11,477,119
Reserves	(4,017,054)	17,179,970	13,162,916	(6,723,384)	17,179,970	10,456,586
Equity attributable to owners of the Company	7,460,065	17,179,970	24,640,035	4,753,735	17,179,970	21,933,705
Non-controlling interests	(303,601)	-	(303,601)	-	-	-
Total equity	7,156,464	17,179,970	24,336,434	4,753,735	17,179,970	21,933,705
LIABILITIES						
Non-Current Liabilities						
Borrowings	933,328	-	933,328	933,328	-	933,328
Current Liabilities						
Trade and other payables	6,948,909	-	6,948,909	8,471,906	-	8,471,906
Borrowings	2,250,004	-	2,250,004	2,250,004	-	2,250,004
	9,198,913	-	9,198,913	10,721,910	-	10,721,910
Total liabilities	10,132,241	-	10,132,241	11,655,238	-	11,655,238
Total equity and liabilities	17,288,705	17,179,970	34,468,675	16,408,973	17,179,970	33,588,943

27 Effects of change in accounting policy for investment properties (cont'd)

(iii) Reconciliation of consolidated statement of comprehensive income for the financial year ended 30 June 2013:

	The Group		
	As previously reported $	Effects of the change $	As restated $
Revenue	10,252,216	-	10,252,216
Other income	5,405,654	(4,380,732)	1,024,922
Fair value gain on investment properties	-	1,190,000	1,190,000
Course materials and subscriptions	(1,060,776)	-	(1,060,776)
Staff costs	(6,486,829)	-	(6,486,829)
Plant and equipment, investment properties and related expenses	(1,648,317)	271,831	(1,376,486)
Advertising and promotion	(845,706)	-	(845,706)
Operating lease expense	(3,374,390)	-	(3,374,390)
Other expenses	(2,043,872)	-	(2,043,872)
Finance costs	(89,014)	-	(89,014)
Profit/(Loss) before taxation	108,966	(2,918,901)	(2,809,935)
Tax expense	-	-	-
Profit/(Loss) for the year	108,966	(2,918,901)	(2,809,935)
Other comprehensive income:			
Currency translation differences - foreign operations, at nil tax	(60,698)	-	(60,698)
Total comprehensive income/ (loss) for the year	48,268	(2,918,901)	(2,870,633)
Profit/(Loss) attributable to:			
Owners of the Company	50,936	(2,918,901)	(2,867,965)
Non-controlling interests	58,030	-	58,030
	108,966	(2,918,901)	(2,809,935)
Total comprehensive income/ (loss) attributable to:			
Owners of the Company	3,822	(2,918,901)	(2,915,079)
Non-controlling interests	44,446	-	44,446
	48,268	(2,918,901)	(2,870,633)
Earnings/(Loss) per share (cents)			
- basic	0.03	(1.74)	(1.71)
- diluted	0.03	(1.74)	(1.71)

27 Effects of change in accounting policy for investment properties (cont'd)

(iv) Reconciliation of consolidated statement of cash flows for the financial year ended 30 June 2013:

	The Group		
	As previously reported	Effects of the change	As restated
	$	$	$
Cash Flows from Operating Activities			
Profit/(Loss) before taxation	108,966	(2,918,901)	(2,809,935)
Adjustments for:			
Amortisation of intangible assets	95,180	-	95,180
Depreciation of investment properties	271,831	(271,831)	-
Depreciation of property, plant and equipment	594,730	-	594,730
Fair value gain on investment properties	-	(1,190,000)	(1,190,000)
Gain on disposal of investment properties	(4,697,922)	4,380,732	(317,190)
Intangible assets written off	45,143	-	45,143
Interest expense	89,014	-	89,014
Interest income	(7,446)	-	(7,446)
Property, plant and equipment written off	7,435	-	7,435
Operating loss before working capital changes	(3,493,069)	-	(3,493,069)
Change in operating receivables	(176,140)	-	(176,140)
Change in operating payables	(594,828)	-	(594,828)
Cash used in operations	(4,264,037)	-	(4,264,037)
Tax paid	-	-	-
Net cash used in operating activities	(4,264,037)	-	(4,264,037)
Cash Flows from Investing Activities			
Interest received	7,446	-	7,446
Proceeds from disposal of investment properties	7,467,190	-	7,467,190
Acquisition of intangible assets	(98,963)	-	(98,963)
Acquisition of property, plant and equipment	(791,097)	-	(791,097)
Net cash generated from investing activities	6,584,576	-	6,584,576
Cash Flows from Financing Activities			
Fixed deposit pledged	(201,756)	-	(201,756)
Interest paid	(89,014)	-	(89,014)
Repayment of bank loans	(1,530,507)	-	(1,530,507)
Net cash used in financing activities	(1,821,277)	-	(1,821,277)
Net increase in cash and cash equivalents	499,262	-	499,262
Cash and cash equivalents at beginning of year	2,912,962	-	2,912,962
Effects of exchange rate changes on cash and cash equivalents	(64,288)	-	(64,288)
Cash and cash equivalents at end of year	3,347,936	-	3,347,936

Statistics of Shareholdings

as at 12 September 2014

SHAREHOLDERS' INFORMATION

Issued and fully paid-up capital	:	$11,477,119		
Number of Shares	:	167,396,419		
Class of Shares	:	Ordinary Shares		
Voting Rights	:	On show of hands	:	One vote for each member
		On a poll	:	One vote for each ordinary share
Treasury Shares	:	Nil		

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	11	0.55	4,220	0.00
1,000 - 10,000	1,590	79.18	4,305,684	2.57
10,001 - 1,000,000	398	19.82	26,102,029	15.60
1,000,001 and Above	9	0.45	136,984,486	81.83
Total	**2,008**	**100.00**	**167,396,419**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	%	Deemed Interest	%
Chin Kon Yuen	75,766,600	45.26	29,223,000	17.46
Yeow Cheng Khim	29,223,000	17.46	75,766,600	45.26
Royal Inst of Construction Economists Pte Ltd	15,343,000	9.17	-	-

1. Chin Kon Yuen and Yeow Cheng Khim are husband and wife.
2. Chin Kon Yuen's direct interest includes 37,883,300 shares held in the name of Raffles Nominees Pte Ltd

Statistics of Shareholdings

as at 12 September 2014

TOP 20 SHAREHOLDERS' LIST

No.	Name	No. of Shares	%
1	Raffles Nominees Pte Ltd	37,922,300	22.65
2	Chin Kon Yuen	37,883,300	22.63
3	Yeow Cheng Khim	29,223,000	17.46
4	Royal Inst of Construction Economists Pte Ltd	15,343,000	9.17
5	Wong Hin Sun Eugene	4,508,000	2.69
6	Yeow Cheng Choo	4,072,600	2.43
7	Citibank Nominees Singapore Pte Ltd	3,539,200	2.11
8	United Overseas Bank Nominees (Private) Limited	2,700,086	1.61
9	OCBC Securities Private Ltd	1,793,000	1.07
10	Lee Bee Lian	980,000	0.59
11	Woo Lee Yong	971,220	0.58
12	OCBC Nominees Singapore Pte Ltd	918,200	0.55
13	Tan Suan Yin	666,872	0.40
14	DBS Nominees (Private) Ltd	523,800	0.31
15	Teo Yit Soon Samuel (Zhang Yishun Samuel)	522,000	0.31
16	Seacare Foundation Pte Ltd	500,000	0.30
17	Yeo Chiew Eng	434,000	0.26
18	Kuah Ann Soo	433,000	0.26
19	Law Peng Kwee	420,000	0.25
20	Tam Chee Mun	420,000	0.25
Total		**143,773,578**	**85.88**

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 12 September 2014, approximately 28.12% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual Section B: Rules of Catalist issued by the SGX-ST is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of **TMC EDUCATION CORPORATION LTD.** (the "**Company**") will be held at 38C Jalan Pemimpin (off Bishan Street 21) Singapore 577180 on Friday, 31 October 2014, at 11.00 a.m., for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited accounts for the financial year ended 30 June 2014, together with the Reports of the Directors and Auditors thereon. (**Resolution 1**)

2. To re-elect the following Directors retiring pursuant to Article 104 of the Articles of Association of the Company:

   (a) Mr Timothy Chen Teck Leng; and (**Resolution 2**)

   (b) Ms Yeow Cheng Khim (**Resolution 3**)

   Notes:

   (i) Mr Timothy Chen Teck Leng, if re-elected, will remain as an Independent Director, Chairman of the Audit Committee and Remuneration Committee, and a member of the Nominating Committee. He will be considered independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). More details on Mr Timothy Chen Teck Leng may be found in the Annual Report.

   (ii) Ms Yeow Cheng Khim, if re-elected, will remain as the Executive Director of the Company. More details on Ms Yeow Cheng Khim may be found in the Annual Report.

3. To re-elect Mr Woo Lee Yong, a Director who retires under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of the AGM until the next annual general meeting. (**Resolution 4**)

   Note:

   (i) Mr Woo Lee Yong, if re-elected, will remain as an Independent Director, Chairman of the Nominating Committee, and a member of the Audit Committee and Remuneration Committee. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. More details on Mr Woo Lee Yong may be found in the Annual Report.

4. To re-elect Dr Chin Kon Yuen, a Director who retires under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of the AGM until the next annual general meeting. (**Resolution 5**)

   Note:

   (i) Dr Chin Kon Yuen, if re-elected, will remain as the Executive Director and Chairman of the Board. More details on Dr Chin Kon Yuen may be found in the Annual Report.

5. To approve Directors' fees of S$183,000 for the financial year ended 30 June 2015 (FY2014: S$183,000). (**Resolution 6**)

6. To re-appoint Foo Kon Tan Grant Thornton LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (**Resolution 7**)

7. To transact any other ordinary business that may properly be transacted at an annual general meeting.

Notice of Annual General Meeting

SPECIAL BUSINESS

8. To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without modifications:

Authority to issue shares under the TMC Share Award Scheme

"That the Directors of the Company be and are hereby authorised to offer and grant Awards ("**Awards**") in accordance with the provisions of the TMC Share Award Scheme (the "**Scheme**") and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the Awards under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme and any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed fifteen per cent (15%) of the total issued share capital (excluding treasury shares) of the Company from time to time and provided also that subject to such adjustments as may be made to the Scheme as a result of any variation in the capital structure of the Company and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier." **(Resolution 8)**

9. To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without modifications:

Proposed renewal of the Share Purchase Mandate

"That the Directors of the Company be and are hereby authorised to make purchases of issued and fully-paid ordinary shares in the capital of the Company (the "**Shares**") from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent (10%) of the issued ordinary shares in the capital of the Company (excluding treasury shares) ascertained as at the time of passing of this Resolution, at the price of up to but not exceeding the Maximum Price, in accordance with the "Guidelines on Share Purchases" set out in Appendix 1 of the Circular to Shareholders dated 30 September 2014 (the "**Circular**") and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

In this Ordinary Resolution, "**Maximum Price**" means the maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall not exceed the sum constituting five per cent (5%) above the average closing price of the Shares over the period of five (5) Market Days ("**Market Day**" being a day on which the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") is open for securities trading) in which transactions in the Shares on the SGX-ST were recorded, in the case of a market purchase, before the day on which such purchase is made, and in the case of an off-market purchase on an equal access scheme, immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs after the relevant five (5) day period." **(Resolution 9)**
[See Explanatory Note]

By Order of the Board

Ong Sing Huat
Company Secretary

Singapore,
30 September 2014

Notice of Annual General Meeting

Explanatory Note

Resolution 9, if passed, will empower the Directors, from the date of the AGM until the date of the next annual general meeting, or the date by which the next annual general meeting is required by law to be held, whichever is the earlier to repurchase Shares by way of market purchases or off-market purchases of up to ten per cent (10%) of the issued ordinary share capital of the Company (excluding any shares held as treasury shares by the Company) at such price up to the Maximum Price. Information relating to this proposed resolution is set out in Appendix 1 of the Circular attached to the Annual Report.

Notes

A member entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote on his behalf and where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 38C Jalan Pemimpin (Off Bishan Street 21) Singapore 577180 not less than 48 hours before the time appointed for the AGM.

If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

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

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT
1 For investors who have used their CPF monies to buy TMC EDUCATION CORPORATION LTD shares, the Annual Report is forwarded to them at the request of their CPF approved nominees and is sent solely FOR INFORMATION ONLY.

2 This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ____________________ NRIC/Passport No. ____________

of ____________________

being a member/members of **TMC EDUCATION CORPORATION LTD** (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting ("**AGM**") of the Company to be held at 38C Jalan Pemimpin (off Bishan Street 21) Singapore 577180 on Friday, 31 October 2014, at 11.00 a.m., and at any adjournment thereof.

Note: Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.

No.	Resolutions	For	Against
1	To adopt the Directors' Report, Audited Financial Statements and Auditors' Report for the financial year ended 30 June 2014		
2	Re-election of Mr Timothy Chen Teck Leng as Director of the Company		
3	Re-election of Ms Yeow Cheng Khim as Director of the Company		
4	Re-election of Mr Woo Lee Yong as Director of the Company		
5	Re-election of Dr Chin Kon Yuen as Director of the Company		
6	Approval of Directors' fees amounting to S$183,000 for the financial year ended 30 June 2015 (FY2014: S$183,000)		
7	Re-appointment of Foo Kon Tan Grant Thornton LLP as Auditors of the Company and to authorise Directors to fix their remuneration		
8	Authority to issue shares under the TMC Share Award Scheme		
9	Proposed renewal of the Share Purchase Mandate		

Note:
Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the Resolutions to be passed.

Dated this __________ day of ______________ 2014

Total number of shares held in:	
(a) CDP Register	
(b) Register of Members	

………………………………………………
Signature(s) of member(s) or common seal

IMPORTANT
PLEASE READ NOTES OVERLEAF

NOTES

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy needs not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 38C Jalan Pemimpin (Off Bishan Street 21) Singapore 577180 not less than 48 hours before the time appointed for the meeting.

4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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