This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

TMC
Education Corporation Ltd
Since 1981
Every Step With You

LEADING TRANSFORMATION







2016 ANNUAL REPORT

CONTENTS

edutrust SINGAPORE

Cert No. : EDU-2-2006
Validity: 01/10/2016 - 30/09/2020

TMC Academy

Registration No. 201003953Z

Registration Period: 20 May 2014 to 19 May 2018

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

P.A.C.E.

PROFESSIONALISM
AFFINITY
CONTINUOUS IMPROVEMENT
EMPOWERMENT

CHAIRMAN'S STATEMENT

"The private education industry in Singapore is expected to be challenging in FY2017, we are looking into various initiatives to increase our competitiveness and financial position."

On behalf of the Board of Directors ("Board") of TMC Education Corporation Ltd (the "Company") and together with its subsidiaries, ("TMC" or the "Group"), I am pleased to present to you the Annual Report for the financial year ended 30 June 2016 ("FY2016").

In FY2016, our Group, and likewise other companies, has had to wrestle with the many challenges posed by a weakening global economic growth arising from low oil prices, higher interest rates and a moderation of growth in China and also around the world. The Group's revenue and profitability have been, to a certain extent, impacted. Despite these challenges, FY2016 was fortunately still a relatively stable year for the Group.

The private education industry in Singapore is highly regulated and possesses certain elements which present challenges to the enrolment of overseas students. Nevertheless, we are fully committed to the education process of all our students and in doing so, we constantly strive to achieve the highest quality standard in all aspects of our operations.

We are proud to be re-certified with a new 4-Year EduTrust Certification from 1 October 2016 to 30 September 2020. This is our second renewal of 4-Year EduTrust Certification since 2010. In 2010, TMC Academy was one of the first six Private Education Institutions to be awarded the prestigious 4-Year EduTrust Certification by the Council for Private Education, a statutory board established under the Private Education Act with legislative power to regulate the private education sector in Singapore.

FINANCIAL REVIEW

The Group incurred a net comprehensive loss for the year amounting to $5.75 million (FY2015: $5.50 million), in which, the loss attributable to equity holders of the Group was $5.87 million (FY2015: $5.30 million), resulting in a basic loss per share of 3.51 cents (FY2015: 3.18 cents) and profit per share of Nil cents (FY2015: 0.02 cents) from continuing operations and discontinued operations respectively in FY2016.

As part of the initiatives to improve its financial position, the Group has disposed off certain investment properties for net proceeds amounting to $4.41 million in FY2016. This disposal transaction, which was completed in March 2016, has improved the Group's cash flow position. For further details, please refer to the Company's announcements dated 10 December 2015, 7 January 2016 and 16 March 2016.

Dr. Chin Kon Yuen
Executive Chairman

CORPORATE REVIEW

We would like to highlight the following initiatives taken in FY2016:

- In November 2015, the Group successfully consolidated and integrated its operations from two campuses into one City Campus at 250 Middle Road Singapore 188983. As part of the business and overhead review, without compromising on the education quality and services to our students, this campus consolidation exercise is estimated to lead to a cost savings of more than $2.50 million annually, which will benefit the Group and greatly help towards a return to profitability.

- The Group launched a meaningful partnership between TMC Academy Singapore and the University of Northampton, UK, at Eden Hall, the British High Commissioner's residence on 1 April 2016. The event was attended by the Director of UK Trade and Investment Singapore, the Vice Chancellor of University of Northampton, UK and his Senior Colleagues and the Group's Guest of Honour, Mayor of Central Singapore district, Ms Denise Phua and other distinguished guests from the industry including four of the Group's external industry advisory board

Chairpersons, staff and students. Six programmes have been approved to be offered at TMC. They are Psychology, Psychology and Counselling, International Accounting, Business and Management, Marketing Management, and International Tourism Management.

- In order to effectively immerge students into the industry, the Group signed a memorandum of understanding with the Singapore Computer Society ("SCS") on 19 April 2016 to launch the Student Chapter at TMC Academy. The occasion was attended by the Vice President of SCS, Mr Leong Whee Teck and his other Senior Colleagues and the Group's Executive Chairman, Deans and Lecturing Staff and students. The Group strongly believes the event will serve as an initiative for the SCS Student Chapter at TMC to engage more interaction with industry mentors. The various activities organized by SCS will also benefit the students tremendously and eventually, the society as well.

In summary, these initiatives and on-going efforts have been undertaken to further strengthen our educational offerings and services and we believe the Group will be able to realise its full potential and demonstrate good returns in the near future.

THE YEAR AHEAD

The private education industry in Singapore is expected to be challenging in the financial year ending 30 June 2017 ("FY2017"). Part of the challenges is in identifying the trend of the private education industry, which is largely led by government policies. At this point in time, the trend of the private education industry remains relatively unclear due to recent changes in government policies relating to education.

Notwithstanding the challenges, the Group is looking into various initiatives to increase its competitiveness and financial position. They include the following:

- Reviewing its programmes and making them more industry ready to meet the needs of the industry;
- Leveraging on the government grants made available for its programmes in Singapore and marketing these programmes to local students;
- Evaluating its business strategies to align with government initiatives and programmes such as SkillsFuture and other programmes;
- Continuing to adopt cost cutting measures to make its operations efficient; and
- Streamlining its processes with the view of making its business more competitive.

In addition, internationalisation and raising productivity will be another key focus for the Group's future growth. The Group is currently looking into deepening its existing market presence and expand into emerging markets within the region (i.e., ASEAN) in the next five to seven years, with plans to venture into franchising and licensing of its education operations.

To strengthen its cash flow position in order to fund its future business expansion plans as well as working capital, the Group has been actively looking to realise some of its investment properties, which are valued at $17.25 million as of 30 June 2016. The Group has considered, amongst others, prevailing market conditions, the Group's cash flows and funding needs. To improve the marketability and valuation of its investment properties, the Group is presently in the process of obtaining approval from relevant authorities for the subdivision of investment properties.

The Group is also exploring various equity and/or debt fund raising options to strengthen its financial position and/or to make acquisitions of new business or assets which could be injected into the Group to improve its financial performance.

The Group wishes to stress that this is currently in an exploratory stage and updates would be provided to shareholders as and when there are material developments.

APPRECIATION

I would like to take this opportunity to express my appreciation to our directors and external advisors for their advices and guidance, our management and staff for their dedication and hard work, our university and strategic partners for their confidence and support, our students and parents for their trust and belief in our educational programmes and our shareholders who have supported us at every step of our journey.

Thank you for your continued support.

Dr. Chin Kon Yuen
Executive Chairman
October 2016

BOARD OF DIRECTORS

Left to Right: Mr. Tham Wan Loong, Jerome, Mr. Wee Liang Hiam, Dr. Chin Kon Yuen, Ms. Yeow Cheng Khim, Mr. Chen Timothy Teck Leng

Dr. Chin Kon Yuen

EXECUTIVE CHAIRMAN

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, 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 formerly the Second Vice President and currently a Council Member of Singapore Association for Private Education (SAPE), an association set up to represent private education institutions in Singapore.

BOARD OF DIRECTORS

Ms. Yeow Cheng Khim

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Ms Yeow Cheng Khim, the Executive Director and Chief Executive Officer, 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, organising and guiding the staff in preparing the final documentation for submission to the Council for Private Education (CPE). Ms Yeow has accumulated more than 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.

Mr. Wee Liang Hiam

LEAD INDEPENDENT DIRECTOR AND CHAIRMAN OF THE AUDIT COMMITTEE

Mr Wee Liang Hiam was appointed as a Director on 1 January 2016. Mr Wee has extensive experience in corporate finance and operational finance and had led successful merger and acquisition activities through the various stages from evaluation to the integration of the merged entities. He had successfully undertaken the initial public offer (IPO) of an electronics distribution group with turnover of over SGD800 million (2004), a food manufacturing and distribution group (2007) in the main board of the Singapore Exchange, a property development group (2012) in the Catalist board of the Singapore Exchange and an entrepreneurship mentoring group (2015) in the Australia Stock Exchange. He had also successfully participated in the reverse takeover (RTO) of a Chinese garment group, in their takeover of Friven & Co. Limited (2010). Mr Wee has more than 20 years' experience in operational finance roles having overseen financial matters and serving as the Chief Financial Officer of various public listed companies in Singapore. The industries that he had worked in ranges from biomedical, electronics, textile, food, industrial, trading, FMCG and property development. The turnover of these businesses range from S$10 million to over S$800 million, with the nature of business ranging from manufacturing, R&D, trading to retail.

Mr Wee also sits on the Boards of other listed companies as independent director. He holds a Master in Business Administration (MBA) from the Nanyang Technological University, a Bachelor of Business Administration Honours degree (BBA (Hons)) from the National University of Singapore, a Diploma in Education (Dip. Ed.) from National University of Singapore, a Post-graduate Diploma in Personnel Management (GDPM) from the Singapore Institute of Management and an Advance Certificate in Training and Assessment (ACTA) from the Workforce Development Agency of Singapore. Mr Wee is also a fellow member of the Institute of Singapore Chartered Accountants (FCA), a member of the Singapore Institute of Management (MSIM), and a member of the Singapore Institute of Directors (MSID).

Mr. Chen Timothy Teck Leng

INDEPENDENT DIRECTOR AND CHAIRMAN OF THE NOMINATING & REMUNERATION COMMITTEES

Mr Chen Timothy Teck Leng was appointed as a Director on 10 December 2010. Mr Chen has over 30 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 Logistics Holdings Ltd, Sysma Holdings Ltd, Tianjin Zhong Xin Pharmaceutical Group Corporation Ltd and Yangzijiang Shipbuilding Holdings Ltd, which are companies listed on the SGX-ST.

Mr. Tham Wan Loong, Jerome

INDEPENDENT DIRECTOR

Mr Tham Wan Loong, Jerome, was appointed as a Director on 1 January 2016. Mr Tham brings with him over 25 years of experience in equity sales and private banking. He was a Senior Relationship Manager with OCBC Private Bank. Prior to joining OCBC Private Bank in March 2008, he held several senior positions as a Private Banker with major financial institutions such as UOB Bank Ltd, Credit Industriel et Commercial, Dexia BIL Asia Pte Ltd, DMG and Merrill Lynch (Singapore).

Mr Tham has equity sales experience, which includes working for companies such as Japan Asia Holdings Ltd., DMG and Partners Securities Pte Ltd, BT Brokerage and Associates Pte Ltd and Daiwa Singapore Ltd. Mr Tham is an Executive Director at China Gaoxian Fibre Fabric Holdings Ltd, which is listed on the SGX-ST Main Board. Mr Tham graduated with a Social Science (with Honours) degree in Economics from the National University of Singapore in 1983.

NON-ACADEMIC KEY EXECUTIVES

Mr. Jeffrey Kwan Yew Ting

CHIEF FINANCIAL OFFICER AND DIRECTOR OF CORPORATE SERVICES

Mr Jeffrey Kwan Yew Ting was appointed as Chief Financial Officer (CFO) and Director of Corporate Services of the Group in April 2016. He is responsible for the Group's finance and treasury functions, as well as corporate services divisions.

Mr Kwan has extensive experience in accounting, corporate finance, treasury, group restructuring, M&A and IPO implementation, in both local and overseas. Prior to joining our Group, Mr Kwan held various senior positions, including CFO of the largest automotive electrical and electronics distribution system manufacturer in China, which is listed on the SGX-ST Main Board, CFO of a mining group in Indonesia, Finance Director of one of the leading electrical appliance retailers in Singapore, IPO Audit Manager of Ernst & Young (EY) in Singapore and Senior Auditor of both Deloitte and PricewaterhouseCoopers (PwC) in Malaysia. Mr Kwan is presently an Independent Director of a manufacturing group, which is listed on the SGX-ST Main Board.

Mr Kwan holds a MBA in Business Law from The University of New England, Australia, and a Bachelor of Management (Accountancy) (Honours) from the University of Technology Malaysia. He is a Chartered Accountant of ISCA (Institute of Singapore Chartered Accountants), a CPA (Certified Practising Accountant) of CPA Australia and a Chartered Accountant of MIA (Malaysian Institute of Accountants).

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.

NON-ACADEMIC KEY EXECUTIVES

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.

Ms. Ivory Tan Pei Ling

DEPUTY REGISTRAR – ACADEMIC SERVICES & QA, EXAMINATION

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 Deputy Registrar – Academic Services & QA, Examination, she handles all quality assurance matters and, audit visits from statutory bodies and university partners. She also oversees the examinations function. Ms Tan graduated with a Bachelor of Arts & Social Science (Economics) Degree from the National University of Singapore.

NON-ACADEMIC KEY EXECUTIVES

Ms. Wendy Yeo Mui Koon

ASSISTANT REGISTRAR – STUDENT SERVICES & SUPPORT

Ms Wendy Yeo Mui Koon is presently the Assistant Registrar for Resources & Examinations. She is responsible for the management of student services and admission. She also oversees the scheduling of courses and planning of schedules for academic staff. 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. 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. Sun Moon

SENIOR MANAGER – STUDENT RECRUITMENT AND MARKETING

Ms Sun Moon joined TMC in 2009 as a Manager in Student Recruitment and Marketing in the International Office and was promoted to Senior Manager in 2013. Ms Sun has more than 15 year experience in sales and marketing training, starting as a Senior Sales Trainer with a global leading finance institution and subsequently as a General Manager at a leading pharmaceutical company. Her current portfolio involves market research, business development, sales and marketing, and student recruitment in our key international markets. Ms Sun obtained her Master of Economics degree from Sookmyung Women's University in South Korea and Master of Business Administration degree from Coventry University, UK.

ACADEMIC KEY EXECUTIVES

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.

Ms. Kesavan Preethi

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

Ms Kesavan Preethi joined TMC in 2015 as the Dean of the School of Information Technology, Digital Media & Mass Communication. She obtained her Bachelor of Engineering Degree in Computer Science from Madurai Kamaraj University in India, Master of Science Degree in Software Engineering from Andrews University in US and Master of Science Degree in Information Studies from Nanyang Technological University in Singapore. She has recently completed her Ph.D Research in Management Doctoral with the University of Canberra in Australia. Her research interests are in the field of Knowledge Management, Organizational Learning, and Innovation in organizations. Ms Preethi is also a member of the Singapore Computer Society. Prior to joining TMC, she has many years of experience teaching in private education institutions in Singapore and commercial experience in software engineering.

BUSINESS REVIEW

FY2016 was a transformational year for the Group. As part of our business and overhead review, the Group has successfully consolidated and integrated its operations from two campuses into one City Campus at 250 Middle Road Singapore 188983, without compromising on the education quality and services to our students. This campus consolidation exercise is estimated to lead to cost savings of more than $2.50 million annually, which will benefit the Group and greatly help towards a return to profitability. In addition, the Group also disposed certain investment properties for net proceeds amounting to $4.41 million in FY2016 to improve its financial position.

The Group continues to seek opportunities to collaborate with renowned foreign universities to offer graduate and post-graduate programmes. In FY2016, the Group launched a meaningful partnership between TMC Academy Singapore and the University of Northampton, UK, with a total of six programmes, including Psychology, Psychology and Counselling, International Accounting, Business and Management, Marketing Management, and International Tourism Management, approved to be offered at TMC Academy Singapore. In addition, TMC has developed short courses to attract working adults to upgrade their skills with subsidies/grants from the government such as WSQ and SkillsFuture.

BUSINESS REVIEW

In FY2016, the Group signed a memorandum of understanding with the Singapore Computer Society ("SCS") to launch the Student Chapter at TMC Academy, to promote more interactions between TMC students and industry mentors. The various activities organised by SCS will benefit the students tremendously and eventually, the society as well. The Group believes a strong branding is critical to increase its market penetration and intends to strengthen its branding by maintaining the established goodwill of brand names in association with quality academic qualifications.

Moving forward, the Group plans to rely more on internet and social media rather than advertising through the press and print media to reach out to local and international students. The adoption of internet-based advertising is relatively more cost-effective for the business and helps to strengthen the Group's brand portfolio.

As students and parents treat education as a life-long investment, it is in our interest to ensure that our programmes meet their expectations while looking into the interest of our stakeholders. At the same time, education is a business that needs patience and commitment, and the initiatives adopted by institutions take time to materialize.

For the financial year ending 30 June 2017, the private education industry in Singapore is expected to be challenging. The Group will continue moving forward with a strong focus on growth while remaining prudent in its expenditures.

GROUP STRUCTURE

- **TMC Education Corporation Ltd** (Reg. 198102945K)
  - TMC Franchise Int'l Pte Ltd Singapore (Reg. 199801700K) (100 %)
  - Creative Education Development Pte Ltd Singapore (Reg. 200408577C) (100%)
  - TMC (Malaysia) Holdings Pte Ltd Singapore (Reg. 200202963W) (100 %)
  - Asia Pacific College Int'l Pte Ltd Singapore (Reg. 199408505R) (100 %)
  - TMC (China) Holdings Pte Ltd Singapore (Reg. 200300200W) (51%)
  - TMC Academy Pte Ltd Singapore (Reg. 201003953Z) (100%)
    - TMC Academy (School) Singapore (100%)
  - TMC Pte Ltd Singapore (Reg. 199600167M) (100%)
  - TMC Learning Hub Pte Ltd (*) (Reg. 201412117M) (100%)
    - TMC Learning Hub (Tuition Centre) Singapore (100%)
  - Boston East Int'l Pte Ltd (Reg. 200206530N) (100%)
    - TMC Cambridge Education (Beijing) Ltd China (Reg. 018162) (100%)
  - Technology Management & Communications Academy Pte Ltd Singapore (Reg. 199600173C) (100 %)
  - Technology Management Centre (HK) Limited Hong Kong (Reg. 21377161-000-11-05-9) (100 %)


TMC
Academy

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, 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

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

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

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

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

TMC & AFFILIATES

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Fax:(65) 6690 9598
Website: www.tmc.edu.sg
E-mail: enquiries@tmc.edu.sg

PEOPLE'S REPUBLIC OF CHINA
Beijing Office
Bei Da Jie
Xi Zhi Men 32 Hao Yuan
Building 6, No 1507
Hai Dian District
Beijing 100088

AFFILIATES

AUSTRALIA
- Griffith University
- La Trobe University
- Monash University
- Western Sydney University

SWITZERLAND
- Business & Hotel Management School

UNITED KINGDOM
- Liverpool John Moores University
- The University of Northampton
- University of Greenwich
- University of the West of England

UNITED STATES OF AMERICA
- University of Missouri in Kansas City

MILESTONES

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 Employees Achieve Life-Time Health) Award (Bronze) by Health Promotion Board

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

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

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")

2015

- Appointed as an Approved Training Organisation (ATO) by the Singapore Workforce Development Agency under the Workforce Skills Qualification (WSQ) Scheme
- Signed Memorandum of Understanding (MOU) with Food and Beverage Managers' Association (FBMA) on internship placement with its members
- Signed Memorandum of Understanding with Singapore Psychological Society (SPS) on acceptance of TMC students as members of the Society

2016

- Collaboration with The University of Northampton, UK
- Signed Memorandum of Understanding with Singapore Computer Society (SCS) on acceptance of TMC students as members of the Society.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr Chin Kon Yuen (Executive Chairman)
Yeow Cheng Khim
(Executive Director and Chief Executive Officer)
Wee Liang Hiam (Lead Independent Director)
Chen Timothy Teck Leng (Independent Director)
Tham Wan Loong, Jerome (Independent Director)

AUDIT COMMITTEE

Wee Liang Hiam (Committee Chairman)
Chen Timothy Teck Leng
Tham Wan Loong, Jerome

NOMINATING COMMITTEE

Chen Timothy Teck Leng (Committee Chairman)
Wee Liang Hiam
Tham Wan Loong, Jerome

REMUNERATION COMMITTEE

Chen Timothy Teck Leng (Committee Chairman)
Wee Liang Hiam
Tham Wan Loong, Jerome

COMPANY SECRETARY

Ong Sing Huat

REGISTERED OFFICE

250 Middle Road
Singapore 188983
Tel: (65) 6690 9588
Fax: (65) 6690 9598

SHARE REGISTRAR

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

INDEPENDENT AUDITORS

Foo Kon Tan LLP
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621
Audit Partner: Mr Toh Kim Teck (since the financial year ended 30 June 2013)

COMPANY SPONSOR

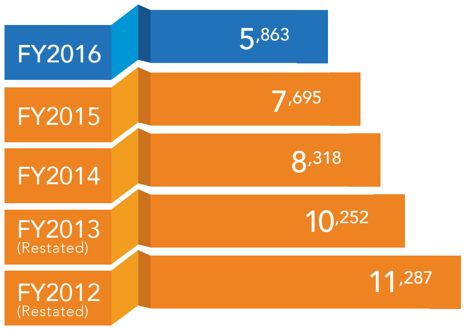
PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

BANKERS

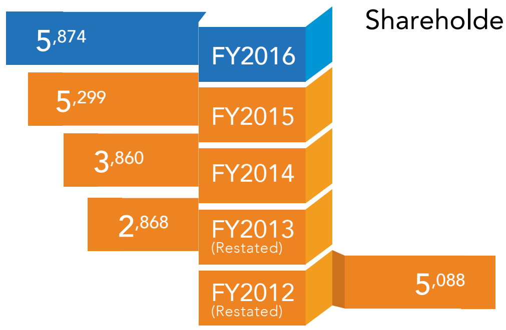
United Overseas Bank Limited
DBS Bank Limited
Hong Leong Finance Limited
Oversea-Chinese Banking Corporation Limited
Bank of China Limited

FINANCIAL HIGHLIGHTS

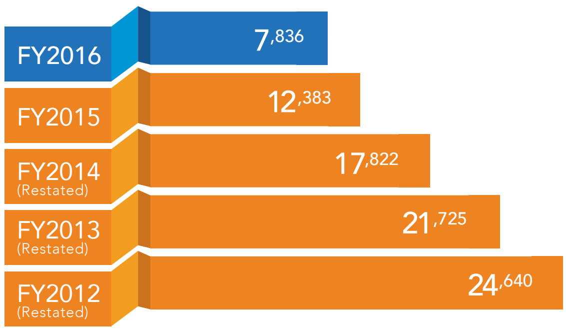
Turnover (S$'000)



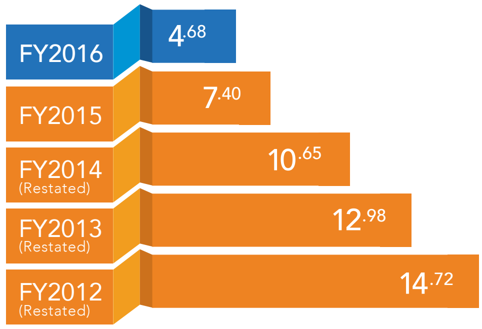
Profit/(Loss) Attributable to Shareholders (S$'000)



Shareholders' Fund (S$'000)



Net Assets Per Share (Cents)



	FY2012 (Restated)	FY2013 (Restated)	FY2014	FY2015	**FY2016**
FOR THE YEAR (S$'000)					
Turnover *	11,287	10,252	8,318	7,695	5,863
Profit/(Loss) before Tax	5,252	(2,810)	(3,902)	(5,352)	(5,880)
Profit/(Loss) after Tax before Non-Controlling Interests	5,235	(2,810)	(3,902)	(5,352)	(5,880)
Profit/(Loss) Attributable to Shareholders	5,088	(2,868)	(3,860)	(5,299)	(5,874)
AT YEAR END (S$'000)					
Shareholders' Funds	24,640	21,725	17,822	12,383	7,836
Fixed Assets **	2,196	2,388	2,058	461	175
Investment Property **	28,220	22,260	23,080	24,170	17,250
Current Assets	3,840	4,653	3,458	1,966	1,744
Current Liabilities	9,199	7,404	7,992	10,815	4,932
PER SHARE DATA (CENTS)					
Net Earnings/(Loss) ***	3.04	(1.71)	(2.31)	(3.16)	(3.51)
Net Assets	14.72	12.98	10.65	7.40	4.68

* Amounts from continuing operations and exclude other revenue.
** Office units are reclassified from Fixed Assets to Investment Property with effect from FY2011.
*** The figures shown do not take into consideration the dilutive effect arising from TMC Share Option Scheme.
**** Restatements are made for FY2012 to FY2013 numbers due to changes in accounting policy for Investment Property.

The Board of Directors (the "**Board**") of TMC Education Corporation Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance within 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.

This report describes the Company's corporate governance practices that were in place for the financial year ended 30 June 2016 ("**FY2016**"), with specific reference to the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "**Code**"), and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015 (the "**Guide**"). The Company has complied with the principles and guidelines as set out in the Code, where appropriate. Where there are deviations from the Code, appropriate explanations are provided.

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 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

As at 30 June 2016, the Board comprises the following Directors:

Dr Chin Kon Yuen (Executive Chairman)
Ms Yeow Cheng Khim (Executive Director and Chief Executive Officer)
Mr Wee Liang Hiam (Lead Independent Director)
Mr Chen Timothy Teck Leng (Independent Director)
Mr Tham Wan Loong, Jerome (Independent Director)

Principle 1: The Board's Conduct of 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.

The Board is entrusted to lead, supervise and oversee the Company, with the fundamental principle to act in the best interests of the Company.

The Board regularly reviews the Group's strategic business plans, assesses key risks, operational and financial performance of the Group to enable the Group to meet its objectives. The Board has the 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.

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 the management of the Company ("**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.

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 also responsible for the overall corporate governance compliance of the Group.

The Board has delegated certain matters to the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**") to assist the Board in carrying out and discharging its duties and of its responsibilities efficiently and effectively. Each Board Committee has its terms of reference and operating procedures, which are reviewed periodically by the Board. 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 Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, while the ultimate responsibility on all matters lies with the Board.

The Board meets at least once every quarter 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. Fixed meetings are scheduled at the beginning of each calendar year. Where necessary, additional or ad-hoc meetings may be held to address significant transactions or issues. To facilitate meetings, the Company's Constitution allows for meetings to be held through telephone and/or video-conference. Matters that are specifically reserved for the approval by the Board include, among others:

- regulatory and statutory requirements such as approval of annual report and half-yearly financial announcements;
- approving the Group's policies, strategies and financial objectives, and monitoring the performance of the Management;
- overseeing the processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance;
- approving the nominations of persons to the Board and appointment of key executives;
- approving annual budgets, major funding proposals, investments and divestment proposals; and
- assuming responsibility for corporate governance and compliance with the Catalist Rules, the Code, the Guide 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. The Directors may also attend other trainings, conference, and seminar which may have a bearing on their duties and contribution to the Board, organised by the professional bodies, regulatory institutions and corporations at the Company's expense, if required.

The number of meetings of the Board and Board Committees held during FY2016 and the attendance of each Director at the said meetings are tabulated below:

Attendance at Meetings

	Board	AC	NC(1)	RC(1)
No. of meetings held	4	4	-	-
No. of meetings attended by each Board member				
Dr Chin Kon Yuen	4	4*	-	-
Ms Yeow Cheng Khim	4	4*	-	-
Mr Woo Lee Yong(2)	1	1	-	-
Mr Wong Hin Sun Eugene(3)	1	1	-	-
Mr Wee Liang Hiam(4)	2	2	-	-
Mr Chen Timothy Teck Leng	4	4	-	-
Mr Tham Wan Loong, Jerome(5)	2	2	-	-

** By invitation.*

Note:

(1) There were no NC and RC meetings held in FY2016 due to lack of quorum and changes in Board Committees' members. Decisions which were required to be made by the NC and RC were brought up to the Board for approvals. Following the end of FY2016, there was an NC meeting and a RC meeting held on 26 August 2016.
(2) Mr Woo Lee Yong resigned as Independent Director on 31 December 2015.
(3) Mr Wong Hin Sun Eugene resigned as Independent Director on 30 October 2015
(4) Mr Wee Liang Hiam was appointed as Lead Independent Director on 1 January 2016.
(5) Mr Tham Wan Loong, Jerome was appointed as Independent Director on 1 January 2016.

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.

Board Composition and Independent Directors

The Board comprises five members, of whom three are Independent Directors and two are Executive Directors. Details of the Board members are as follows:

Name of Directors	Designation	Date of first Appointment	Date of last re-election	AC	NC	RC
Dr Chin Kon Yuen[(1)]	Executive Chairman	1 March 1982	30 October 2015[(2)]	-	-	-
Ms Yeow Cheng Khim[(1)]	Executive Director and Chief Executive Officer	23 March 1984	30 October 2015	-	-	-
Mr Wee Liang Hiam	Lead Independent Director	1 January 2016	Not Applicable[(3)]	Chairman	Member	Member
Mr Chen Timothy Teck Leng	Independent Director	10 December 2010	31 October 2014[(4)]	Member	Chairman	Chairman
Mr Tham Wan Loong, Jerome	Independent Director	1 January 2016	Not Applicable[(3)]	Member	Member	Member

Notes:

(1) Dr Chin Kon Yuen and Ms Yeow Cheng Khim are spouses.
(2) Dr Chin Kon Yuen, who is over the age of 70 was re-appointed as a director to hold office from the date of the last annual general meeting (held on 30 October 2015) until the next annual general meeting in compliance with section 153(6) of the Companies Act, Cap. 50 ("**Companies Act**") which was then in force. Section 153(6) of the Companies Act was repealed on 3 January 2016. As Dr Chin's appointment lapses at the forthcoming annual general meeting ("**AGM**"), he will have to be re-appointed to continue in office.
(3) Mr Wee Liang Hiam and Mr Tham Wan Loong, Jerome will retire at the AGM pursuant to regulation 108 of the Company's Constitution.
(4) Mr Chen Timothy Teck Leng will retire at the AGM pursuant to regulation 104 of the Company's Constitution. Mr Chen was the Chairman of AC until 1 January 2016 when he was re-designated from Lead Independent Director to Independent Director.

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

Name of directors	Date of Appointment	Directorships in other companies	
		Current	**Past 3 years**
Dr Chin Kon Yuen	1 March 1982	Nil	Nil
Ms Yeow Cheng Khim	23 March 1984	Nil	Nil
Mr Wee Liang Hiam	1 January 2016	Sincap Group Ltd	Asia Environment Holdings Ltd
		PSL Holdings Ltd	China Angel Food Ltd
			China Farm Equipment Ltd
			Hu An Cable Holdings Ltd
Mr Chen Timothy Teck Leng	10 December 2010	Logistics Holdings Ltd	Hu An Cable Holdings Ltd
		Sysma Holdings Ltd	Xinren Aluminum Holdings Ltd
		Tianjin Zhong Xin Pharmaceutical Group Corporation Ltd	
		Yangzijiang Shipbuilding Holdings Ltd	
Mr Tham Wan Loong, Jerome	1 January 2016	China Gaoxian Fibre Fabric Holdings Ltd	Z-Obee Holdings Ltd

As three out of five Directors are Independent Directors, the requirement of the Code that the Independent Directors must make up at least half of the Board when the Chairman of the Board is not independent is satisfied. The Independent Directors have confirmed that, in accordance to the Code, they do not have any relationship with the Company, its related corporations, 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.

None of the Independent Directors has served the Company for more than nine (9) years from his date of first appointment to the Board.

Board Size

The Board's composition, size, balance and independence of each Independent Director are reviewed by the NC. The NC adopts the Code's definition of what constitutes an Independent Director. The NC has reviewed and confirmed that Mr Wee Liang Hiam, Mr Chen Timothy Teck Leng and Mr Tham Wan Loong, Jerome are independent in accordance to the Code.

The Board considers its 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.

As Independent 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 and calibre of Independent Directors to carry sufficient weight and to contribute an objective perspective in Board's decisions. Although all the Directors have an equal responsibility for the Group's operations, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the Executive Directors and Management are constructively challenged, fully discussed and examined.

The Independent Directors had met twice in the absence of Management in FY2016.

Please refer to the "Board of Directors" section in the Annual Report for more information on the Directors.

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 should represent a considerable concentration of power.

Dr Chin Kon Yuen ("**Dr Chin**") is currently the Chairman of the Company.

Ms Yeow Cheng Khim ("**Ms Yeow**") is currently an executive director of the Company and was appointed as the Chief Executive Officer of the Company ("**CEO**") since 1 November 2014.

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, Ms Yeow 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. Their performance and re-appointment to the Board are reviewed by the NC and their remuneration packages are reviewed by the RC.

The AC, NC and RC comprises entirely of the Independent Directors. As such, the Board believes that there are adequate safeguards in place to ensure a balance of power and authority such that no individual represents a considerable concentration of power.

Notwithstanding the fact that the Chairman and CEO are spouses, the Board is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities and the strong independent element of the Board.

In addition, as recommended by the Code, the Board has appointed Independent Director, Mr Wee Liang Hiam ("**Mr Wee**") as Lead Independent Director. Mr Wee will be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Chief Financial Officer ("**CFO**") 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 Directors. As there was lack of quorum and a change in composition of the NC in FY2016, decisions which were required to be made by the NC were brought up to the Board for approval. The NC shall meet at least once a year. The members of the NC are as follows:

Mr Chen Timothy Teck Leng	(Chairman)
Mr Wee Liang Hiam	(Member)
Mr Tham Wan Loong, Jerome	(Member)

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/her contributions, brings to the Board an independent (when applicable) 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;
- identifying suitable candidates, reviewing and recommending all nominations on appointments and re-appointments of Directors, having regard to the Director's contribution and performance including making recommendations on the composition of the Board and the balance between executive and non-executive directors appointed to the Board;
- determining on an annual basis whether or not a Director is independent under the definition set out in the Code; and
- deciding whether a Director, who has multiple board representation, is able to and has adequately carried out his duties as Director.

Apart from guidance from existing under the Code and regulations under the Constitution, the Management also takes into consideration the individual contributions of each Director based on their respective areas of competence. These assessments are undertaken periodically both at formal meetings and in other discussions outside formal meetings. There is no formal test for the assessment of any director and their duties and the Management takes into account factors such as the availability and responsively of each director to ad-hoc queries and the quality of the responses received, the value that each director brings to the board, whether their respective expertise and skillsets would result in a balanced board with the range of experiences that would add value to the Company.

All Directors shall submit themselves for re-nomination and re-election at regular intervals and at least once 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, 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 Mr Wee Liang Hiam, Mr Tham Wan Loong, Jerome ("**Mr Tham**") and Mr Chen Timothy Teck Leng ("**Mr Chen**"). Mr Wee, Mr Tham and Mr Chen have each consented to remain in office.

Mr Wee shall, upon re-election as Director of the Company, remain as the Chairman of the Audit Committee and a member of each of the Nominating and Remuneration Committees. The Board considers Mr Wee to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Mr Tham shall, upon re-election as Director of the Company, remain as a member of each of the Audit, Nominating and Remuneration Committees. The Board considers Mr Tham to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Mr Chen shall, upon re-election as Director of the Company, remain as the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. The Board considers Mr Chen to be independent for the purpose of Rule 704(7) of the Catalist Rules.

The NC, other than Mr Wee, Mr Tham and Mr Chen in relation to resolutions contemplating each of their own retirement and re-election, has recommended to the Board in which the Board has accepted the re-election of Mr Wee, Mr Tham and Mr Chen as Directors of the Company at the forthcoming AGM.

In addition, Dr Chin Kon Yuen ("**Mr Chin**"), who is over the age of 70 was re-appointed as director to hold office from the date of the last annual general meeting until the forthcoming AGM pursuant to Section 153(6) of the Companies Act which was in force then. Section 153(6) has since been repealed and as Dr Chin's appointment lapses at the forthcoming AGM, he will have to be re-appointed to continue in office. Dr Chin, being eligible for re-appointment, has offered himself for re-appointment. Dr Chin shall, upon re-appointment, remain as an Executive Chairman and will thereafter be subject to retirement by rotation under the Company's Constitution. The NC has reviewed and recommended to the Board in which the Board has accepted the re-appointment of Dr Chin as Director of the Company at the forthcoming AGM.

In making the above recommendations, the NC had considered the said Directors' overall contribution and performance.

Please refer to the Notice of AGM for the resolutions put forth on their proposed re-election and re-appointment.

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 and attention 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. Meetings of the Board and the committees are scheduled in advance to ensure that the Directors have sufficient time to plan their schedules accordingly. 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 duties as a Director of the Company.

The Company does not have any alternative directors.

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 has adopted processes for the evaluation of the performance and effectiveness Board as a whole, the Board Committees and individual Directors, based on performance criteria approved by the Board. The objective of the annual evaluation is to identify areas for improvement and thereafter 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 (where applicable); 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 the Board's balance and mix in evaluating the performance and effectiveness of the Board as a whole.

The NC will review the performance evaluation results 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 FY2016 and was of the view that the performance of the Board as a whole has been satisfactory. No external facilitator was used in the evaluation process.

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, directors 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.

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.

In relation to the Independent Directors, in order to enable them to understand the business, the business and financial environment as well as the risks faced by the Company, the below table presents some of the information the Company provides its independent Directors and the frequency at which such information is provided:

Types of information provided by Management to Independent Directors	
Information	Frequency
1. Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Every meeting
2. Updates to the Group's operations and the markets in which the Group operates in	Every meeting
3. Budgets and/or forecasts (with variance analysis), and management accounts (with financial ratios analysis)	Every meeting
4. Reports on on-going or planned corporate actions	Every meeting
5. Internal auditors' report(s)	Yearly
6. Shareholding statistics	Yearly
7. External auditor's report	Yearly

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

The Company Secretary or his representative(s) attends and prepares 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 as a whole.

(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 Independent Directors, as set out below:

Mr Chen Timothy Teck Leng (Chairman)
Mr Wee Liang Hiam (Member)
Mr Tham Wan Loong, Jerome (Member)

The responsibilities of the RC are:

- to review and recommend to the Board a framework of remuneration for directors and key executives. The RC's recommendations are made in consultation with the Executive Chairman and submitted for endorsement by the entire Board. The review covers all aspects of 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 specific remuneration packages for each key executive based on performance, service, seniority, experience and scope of responsibility;
- to recommend the fees payable to non-executive directors based on the level of responsibilities undertaken by them;
- 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 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 own remuneration.

The RC has the right to seek professional advice relating to the remuneration of all Directors. The expenses of such advice shall be borne by the Company. No remuneration consultants were engaged by the Company in FY2016.

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 variable component is designed to align the interests of such Directors and key executives with those of the shareholders.

The remuneration packages of the Executive Directors and key executives are based on service contracts. In setting remuneration packages, the RC ensures that the Executive Directors and key executives are adequately but not excessively remunerated as compared to the industry and other comparable companies. The remuneration packages comprise a basic salary component and a variable component, which is a discretionary bonus, based on the performance of the Group as a whole and their individual performance. There are no pre-determined performance conditions for the discretionary bonus. The discretionary bonus for the Executive Directors and key executives is recommended by the RC and subject to approval by the Board, which is based on quantitative criteria (including revenue, profit after tax and relative financial performance of the Group to its peers).

Independent Directors are paid quarterly in arrears. Directors' fees of an agreed amount which are subject to shareholders' approval at the AGM. The proposed Directors' fees are determined in accordance with their contributions, taking into account factors such as effort, time spent and responsibilities of the Directors.

Principle 9: Disclosure on Remuneration

Every 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.

The Company has disclosed the remuneration of the Directors in bands of S$250,000. The Company is of the view that due to confidentiality and sensitivity attached to remuneration matters it would not be in the best interest of the Company to disclose the exact details of the remuneration of the Directors and the CEO. In arriving at this decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, and the need of the Group to attracting and retaining talent at the Board level on a long-term basis.

Details of the Directors' remuneration in FY2016 are set out below:

	Directors' Fees %	Base/ Fixed Salary* %	Variable or Performance Related Income/ Bonus* %	Allowances* & Benefits %	Annual Remuneration* %
$250,000 to $499,999					
Dr Chin Kon Yuen	7	67	-	26	100
Ms Yeow Cheng Khim	8	70	-	22	100
Below $250,000					
Mr Wee Liang Hiam(1)	100	-	-	-	100
Mr Chen Timothy Teck Leng	100	-	-	-	100
Mr Tham Wan Loong, Jerome(1)	100	-	-	-	100
Mr Wong Hin Sun Eugene(2)	100	-	-	-	100
Mr Woo Lee Yong(3)	100	-	-	-	100

* *Inclusive of Central Provident Fund Contributions.*

Note:

(1) Appointed on 1 January 2016.
(2) Resigned on 30 October 2015.
(3) Resigned on 31 December 2015.

The name and remuneration of each of the top five key executives (who are not Directors or the CEO), 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. During the year under review, there were no employees who are an immediate family member of any Director or any key executive whose remuneration exceeds S$50,000 per annum in FY2016.

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

The Directors and key executives are paid based on a fixed schedule of fees and salary respectively.

The RC has reviewed and approved the remuneration packages of the Directors and key executives having due regard to their contributions as well as the financial capabilities of the Company.

Subject to approval by the shareholders at the forthcoming general meeting, the RC has recommended that the independent directors be paid an aggregate fee of $133,333 for FY2016 and an estimated fee of $140,000 for the financial year ending 30 June 2017, to be paid quarterly arrears, which will be tabled at the AGM for approval by the shareholders.

TMC Share Award Scheme

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.

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

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.

The Company did not grant any share awards pursuant to the TMC Share Award Scheme in FY2016.

(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 Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules.

The Management will provide the Board with detailed management accounts of the Group's performance, financial position and prospects on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment. 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 financial results for review and approval. The Board approves the financial results after review and authorizes the release of the financial results to the SGX-ST and the public via SGXNet. By presenting the annual financial statements, half-year and full-year financial 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 notes that all internal control systems contain inherent limitations and no sound system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities. However, other procedures, policies, guidelines and compliance regulations are in place to mitigate any possible and/or suspected irregularities. To date, nothing has come to the attention of the AC and/or Board of any deficiency and/or dysfunction of the internal control implementation that has resulted in any significant loss and/or material financial misstatement.

In FY2016, 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 and effectiveness of the Group's internal control system and risk management 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, 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 in FY2016.

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.

The CEO and CFO have provided assurance to the Board;

(a) that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company's operations and finances; and

(b) that the Company's risk management and internal control systems in place are adequate in addressing the financial, operational, compliance, information technology controls and risk management throughout the financial year and up to the date of this report.

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 Independent Directors:

Mr Wee Liang Hiam	(Chairman)
Mr Chen Timothy Teck Leng	(Member)
Mr Tham Wan Loong, Jerome	(Member)

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, scope and feedback of the external auditors and ensure the adequacy of the Group's system of internal accounting controls and the co-operation given by the Management to the external auditors;
- review the half yearly and full year financial statements and the auditor's report on the annual financial statements of the Company and of the Group before their submission to the Board, and before their announcement;
- review, with the internal auditors, the internal audit plan, the scope and results of the internal audit function, and ensuring co-ordination between the internal auditors and the Management;
- review the auditors' evaluation of the system of internal controls, the results of the audit and Management's response and actions to correct any noted deficiencies, to discuss issues and concerns arising from their audits or any other matters which the audit might wish to discuss privately with the AC;
- review any formal announcements relating to the Company's financial performance in addition to the half yearly and full year financial statements compliance;
- review the scope and results of the external audit;
- 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 and discuss any concerns with the external auditors and internal auditors in the absence of Management;
- review the independence and objectivity of the external auditors annually and recommend the external auditors to be nominated for re-appointment, or removal of the external auditor, and approve the compensation of the external auditors;
- review and report to the Board the effectiveness of the Group's internal controls on an annual basis, including financial, operational, information technology controls, compliance and risk management;
- review the effectiveness of the Company's internal audit function;
- 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; and

- review interested person transactions in accordance with the requirements of the Catalist Rules.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite recent and relevant 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 Sponsor 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 AC reviews the independence of the external auditors annually. The aggregate amount of audit fees paid to the Company's external auditors, Foo Kon Tan LLP in FY2016 was $136,500. There were no non-audit fees paid to the external auditors in FY2016.

The Group confirms that it has complied with Rule 712 and 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 LLP as the external auditors of the Group at the forthcoming AGM.

The AC has explicit authority to investigate any matters within its terms of reference, full access to and cooperation of the Management and also full discretion to invite any Director or key executives to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. The AC also has met the external auditors four times without the presence of the Management in FY2016.

The Group has implemented the whistle blowing policy since 2006. The policy aims to provide an avenue for employees and external parties 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. The Company's employees and any external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report to whistle.blow@tmc.edu.sg.

Principle 13: Internal Audit

The company should establish an effective 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 Baker Tilly TFW LLP, an independent and reputable audit firm, to undertake an internal audit function for the Group. 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. The internal audits were carried out in accordance to the approved audit plan for FY2016 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 shareholders to participate at the general meetings of the Company. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business related matters. The voting process for the current and future annual general meetings shall be by polling for all resolutions for greater transparency in the voting process. Votes cast for or against and the respective percentages on each resolution will be tallied and displayed 'live' on-screen to shareholders immediately after each poll is conducted. The total number of votes cast for or against the resolutions and the respective percentages will also be announced in a timely manner after the AGM via SGXNet.

The Constitution provides that a member may appoint not more than two (2) proxies to attend and vote at general meetings in his/her stead. For shareholders who hold shares through nominees such as Central Provident Fund Investment ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**"), and custodian banks, they are now able to attend and vote at the general meetings under the multiple proxy regime. The Company has not amended its Constitution to provide for other methods of voting in absentia due to security and integrity concerns. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

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 raising 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 (Chapter 50 of Singapore), 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 distributed to the shareholders. The Company has not recommended any dividend payment in FY2016 as the Company is not in an accumulated profit position to declare any dividend.

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. There is no provision in the Constitution of the Company that limits the number of proxies for nominee companies.

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.

At each annual general meeting, the Executive Chairman presents the progress and performance of the Group and encourages shareholders to participate in the question and answer session. The Board also welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or during the annual general meeting. The Directors, including the chairman of each Board Committee and the Management will be present at the annual general meeting to address shareholders' queries. The external auditors will also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

The chairman 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.

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 Company will also make available minutes of general meetings to shareholders upon their request.

The Company will also put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes case for and against for each resolution and the respective percentages.

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 financial results, and ending on the date of the respective announcements. 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 value more than S$100,000 with interested persons in FY2016.

Non-Sponsor Fees

There were no non-sponsor fees paid to PrimePartners Corporate Finance Pte. Ltd. in FY2016.

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.

DIRECTORS' STATEMENT
for the financial year ended 30 June 2016

The directors submit this statement 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 2016.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2016 and of the financial performance, changes in equity and cash flows of the Group for the financial 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, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

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

Dr Chin Kon Yuen (Executive Chairman)
Yeow Cheng Khim (Executive Director and Chief Executive Officer)
Wee Liang Hiam (Lead Independent Director) (Appointed on 1 January 2016)
Chen Timothy Teck Leng (Independent Director)
Tham Wan Loong, Jerome (Independent Director) (Appointed on 1 January 2016)

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 1.7.2015	**As at 30.6.2016**	**As at 21.7.2016**	As at 1.7.2015	**As at 30.6.2016**	**As at 21.7.2016**
The Company - TMC Education Corporation Ltd			Number of ordinary shares			
Dr Chin Kon Yuen	75,766,600	**75,766,600**	**75,766,600**	29,551,000	**29,551,000**	**29,551,000**
Yeow Cheng Khim	29,551,000	**29,551,000**	**29,551,000**	75,766,600	**75,766,600**	**75,766,600**

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

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 1.7.2015	**As at 30.6.2016**
	Number of ordinary shares	
TMC (China) Holdings Pte Ltd	931,261	**931,261**

No 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 TMC Share Option Scheme.

TMC 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), Wee Liang Hiam and Tham Wan Loong, Jerome. The options under the SOS were granted during a period of ten years which 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.

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 1.7.2015	Options exercised	Options forfeited	Options expired	**Options outstanding as at 30.6.2016**	Expiry date	Options exercisable as at 30.6.2015	**Options exercisable as at 30.6.2016**
07.03.2006	$0.0453	37,741	-	15,096	22,645	**-**	06.03.2016	37,741	**-**
26.06.2006	$0.0429	15,096	-	5,032	10,064	**-**	25.06.2016	15,096	**-**
11.12.2006	$0.0620	31,450	-	12,580	-	**18,870**	10.12.2016	31,450	**18,870**
18.06.2007	$0.1248	104,418	-	11,322	-	**93,096**	17.06.2017	104,418	**93,096**
10.12.2007	$0.1370	88,000	-	10,000	-	**78,000**	09.12.2017	88,000	**78,000**
16.06.2008	$0.1050	95,000	-	15,000	-	**80,000**	15.06.2018	95,000	**80,000**
16.12.2008	$0.0610	56,000	-	13,000	-	**43,000**	15.12.2018	56,000	**43,000**
19.06.2009	$0.0600	102,000	-	16,000	-	**86,000**	18.06.2019	102,000	**86,000**
03.12.2009	$0.0640	94,000	-	16,000	-	**78,000**	02.12.2019	94,000	**78,000**
		623,705	-	114,030	32,709	**476,966**		623,705	**476,966**

TMC Share Option Scheme (Cont'd)

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 30.6.2016	Aggregate options granted since commencement of SOS to 30.6.2016	Aggregate options lapsed since commencement of SOS to 30.6.2016	Aggregate options expired since commencement of SOS to 30.6.2016	Aggregate options exercised since commencement of SOS to 30.6.2016	Aggregate options outstanding as at 30.6.2016
Directors						
Former directors	-	3,157,050	(1,251,620)	(500,000)	(1,405,430)	-
Others						
Academic advisors	-	2,635,860	(1,954,860)	-	(681,000)	-
Employees	-	6,240,877	(3,893,559)	(188,705)	(1,681,647)	476,966
	-	12,033,787	(7,100,039)	(688,705)	(3,768,077)	476,966

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

The Company does not have any parent company. As such, no options have been granted to directors and employees of the parent company and its subsidiaries.

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.

TMC 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), Wee Liang Hiam and Tham Wan Loong, Jerome.

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:

Wee Liang Hiam (Chairman)
Chen Timothy Teck Leng
Tham Wan Loong, Jerome

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;

Audit Committee (cont'd)

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

(iv) half-yearly and full year financial information which includes the statement of financial position of the Company and the consolidated financial statements of the Group 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 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 LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
DR CHIN KON YUEN

....
YEOW CHENG KHIM

Dated: 10 October 2016

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 2016, 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 financial statements 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 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 so as to give a true and fair view of the financial position of the Group and Company as at 30 June 2016 and the financial performance, 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 auditors have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 10 October 2016

STATEMENTS OF FINANCIAL POSITION
as at 30 June 2016

	Note	The Group 2016 $	The Group 2015 $	The Company 2016 $	The Company 2015 $
ASSETS					
Non-Current Assets					
Plant and equipment	5	**174,587**	461,024	**167,475**	453,828
Investment properties	6	**17,250,000**	24,170,000	**17,250,000**	24,170,000
Subsidiaries	7	**-**	-	**2,000,016**	2,000,016
		17,424,587	24,631,024	**19,417,491**	26,623,844
Current Assets					
Trade and other receivables	8	**251,983**	565,101	**249,596**	533,358
Cash and cash equivalents	9	**1,492,350**	1,400,915	**212,003**	150,361
		1,744,333	1,966,016	**461,599**	683,719
Total assets		**19,168,920**	26,597,040	**19,879,090**	27,307,563
EQUITY					
Share capital	11	**11,477,196**	11,477,196	**11,477,196**	11,477,196
Reserves	12	**(3,640,701)**	906,235	**(6,906,947)**	(2,154,097)
Equity attributable to owners of the Company		**7,836,495**	12,383,431	**4,570,249**	9,323,099
Non-controlling interests		**(352,440)**	(346,282)	**-**	-
Total equity		**7,484,055**	12,037,149	**4,570,249**	9,323,099
LIABILITIES					
Non-Current Liabilities					
Borrowings	13	**6,752,798**	3,744,965	**6,752,798**	3,744,965
Current Liabilities					
Trade and other payables	14	**3,513,789**	6,276,096	**7,137,765**	9,700,669
Provisions	15	**150,000**	550,000	**150,000**	550,000
Borrowings	13	**1,268,278**	3,988,830	**1,268,278**	3,988,830
		4,932,067	10,814,926	**8,556,043**	14,239,499
Total liabilities		**11,684,865**	14,559,891	**15,308,841**	17,984,464
Total equity and liabilities		**19,168,920**	26,597,040	**19,879,090**	27,307,563

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 2016

	Note	**2016** **$**	2015 $
Continuing operations:			
Revenue	4	**5,863,895**	7,695,120
Other income	16	**583,531**	1,209,205
Fair value (loss)/gain on investment properties	6	**(1,300,000)**	1,090,000
Loss on disposal of investment properties	6	**(1,212,155)**	-
Course materials and subscriptions		**(450,919)**	(1,191,702)
Staff costs	17	**(4,336,292)**	(5,933,291)
Plant and equipment, investment properties and related expenses		**(809,532)**	(2,830,823)
Advertising and promotion		**(323,254)**	(423,952)
Operating lease expenses		**(1,935,106)**	(3,268,146)
Other expenses	18	**(1,447,069)**	(1,536,600)
Finance costs	19	**(513,352)**	(117,759)
Loss before taxation from continuing operations		**(5,880,253)**	(5,307,948)
Taxation	21	**-**	-
Loss after taxation from continuing operations		**(5,880,253)**	(5,307,948)
Discontinued operations:			
Loss from discontinued operations, net of tax	10	**-**	(44,512)
Loss for the year	20	**(5,880,253)**	(5,352,460)
Other comprehensive income that are or may be reclassified subsequently to profit or loss:			
Currency translation differences - foreign operations, at nil tax		**134,793**	(148,738)
Total comprehensive loss for the year		**(5,745,460)**	(5,501,198)
Loss for the year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		**(5,874,095)**	(5,328,847)
- Profit from discontinued operations, net of tax	10	**-**	29,348
		(5,874,095)	(5,299,499)
Non-controlling interests			
- Loss from continuing operations, net of tax		**(6,158)**	20,899
- Loss from discontinued operations, net of tax	10	**-**	(73,860)
		(6,158)	(52,961)
		(5,880,253)	(5,352,460)
Total comprehensive loss for the year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		**(5,739,302)**	(5,463,400)
- Profit from discontinued operations, net of tax	10	**-**	25,187
		(5,739,302)	(5,438,213)
Non-controlling interests			
- Profit/(Loss) from continuing operations, net of tax		**(6,158)**	20,899
- Loss from discontinued operations, net of tax	10	**-**	(83,884)
		(6,158)	(62,985)
		(5,745,460)	(5,501,198)
Loss per share (cents):			
From continuing operations attributable to equity holders of the Company			
- basic	22.1	**(3.51)**	(3.18)
- diluted	22.2	**(3.51)**	(3.18)
From discontinued operations attributable to equity holders of the Company			
- basic	22.1	**-**	0.02
- diluted	22.2	**-**	0.02

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 2016

	Equity attributable to owners of the Company						
	Share capital	Exchange fluctuation reserve	Share option reserve	Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
At 1 July 2014	11,477,119	199,394	497,598	5,647,456	17,821,567	(283,297)	17,538,270
Loss for the year	-	-	-	(5,299,499)	(5,299,499)	(52,961)	(5,352,460)
Other comprehensive expense:							
- Foreign currency translation differences	-	(138,714)	-	-	(138,714)	(10,024)	(148,738)
Total comprehensive loss for the year	-	(138,714)	-	(5,299,499)	(5,438,213)	(62,985)	(5,501,198)
Issue of ordinary shares (Note 11)	77	-	-	-	77	-	77
Transactions with owners, recognised directly in equity	77	-	-	-	77	-	77
At 30 June 2015	11,477,196	60,680	497,598	347,957	12,383,431	(346,282)	12,037,149
At 1 July 2015	**11,477,196**	**60,680**	**497,598**	**347,957**	**12,383,431**	**(346,282)**	**12,037,149**
Loss for the year	**-**	**-**	**-**	**(5,874,095)**	**(5,874,095)**	**(6,158)**	**(5,880,253)**
Other comprehensive expense:							
Foreign currency translation differences	**-**	**134,793**	**-**	**-**	**134,793**	**-**	**134,793**
Total comprehensive loss for the year	**-**	**134,793**	**-**	**(5,874,095)**	**(5,739,302)**	**(6,158)**	**(5,745,460)**
Imputed interest on shareholders' loans (Note 13.2)	**-**	**-**	**-**	**1,192,366**	**1,192,366**	**-**	**1,192,366**
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**1,192,366**	**1,192,366**	**-**	**1,192,366**
At 30 June 2016	**11,477,196**	**195,473**	**497,598**	**(4,333,772)**	**7,836,495**	**(352,440)**	**7,484,055**

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 2016

	Note	2016 $	2015 $
Cash Flows from Operating Activities			
Loss before taxation from continuing operations		**(5,880,253)**	(5,307,948)
Loss before taxation from discontinued operations		**-**	(44,512)
Consolidated loss before taxation		**(5,880,253)**	(5,352,460)
Adjustments for:			
Amortisation of intangible assets		**-**	56,377
Depreciation of plant and equipment	5	**143,249**	762,188
Fair value loss/(gain) on investment properties	6	**1,300,000**	(1,090,000)
Impairment loss on plant and equipment	5	**369,820**	823,397
Loss on disposal of plant and equipment	20	**919**	-
Loss on disposal of investment properties	6	**1,212,155**	-
Plant and equipment written off	5	**10,727**	-
Provision for (Reversal of)/restoration costs	15	**(199,950)**	550,000
Interest expense	19	**513,352**	117,759
Interest income	16	**(56)**	(1,042)
Impairment loss on intangible assets		**-**	157,533
Intangible assets written off		**-**	1,744
Gain on sale of subsidiaries from discontinued operations	10	**-**	(106,223)
Operating loss before working capital changes		**(2,530,037)**	(4,080,727)
Change in operating receivables		**310,916**	(12,153)
Change in operating payables		**(2,818,840)**	(645,310)
Cash used in operations		**(5,037,961)**	(4,738,190)
Income tax paid		**-**	-
Net cash used in operating activities	A	**(5,037,961)**	(4,738,190)
Cash Flows from Investing Activities			
Net proceeds from sale of subsidiaries from discontinued operations	10	**-**	33,365
Interest received		**56**	1,042
Net proceeds from disposal of plant and equipment		**12,073**	-
Net proceeds from disposal of investment properties		**4,407,845**	-
Acquisition of intangible assets		**-**	(38,804)
Acquisition of plant and equipment	5	**(250,794)**	(9,003)
Net cash generated from/(used in) investing activities	B	**4,169,180**	(13,400)
Cash Flows from Financing Activities			
Proceeds from issue of ordinary shares	11	**-**	77
Decrease in fixed deposit pledged		**-**	291,147
Interest paid		**(216,440)**	(117,759)
Proceeds from shareholders' loans		**2,500,000**	2,000,000
Proceeds from third party loan		**2,000,000**	-
Proceeds from bank loans		**-**	2,900,000
Repayments of bank loans		**(3,317,265)**	(1,657,683)
Net cash generated from financing activities	C	**966,295**	3,415,782
Net cash generated from discontinued operations	10	**-**	194,802
Net increase/(decrease) in cash and cash equivalents		**97,514**	(1,141,006)
Cash and cash equivalents at beginning of the year		**1,400,915**	2,599,321
Effects of exchange rate changes on cash and cash equivalents		**(6,079)**	(57,400)
Cash and cash equivalents at end of the year	9	**1,492,350**	1,400,915

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

1 General information

The financial statements of TMC Education Corporation Ltd (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

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

The registered office and principal place of business are located at 250 Middle Road, Singapore 188983.

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

2 Going concern

As at 30 June 2016, the Group's and the Company's current liabilities exceeded current assets by $3,187,734 and $8,094,444 (2015 - $8,848,910 and $13,555,780) respectively. For the financial year ended 30 June 2016, the Group incurred loss for the year of $5,880,253 (2015 - $5,352,460) and total comprehensive loss for the year of $5,745,460 (2015 - $5,501,198), and reported net cash used in operating activities of $5,037,961 (2015 - $4,738,190).

As at 30 June 2016, the Group's current liabilities included non-refundable course and examination fees received in advance from students amounting to $1,762,044 (2015 - $2,169,519). Excluding this amount, the Group's current liabilities would have been $3,170,023 (2015 - $8,645,407) compared to current assets of $1,744,333 (2015 - $1,966,016) as at 30 June 2016.

As at 30 June 2016, the Company's current liabilities included amounts due to wholly-owned subsidiaries of $5,810,725 (2015 - $6,387,996). 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.

Notwithstanding the above, management believes that the Group and the Company will have sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of issue of these financial statements after taking into consideration the following:

(1) On 8 September 2016, TMC Academy Pte Ltd, the operating subsidiary, signed a letter of offer with the Company as a guarantor for banking facilities comprising a term loan of $2,000,000 and short-term money market loan of $3,000,000. The bank facilities are available for drawdown subject to fulfilment of certain conditions and the bank's receipt of documents from the subsidiary.

(2) 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 2016, the carrying amount of the Group's and the Company's investment properties was $17,250,000 (2015 - $24,170,000) as determined by an independent firm of professional valuers. During the financial year, the Company disposed off investment properties for cash of $4,407,845. The proceeds were used for general working capital purposes and to repay a part of its borrowings. Part of the remaining investment properties shall be available for sale whereby proceeds will be used to provide working capital and repay borrowings.

Accordingly, management considers it appropriate that these financial statements are prepared on a going concern basis.

3(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") 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.

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.

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.

3(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

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.

(a) Critical accounting estimates and assumptions used in applying accounting policies

(i) Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by a firm of independent professional valuers using the direct comparison method with appropriate adjustment factors. 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.

The carrying amounts of investment properties at the reporting date are disclosed in Note 6 to the financial statements.

(ii) 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% (2015 - 5%) difference in the expected useful lives of these assets from management's estimates would not have any significant effect on the Group's profit or loss for the year. The carrying amounts of plant and equipment at the reporting date are disclosed in Note 5 to the financial statements.

(iii) Impairment of non-financial assets

Plant and equipment and subsidiaries 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 and the Company 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. The carrying amounts of plant and equipment and subsidiaries at the reporting date are disclosed in Note 5 and 7 to the financial statements respectively.

(iv) 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. If the present value of estimated future cash flows from trade and other receivables decreases by 10% from management's estimates, the Group's and the Company's loss for the year would increase by approximately $11,000 and $10,000 (2015 - $25,000 and $22,000), respectively. The carrying amounts of trade and other receivables at the reporting date are disclosed in Note 8 to the financial statements.

(b) Significant judgements used in applying accounting policies

(i) Going concern

As at 30 June 2016, the Group's and the Company's current liabilities exceeded current assets by $3,187,734 and $8,094,444, respectively. For the financial year ended 30 June 2016, the Group incurred loss for the year of $5,880,253 and total comprehensive loss for the year of $5,745,460, and reported net cash used in operating activities of $5,037,961.

3(a) Basis of preparation (Cont'd)

(b) Significant judgements used in applying accounting policies (Cont'd)

(i) Going concern (Cont'd)

Management believes that the Group and the Company will have sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of issue of these financial statements, taking into account credit facilities secured by the operating subsidiary after year end and the Group's and the Company's plan to dispose of certain investment properties to support its working capital position and other operational needs, as disclosed in Note 2.

Management has therefore considered it appropriate to adopt the going concern basis in preparing the financial statements.

(ii) 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.

(iii) Fair value of interest-free shareholders' loans

The fair value of the interest-free shareholders' loans at initial recognition was determined based on a comparable market rate of interest. Judgement is required in assessing the relevance of data to imputation of the comparable market rate of interest.

3(b) New accounting standards and interpretations

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on 1 July 2015 and have been applied in preparing these financial statements. None of these has a significant effect on the financial statements of the Company.

3(b) New accounting standards and interpretations (Cont'd)

(ii) Accounting standards and interpretations not yet effective

The following are the new or amended FRS issued to date that are not yet effective but may be early adopted for the current financial year:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to FRS 1	Disclosure Initiative	1 January 2016
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2018
Amendments to FRS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016
Improvements to FRSs (November 2014)		
Amendments to FRS 7	Disclosure Initiative	1 January 2017
Amendments to FRS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
Amendments to FRS 115:	Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019

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 and the Group in the period of their initial adoption, except for the following:

FRS 115 Revenue from Contracts with Customers

FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

FRS 109 Financial Instruments

FRS 109 Financial Instruments replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward-looking “expected loss” impairment model; and
- A substantially reformed approach to hedge accounting.

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

3(c) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

3(c) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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

The cost of property, 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 property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, 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 provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, 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 each reporting date as a change in estimates.

Subsidiaries

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Investment properties

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

3(c) Summary of significant accounting policies (Cont'd)

Investment properties (Cont'd)

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".

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.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from their disposals. 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.

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 assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company and the Group commit 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.

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

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.

<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.

3(c) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

They are subsequently measured at amortised cost using the effective interest method, less provision 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 writeback is recognised in the profit or loss.

Loans and receivables include trade and other receivables (excluding prepayments) and cash and bank balances.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits with financial institutions which are subject to an insignificant risk of changes in value.

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.

Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

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. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Borrowings, including interest-free shareholders' loans, 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 the 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.

3(c) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's normal operating cycle are classified as the current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

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

Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group and the Company reviews the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs in the statement of comprehensive income.

Restoration costs

In accordance with the applicable terms and conditions in the lease agreements governing the Group's and the Company's use of assets under operating leases, a provision for restoration costs in respect of the leased premises, and the corresponding asset, is recognised at the date of inception of the lease.

Leases

Where the Group is the lessee,

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

Where the Group is the lessor,

Operating leases

Assets are leased out under operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

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 goodwill or 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.

3(c) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

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.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. 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 each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, 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 business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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 authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

Short-term employee benefits

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.

Defined contribution plans

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.

Share-based payment transactions

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.

3(c) Summary of significant accounting policies (Cont'd)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a);
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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 senior managers are considered key management personnel.

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 in profit or loss.

3(c) Summary of significant accounting policies (Cont'd)

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 on a time-apportionment basis using the effective interest rate method.

Government 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.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

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 dollars, 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 resulting 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 reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "other losses - net".

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

Group entities

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

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

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

3(c) Summary of significant accounting policies (Cont'd)

Earnings per share

Basic and diluted earnings per share amounts are calculated by dividing net profit for the year attributable to the owners of the Company by the number of ordinary shares outstanding during the financial years.

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.

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

4 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.

5 Plant and equipment

The Group

	Renovations	Furniture and fittings	Office and training equipment	Computers and software	Total
Cost	$	$	$	$	$
At 1 July 2014	2,772,635	474,223	282,940	1,630,704	5,160,502
Additions	1,980	-	7,023	-	9,003
Sale of subsidiaries from discontinued operations (Note 10)	(170,152)	(35,954)	(23,415)	(52,679)	(282,200)
Translation differences	121	1,042	472	2,647	4,282
At 30 June 2015	**2,604,584**	**439,311**	**267,020**	**1,580,672**	**4,891,587**
Additions	**247,670**	**600**	**711**	**1,813**	**250,794**
Disposal	**-**	**(108,597)**	**(5,811)**	**(28,006)**	**(142,414)**
Written off	**(1,309,973)**	**(133,785)**	**(8,922)**	**(136,946)**	**(1,589,626)**
Translation differences	**(108)**	**(924)**	**(420)**	**(2,350)**	**(3,802)**
At 30 June 2016	**1,542,173**	**196,605**	**252,578**	**1,415,183**	**3,406,539**
Accumulated depreciation					
At 1 July 2014	1,301,835	262,746	130,036	1,407,940	3,102,557
Depreciation	568,908	54,318	24,987	113,975	762,188
Sale of subsidiaries from discontinued operations (Note 10)	(159,813)	(32,572)	(18,072)	(50,717)	(261,174)
Translation differences	121	1,038	468	1,968	3,595
At 30 June 2015	**1,711,051**	**285,530**	**137,419**	**1,473,166**	**3,607,166**
Depreciation	**97,982**	**5,833**	**7,866**	**31,568**	**143,249**
Disposal	**-**	**(67,897)**	**(5,018)**	**(27,960)**	**(100,875)**
Written off	**(1,309,973)**	**(99,131)**	**(8,055)**	**(136,389)**	**(1,553,548)**
Translation differences	**(108)**	**(921)**	**(417)**	**(1,913)**	**(3,359)**
At 30 June 2016	**498,952**	**123,414**	**131,795**	**1,338,472**	**2,092,633**
Accumulated impairment losses					
At 1 July 2014	-	-	-	-	-
Impairment loss recognised	582,135	104,598	77,878	58,786	823,397
At 30 June 2015	**582,135**	**104,598**	**77,878**	**58,786**	**823,397**
Impairment loss recognised	**317,365**	**14,501**	**30,232**	**7,722**	**369,820**
Disposal	**-**	**(28,033)**	**(487)**	**(27)**	**(28,547)**
Written off	**-**	**(24,477)**	**(547)**	**(327)**	**(25,351)**
At 30 June 2016	**899,500**	**66,589**	**107,076**	**66,154**	**1,139,319**
Net book value					
At 30 June 2016	**143,721**	**6,602**	**13,707**	**10,557**	**174,587**
At 30 June 2015	311,398	49,183	51,723	48,720	461,024

5 Plant and equipment (cont'd)

The Company	Renovations $	Furniture and fittings $	Office and training equipment $	Computers and software $	Total $
Cost					
At 1 July 2014	2,601,147	426,871	254,353	1,549,050	4,831,421
Additions	1,980	-	7,023	-	9,003
At 30 June 2015	**2,603,127**	**426,871**	**261,376**	**1,549,050**	**4,840,424**
Additions	**247,670**	**600**	**711**	**-**	**248,981**
Disposal	**-**	**(108,597)**	**(5,811)**	**(28,006)**	**(142,414)**
Written off	**(1,309,973)**	**(133,785)**	**(8,922)**	**(136,946)**	**(1,589,626)**
At 30 June 2016	**1,540,824**	**185,089**	**247,354**	**1,384,098**	**3,357,365**
Accumulated depreciation					
At 1 July 2014	1,140,686	218,811	106,831	1,336,016	2,802,344
Depreciation	568,908	54,318	24,966	112,663	760,855
At 30 June 2015	**1,709,594**	**273,129**	**131,797**	**1,448,679**	**3,563,199**
Depreciation	**97,982**	**5,833**	**7,866**	**30,114**	**141,795**
Disposal	**-**	**(67,897)**	**(5,018)**	**(27,960)**	**(100,875)**
Written off	**(1,309,973)**	**(99,131)**	**(8,055)**	**(136,389)**	**(1,553,548)**
At 30 June 2016	**497,603**	**111,934**	**126,590**	**1,314,444**	**2,050,571**
Accumulated impairment losses					
At 1 July 2014	-	-	-	-	-
Impairment loss recognised	582,135	104,598	77,878	58,786	823,397
At 30 June 2015	**582,135**	**104,598**	**77,878**	**58,786**	**823,397**
Impairment loss recognised	**317,365**	**14,501**	**30,232**	**7,722**	**369,820**
Disposal	**-**	**(28,033)**	**(487)**	**(27)**	**(28,547)**
Written off	**-**	**(24,477)**	**(547)**	**(327)**	**(25,351)**
At 30 June 2016	**899,500**	**66,589**	**107,076**	**66,154**	**1,139,319**
Net book value					
At 30 June 2016	**143,721**	**6,566**	**13,688**	**3,500**	**167,475**
At 30 June 2015	311,398	49,144	51,701	41,585	453,828

5 Plant and equipment (cont'd)

Impairment assessment of plant and equipment

During the current financial year, having regard to the continuing decline in the financial performance of the Group and the Company, impairment indicators were identified in the relevant cash-generating-unit ("CGU") using the plant and equipment. Consequently, the Group and the Company carried out a review of the recoverable amount of the plant and equipment. The review led to the recognition of an impairment loss of $369,820 (2015 - $823,397) to reduce the carrying value of the Group's and the Company's plant and equipment to their estimated recoverable amount.

The recoverable amount of the CGU for the year ended 30 June 2016 was based on the CGU's fair value less costs to sell, as determined by an independent professional valuer based on the market value approach, which was higher than value-in-use.

The recoverable amount of the CGU for the year ended 30 June 2015 was determined based on a value-in-use ("VIU") calculation using cash flow projections from financial budgets prepared by management and approved by the directors covering a five-year period, a pre-tax discount rate of 15.9% and a terminal growth rate of 3% at the end of the five-year period. The terminal growth rate used did not exceed management's expectation of the long term average growth rate of the industry and country in which the CGU operated.

6 Investment properties

The Group and the Company	**2016** **$**	2015 $
At fair value:		
At 1 July	**24,170,000**	23,080,000
(Loss)/Gain on fair value	**(1,300,000)**	1,090,000
Disposal	**(5,620,000)**	-
At 30 June	**17,250,000**	24,170,000

Investment properties consist of 25 office units (2014: 35 office units) located at 111 North Bridge Road, Peninsula Plaza, Singapore 179098. The properties have a total floor area of 933 square meters (2015 - 1,209 square meters). The properties are on 999-year lease and the unexpired lease term of the properties is 812 years (2015 - 813 years).

The aggregate fair value of the investment properties at the end of the reporting period is $17,250,000 (2015 - $24,170,000) as determined by an independent firm of professional valuers with recognised and relevant professional qualifications and experience within the market. The valuation is based on the direct comparison method. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between willing buyer and willing seller in an arm's length transaction. 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 27.

During the financial year, ten office units (2015: Nil) with floor area of 276 square meters and carrying amount of $5,620,000 were sold to a third party for a net cash consideration of $4,407,845 (2015: Nil). Accordingly, a loss of $1,212,155 (2015: Nil) was recognised in profit or loss (Note 20).

The investment properties are leased to non-related parties under-operating leases.

14 office units (2015 - 24 office units) of the investment properties of 444 square meters (2015 - 720 square meters) with aggregate fair value of $8,200,000 (2015 - $14,440,000) are mortgaged to secure bank loans (Note 13).

The following amounts were recognised in profit or loss:

The Group and The Company	**2016** **$**	2015 $
Rental income (Note 16)	**341,839**	816,474
Direct operating expenses arising from investment properties that generated rental income	**107,507**	228,874
Direct operating expenses arising from investment properties that did not generate rental income	**163,812**	9,493

7 Subsidiaries

The Company	**2016** **$**	2015 $
Unquoted equity investments, at cost:		
At 1 July and 30 June	2,931,278	2,931,278
Allowance for impairment losses:		
At 1 July and 30 June	(931,262)	(931,262)
	2,000,016	2,000,016

Details of all the Group's subsidiaries are as follows:

Name	Principal activities	Country of incorporation/ principal place of business	Effective equity interest held by the Group **2016** **%**	2015 %
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] ("TMC China")	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]	Provision of education services	Singapore	**100**	100
Held by Boston East Int'l Pte Ltd				
TMC-Cambridge Education (Beijing) Ltd	Provision of marketing & recruitment support services	PRC	**100**	100

1 Audited by Foo Kon Tan LLP.

2 Audited by Lee, Sek, Chiu & Hui, Certified Public Accountants, Hong Kong.

7 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have non-controlling interests

Summarised financial information in respect of the Group's subsidiaries that have non-controlling interests ("NCI") are set out below.

(i) Summarised statements of financial position:

	TMC China $	Total $
2016		
Current assets	**63,715**	**63,715**
Non-current assets	**-**	**-**
Total assets	**63,715**	**63,715**
Current liabilities	**782,980**	**782,980**
Non-current liabilities	**-**	**-**
Total liabilities	**782,980**	**782,980**
Net liabilities	**(719,265)**	**(719,265)**
Net liabilities attributable to NCI	**(352,440)**	**(352,440)**

	TMC China $	Total $
2015		
Current assets	590,201	590,201
Non-current assets	-	-
Total assets	590,201	590,201
Current liabilities	1,296,899	1,296,899
Non-current liabilities	-	-
Total liabilities	1,296,899	1,296,899
Net liabilities	(706,698)	(706,698)
Net liabilities attributable to NCI	(346,282)	(346,282)

7 Subsidiaries (Cont'd)

(ii) Summarised statements of comprehensive income:

2016	TMC China $	Total $
Revenue	-	-
Loss for the year	**(12,567)**	**(12,567)**
Other comprehensive expense	-	-
Total comprehensive loss for the year	**(12,567)**	**(12,567)**
Attributable to NCI:		
- Loss for the year	**(6,158)**	**(6,158)**
- Other comprehensive expense	-	-
Total comprehensive loss for the year	**(6,158)**	**(6,158)**
Dividends paid to NCI	-	-

2015	TMC China $	CED Shenyang $	LWC Kindergarten $	Total $
Revenue	-	-	758,285	758,285
Profit/(Loss) for the year	36,380	(9,972)	(140,763)	(114,355)
Other comprehensive expense	-	(379)	(5,348)	(5,727)
Total comprehensive income/(loss) for the year	36,380	(10,351)	(146,111)	(120,082)
Attributable to NCI:				
- Profit/(Loss) for the year	20,899	(4,886)	(68,974)	(52,961)
- Other comprehensive expense	-	(664)	(9,360)	(10,024)
Total comprehensive income/(loss) for the year	20,899	(5,550)	(78,334)	(62,985)
Dividends paid to NCI	-	-	-	-

(iii) Summarised statements of cash flows:

2016	TMC China $	Total $
Cash flows from operating activities	**(21,809)**	**(21,809)**
Cash flows from investing activities	-	-
Cash flows from financing activities	**(504,677)**	**(504,677)**
Net decrease in cash and cash equivalents	**(526,486)**	**(526,486)**

7 Subsidiaries (Cont'd)

(iii) Summarised statements of cash flows: (Cont'd)

	TMC China $	CED Shenyang $	LWC Kindergarten $	Total $
2015				
Cash flows from operating activities	(199,622)	(59)	170,795	(28,886)
Cash flows from investing activities	-	59	24,007	24,066
Cash flows from financing activities	778,267	-	-	778,267
Net increase in cash and cash equivalents	578,645	-	194,802	773,447

8 Trade and other receivables

		The Group **2016** $	The Group 2015 $	The Company **2016** $	The Company 2015 $
Trade receivables		**27,780**	102,955	**27,780**	101,946
Allowance for impairment losses:					
- At 1 July		**(819)**	(1,380)	**(819)**	(1,380)
- Allowance made (Note 18)		**(370)**	(219)	**(370)**	(219)
- Allowance utilised		**-**	780	**-**	780
- At 30 June		**(1,189)**	(819)	**(1,189)**	(819)
	(a)	**26,591**	102,136	**26,591**	101,127
Other receivables		**24,094**	74,342	**22,268**	44,888
Deposits		**67,987**	96,080	**67,784**	95,466
		92,081	170,422	**90,052**	140,354
Allowance for impairment losses:					
- At 1 July		**(19,086)**	(19,086)	**(19,086)**	(19,086)
- Allowance written off		**10,686**	-	**10,686**	-
- At 30 June		**(8,400)**	(19,086)	**(8,400)**	(19,086)
	(b)	**83,681**	151,336	**81,652**	121,268
Amounts due from subsidiaries (non-trade)		**-**	-	**7,213,619**	7,340,469
Allowance for impairment losses:		**-**	-		
- At 1 July		**-**	-	**(7,340,469)**	(6,882,019)
- Allowance made /(utilised)		**-**	-	**126,850**	(458,450)
- At 30 June		**-**	-	**(7,213,619)**	(7,340,469)
	(c)	**-**	-	**-**	-
Total “loans and receivables” (a + b + c)		**110,272**	253,472	**108,243**	222,395
Prepayments		**141,711**	311,629	**141,353**	310,963
Total trade and other receivables		**251,983**	565,101	**249,596**	533,358

At 30 June 2015, the remaining balance of the cash consideration from sale of subsidiaries from discontinued operations (Note 10) amounting to $26,942 was included in “other receivables”.

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

8 Trade and other receivables (Cont'd)

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	$	$	**$**	$
Australian Dollar	**-**	9,297	**-**	9,297
Hong Kong Dollar	**358**	358	**-**	-
Renminbi	**2,029**	29,669	**-**	-
Singapore Dollar	**249,596**	525,777	**249,596**	524,061
	251,983	565,101	**249,596**	533,358

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

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

	The Group		The Company	
	2016	2015	**2016**	2015
	$	$	**$**	$
By geographical areas				
Australia	**-**	9,297	**-**	9,297
Singapore	**26,591**	92,839	**26,591**	91,830
	26,591	102,136	**26,591**	101,127

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

	2016		2015	
	Gross	**Impairment losses**	Gross	Impairment losses
The Group	**$**	**$**	$	$
Past due less than 90 days	**21,160**	**-**	36,787	-
Past due over 90 days	**25,846**	**(9,589)**	31,504	(19,905)
The Company				
Past due less than 90 days	**21,160**	**-**	36,787	-
Past due over 90 days	**24,020**	**(9,589)**	29,001	(19,905)

Past due and impaired

The Group's and the Company's impairment losses relate to overdue balances which are deemed to be not collectible.

Neither past due nor impaired

The Group's and the Company's trade and other receivables which are neither past due nor impaired are due mainly from individually non-significant customers with good collection track records with the Group and the Company.

9 Cash and cash equivalents

	The Group		The Company	
	2016	2015	**2016**	2015
	$	$	**$**	$
Cash on hand	**15,489**	4,140	**14,438**	3,049
Cash in banks	**1,476,861**	1,396,775	**197,565**	147,312
	1,492,350	1,400,915	**212,003**	150,361

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	$	$	**$**	$
Australian Dollar	**15,190**	32,451	**-**	10,736
Hong Kong Dollar	**87**	87	**87**	87
Renminbi	**11,705**	78,813	**9,362**	-
Singapore Dollar	**1,465,220**	1,289,416	**202,406**	139,390
United States Dollar	**148**	148	**148**	148
	1,492,350	1,400,915	**212,003**	150,361

10 Discontinued operations

During the previous financial year, the Group decided to discontinue and dispose its kindergarten and early childhood education business ("pre-school education operations") in the People's Republic of China ("PRC") because the operations were loss making. The pre-school education operations in PRC comprised the entities of Creative Education Development (Shenyang) Ltd ("CED Shenyang") and Lorna Whiston Creative Kindergarten ("LWC Kindergarten"), both of which the Group held 51% effective equity interest as the Company owned 51% of the share capital in TMC (China) Holdings Pte Ltd ("TMC China") which in turned owned 100% of the share capital in CED Shenyang which held a wholly-owned subsidiary in LWC Kindergarten. The remainder 49% effective equity interest in these subsidiaries were held by a non-related non-controlling shareholder.

On 21 November 2014, the Company and the non-controlling shareholder entered into a settlement deed to facilitate the disposal of the pre-school education operations in PRC. On 15 April 2015, the Group acquired the remainder 49% effective equity interest in CED Shenyang from the non-controlling shareholder for a cash consideration of $1 and, consequently, the Group's effective equity interest in CED Shenyang increased from 51% to 100%. Subsequently, on 1 June 2015, the equity interest in CED Shenyang and LWC Kindergarten, including the business of the pre-school education operations in PRC, were sold to a non-related party for a total cash consideration of $113,733, made up of a share purchase consideration of RMB250,000 ($53,733) and a business purchase consideration of $60,000 respectively. At the end of previous reporting period, cash consideration received by the Group amounted to $86,791, made up of share purchase consideration received of RMB125,000 ($26,791) and business purchase consideration received of $60,000 respectively. The remainder cash consideration receivable of $26,942 which was included in "trade and other receivables" (Note 8) on the Group's consolidated statement of financial position during the previous financial year has been received during the current financial year.

In accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*, the entire results from the discontinued pre-school education operations in PRC are presented as "discontinued operations" separately from "continuing operations" on the consolidated statements of comprehensive income for the previous financial years.

The loss from discontinued operations, net of tax, presented in the consolidated statement of comprehensive income comprised of the following:

	2015
The Group	$
Loss for the year from the pre-school education operations in PRC	(150,735)
Gain on sale of subsidiaries (CED Shenyang and LWC Kindergarten) from discontinued operations	106,223
	(44,512)

10 Discontinued operations (Cont'd)

Details of the loss for the year from the pre-school education operations in PRC are as follows:

The Group	Note	2015 $
Revenue	4	758,285
Other income	16	116,127
Course materials and subscriptions		(883)
Staff costs	17	(602,706)
Plant and equipment, investment properties and related expenses		(14,692)
Advertising and promotion		(89,589)
Operating lease expenses		(170,139)
Other expenses	18	(147,138)
Finance costs		-
Loss before taxation from discontinued operations		(150,735)
Taxation	21	-
Loss after taxation from discontinued operations		(150,735)

The net cash flows attributable to the pre-school education operations in PRC are as follows:

The Group	2015 $
Operating activities	170,736
Investing activities	24,066
Financing activities	-
Net cash inflows	194,802

Details of the assets disposed off and liabilities discharged to date from the sale of subsidiaries (CED Shenyang and LWC Kindergarten) from discontinued operations are as follows:

The Group	2015 $
Plant and equipment	21,026
Other receivables – non-trade	563,132
Cash and cash equivalents	53,426
Other payables – non-trade	(630,074)
Net assets disposed of	7,510
Total cash consideration	113,733
Gain before taxation on sale of subsidiaries from discontinued operations	106,223
Taxation	-
Gain after taxation on sale of subsidiaries from discontinued operations	106,223

The net cash flows arising from the sale of subsidiaries (CED Shenyang and LWC Kindergarten) from discontinued operations are as follows:

The Group	2015 $
Cash consideration received	86,791
Cash and cash equivalents disposed of	(53,426)
Net cash inflows	33,365

11 Share capital

The Company	2016	2015	2016	2015
	Number of ordinary shares		$	$
Issued and fully paid, with no par value				
At 1 July	**167,397,677**	167,396,419	**11,477,196**	11,477,119
Issue of ordinary shares upon exercise of share options	**-**	1,258	**-**	77
At 30 June	**167,397,677**	**167,397,677**	**11,477,196**	**11,477,196**

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 of the Company. All shares rank equally with regard to the Company's residual assets.

12 Reserves

	The Group		The Company	
	2016	2015	**2016**	2015
	$	$	**$**	$
Exchange fluctuation reserve	**195,473**	60,680	**-**	-
Share option reserve	**497,598**	497,598	**497,598**	497,598
(Accumulated losses)/Retained earnings	**(4,333,772)**	347,957	**(7,404,545)**	(2,651,695)
	(3,640,701)	906,235	**(6,906,947)**	(2,154,097)

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.

13 Borrowings

The Group and The Company	Note	2016 $	2015 $
Non-current			
Bank loans (secured)	13.1	**1,169,584**	3,744,965
Shareholders' loans (unsecured)	13.2	**3,583,214**	-
Third party's loan (unsecured)	13.3	**2,000,000**	-
Total non-current borrowings		**6,752,798**	3,744,965
Current			
Bank loans (secured)	13.1	**1,268,278**	1,988,830
Shareholders' loans (unsecured)	13.2	**-**	2,000,000
Total current borrowings		**1,268,278**	3,988,830
		8,021,076	7,733,795

13 Borrowings (Cont'd)

13.1 Bank loans (secured)

The Group and The Company	Note	**2016** **$**	2015 $
Renovation loan	(a)	**-**	334,387
Working capital loans	(b)	**-**	1,743,841
Term loan	(c)	**2,437,862**	3,655,567
		2,437,862	5,733,795
Represented by:			
Non-current		**1,169,584**	3,744,965
Current		**1,268,278**	1,988,830
		2,437,862	5,733,795

(a) Renovation loan comprised a drawdown of $1,000,000 on 5 November 2012. The loan was 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 was charged at the prevailing 3-months Swap Offer Rate plus 1.75% (2015 - 1.75%) per annum. The loan was repaid during the financial year.

(b) Working capital loans comprised three drawdowns of $800,000 on 26 November 2014, $600,000 on 1 December 2014 and $600,000 on 1 February 2015, respectively. The loan was repayable by 48 monthly principal instalments of $41,667 or by any such instalments as may be specified or fixed by the bank from time to time. Interest was charged at the prevailing 3-months Swap Offer Rate plus 1.75% (2015 - 1.75%) per annum. The loan was repaid during the financial year.

(c) Term loan comprises six 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, $1,700,000 on 26 June 2014 and $900,000 on 2 October 2014, respectively. The loan is repayable by 48 monthly principal instalments of $109,417 or by any such instalments as may be specified or fixed by the bank from time to time. Term loan bears variable interest rate which is 2.43% (2015: 2.18%) per annum at the reporting date.

The bank loans are secured by mortgages over the Group's and the Company's investment properties of 14 office units (2015 - 24 office units) with floor area of 444 square metres (2015 - 720 square metres) and carrying amount of $8,200,000 (2015 - $14,440,000) (Note 6) at the reporting date.

13.2 Shareholders' loan (unsecured)

The Group and The Company	**2016** **$**	2015 $
Shareholders' loan	**3,583,214**	2,000,000

The loan from two shareholders are interest free and can be repaid at any time after 30 June 2017, subject to the Company's ability to repay the loan.

The loans were initially valued at fair value using discounted cash flow calculations. The difference on initial recognition between the loan proceeds and the present value of the future cash flows of $1,192,366 was recognised in equity.

The two shareholders have undertaken that they shall not demand repayment of the loan for at least twelve months from the date of issue of the financial statements for the financial year ended 30 June 2016.

13 Borrowings (Cont'd)

13.3 Third party's loan (unsecured)

The Group and The Company	**2016** **$**	2015 $
Third party's loan	**2,000,000**	-

The third party's loan is unsecured and repayable by 29 October 2017. Interest is charged at fixed rate of 8% per annum.

13.4 Currency risk

Borrowings are denominated in Singapore dollars.

13.5 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	
	2016 **$**	2015 $	**2016** **$**	2015 $
Trade payables	**357,635**	1,750,387	**357,035**	1,711,894
Accrued expenses	**934,996**	1,410,425	**916,247**	1,385,591
Amounts due to subsidiaries (non-trade)	**-**	-	**5,810,725**	6,387,996
Amount due to non-controlling interests (non-trade)	**349,642**	627,963	**-**	-
Other payables	**109,472**	317,802	**53,758**	215,188
Total "non-derivative financial liabilities"	**1,751,745**	4,106,577	**7,137,765**	9,700,669
Course and examination fees received in advance (non-refundable)	**1,762,044**	2,169,519	**-**	-
Total trade and other payables	**3,513,789**	6,276,096	**7,137,765**	9,700,669

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

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2016 **$**	2015 $	**2016** **$**	2015 $
Australian Dollar	**4,288**	29,755	**4,288**	29,755
Hong Kong Dollar	**1,389**	3,910	**-**	-
Indonesian Rupiah	**62**	61	**62**	61
British Pound	**175,201**	447,424	**175,201**	447,424
Renminbi	**32,454**	45,602	**-**	-
Singapore Dollar	**3,295,750**	5,746,302	**6,953,569**	9,220,387
United States Dollar	**3,098**	3,042	**3,098**	3,042
Thai Baht	**1,547**	-	**1,547**	-
	3,513,789	6,276,096	**7,137,765**	9,700,669

15 Provisions

	The Group		The Company	
	2016	2015	**2016**	2015
	$	$	**$**	$
Provision for restoration costs:				
- At 1 July	**550,000**	-	**550,000**	-
- Provision (reversed)/made (Note 20)	**(199,950)**	550,000	**(199,950)**	550,000
- Provision utilised	**(200,050)**	-	**(200,050)**	-
- At 30 June	**150,000**	550,000	**150,000**	550,000

The provision for restoration costs represents the present value of anticipated costs for future restoration of leased office premises to their original condition at the conclusion of the lease.

16 Other income

	Continuing operations		**Discontinued operations**		**Total**	
The Group	**2016**	2015	**2016**	2015	**2016**	2015
	$	$	**$**	$	**$**	$
Exchange gain, net	**-**	133,068	**-**	107,684	**-**	240,752
Government grants	**152,006**	119,930	**-**	-	**152,006**	119,930
Graduation fees	**19,035**	11,925	**-**	-	**19,035**	11,925
Interest income from cash and cash equivalents	**56**	1,042	**-**	1,011	**56**	2,053
Rental income from investment properties (Note 6)	**341,839**	816,474	**-**	-	**341,839**	816,474
Rental income – others	**5,700**	66,150	**-**	-	**5,700**	66,150
Others	**64,895**	60,616	**-**	7,432	**64,895**	68,048
	583,531	1,209,205	**-**	116,127	**583,531**	1,325,332

Others mainly relate to commission income and insurance claims.

17 Staff costs

The Group	Continuing operations 2016 $	2015 $	Discontinued operations 2016 $	2015 $	Total 2016 $	2015 $
Key management personnel:						
Directors' fees	**176,333**	183,000	**-**	**-**	**176,333**	183,000
Directors' remuneration other than fees						
- salaries and other related costs	**518,832**	589,212	**-**	-	**518,832**	589,212
- contributions to defined contribution plans	**22,355**	19,800	**-**	-	**22,355**	19,800
	717,520	792,012	**-**	-	**717,520**	792,012
Other than directors						
- salaries and other related costs	**1,089,223**	1,449,775	**-**	70,950	**1,089,223**	1,520,725
- contributions to defined contribution plans	**108,821**	125,417	**-**	2,667	**108,821**	128,084
	1,198,044	1,575,192	**-**	73,617	**1,198,044**	1,648,809
Total key management personnel compensation	**1,915,564**	2,367,204	**-**	73,617	**1,915,564**	2,440,821
Other than key management personnel:						
- salaries and other related costs	**2,099,222**	3,154,296	**-**	443,633	**2,099,222**	3,597,929
- contributions to defined contribution plans	**321,506**	411,791	**-**	85,456	**321,506**	497,247
	2,420,728	3,566,087	**-**	529,089	**2,420,728**	4,095,176
Total staff costs	**4,336,292**	5,933,291	**-**	602,706	**4,336,292**	6,535,997

18 Other expenses

The Group	Continuing operations 2016 $	2015 $	Discontinued operations 2016 $	2015 $	Total 2016 $	2015 $
Sales commissions and incentives to agents	**339,095**	377,046	**-**	-	**339,095**	377,046
Courier and postage	**23,428**	31,479	**-**	1,766	**23,428**	33,245
Communication	**38,912**	67,767	**-**	2,009	**38,912**	69,776
Utilities	**97,335**	236,523	**-**	24,799	**97,335**	261,322
Audit fees:						
- auditor of the Company	**136,500**	136,500	**-**	-	**136,500**	136,500
- other auditors	**23,371**	28,359	**-**	34,743	**23,371**	63,102
Foreign exchange loss	**112,540**	-	**-**	-	**112,540**	-
Printing and stationery	**30,247**	43,043	**-**	3,929	**30,247**	46,972
Professional fees	**175,668**	210,184	**-**	43,104	**175,668**	253,288
Transport and travelling	**120,486**	169,246	**-**	30,918	**120,486**	200,164
Insurance	**77,492**	90,196	**-**	-	**77,492**	90,196
Bank charges	**75,065**	60,966	**-**	636	**75,065**	61,602
Impairment losses on trade and other receivables	**370**	219	**-**	-	**370**	219
Others	**196,560**	85,072	**-**	5,234	**196,560**	90,306
	1,447,069	1,536,600	**-**	147,138	**1,447,069**	1,683,738

19 Finance costs

The Group	Continuing operations 2016 $	2015 $	Discontinued operations 2016 $	2015 $	Total 2016 $	2015 $
Interest expense						
- bank loans (secured)	**109,768**	117,759	**-**	-	**109,768**	117,759
- shareholders' loans (unsecured)	**296,912**	-	**-**	-	**296,912**	-
- third party's loan (unsecured)	**106,672**	-	**-**	-	**106,672**	-
	513,352	117,759	**-**	-	**513,352**	117,759

20 Loss for the year

The Group	Note	Continuing operations 2016 $	2015 $	Discontinued operations 2016 $	2015 $	Total 2016 $	2015 $
Loss for the year has been arrived at after charging/(crediting):							
Amortisation of intangible assets		**-**	56,377	**-**	-	**-**	56,377
Depreciation of plant and equipment	5	**143,249**	762,188	**-**	10,341	**143,249**	772,529
Intangible assets written off		**-**	1,744	**-**	-	**-**	1,744
Plant and equipment written off	5	**10,727**	-	**-**	853	**10,727**	853
Loss on disposal of plant and equipment	5	**919**	-	**-**	-	**919**	-
Loss on disposal of Investment properties	6	**1,212,155**	-	**-**	-	**1,212,155**	-
Gain on disposal of subsidiaries	10	**-**	-	**-**	(106,223)	**-**	(106,223)
Provision for (reversal of) restoration costs	15	**(199,950)**	550,000	**-**	-	**(199,950)**	550,000
Impairment losses on:							
- Plant and equipment	5	**369,820**	823,397	**-**	-	**369,820**	823,397
- Intangible assets		**-**	157,533	**-**	-	**-**	157,533

21 Taxation

The Group	2016 $	2015 $
Current tax expense	**-**	-
Deferred tax expense	**-**	-
	-	-

Domestic income tax is calculated at 17% (2015 - 17%) of the estimated assessable profit or loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

21 Taxation (Cont'd)

The applicable tax rate used in the reconciliation between the Group's tax expense and accounting loss is the Singapore statutory tax rate based on the jurisdiction where the Company and most group entities are established. 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	**2016** **$**	2015 $
Loss before taxation from continuing operations	**(5,880,253)**	(5,307,948)
Loss before taxation from discontinued operations	**-**	(44,512)
Consolidated total loss before taxation	**(5,880,253)**	(5,352,460)
Tax at statutory rate of 17% (2015: 17%)	**(999,643)**	(909,918)
Tax effects of:		
Expenses not deductible in determining taxable income	**645,989**	205,091
Income exempt from taxation	**(90,955)**	(179,518)
Tax incentives	**(3,353)**	-
Deferred tax assets on current year losses not recognised	**469,919**	582,080
Temporary differences not recognised	**-**	241,060
Difference in foreign tax rate	**(21,957)**	61,205
	-	-

Unrecognised deferred tax assets

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

The Group and the Company	**2016** **$**	2015 $
Tax losses	**18,794,000**	18,324,000

Deferred tax assets have not been recognised in respect of the tax losses because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom. The tax losses do not expire and can be carried forward to offset future taxable profits subject to compliance with tax regulations.

22 (Loss)/Earnings per share

22.1 Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share from continuing operations and discontinued operations was based respectively on the loss for the year from continuing operations and discontinued operations attributable to ordinary shareholders of the Company divided by a weighted average number of ordinary shares outstanding calculated as follows:

(a) Loss for the year attributable to ordinary shareholders:

The Group	**2016** **$**	2015 $
From continuing operations	**(5,874,095)**	(5,328,847)
From discontinued operations	**-**	29,348
Consolidated total loss for the year	**(5,874,095)**	(5,299,499)

22 (Loss)/Earnings per share (Cont'd)

22.1 Basic (loss)/earnings per share (Cont'd)

(b) Weighted average number of ordinary shares:

The Group	**2016**	2015
	Number of ordinary shares	
Issued ordinary shares at beginning of the year	**167,397,677**	167,396,419
Issue of ordinary shares during the year	**-**	1,258
Issued ordinary shares at end of the year	**167,397,677**	167,397,677
Weighted average number of ordinary shares	**167,427,497**	167,396,936

(c) Basic (loss)/earnings per share:

The Group	**2016 cents**	2015 cents
From continuing operations	**(3.51)**	(3.18)
From discontinued operations	**-**	0.02

22.2 Diluted (loss)/earnings 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 2016 and 2015. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 30 June 2016 and 2015.

23 Equity-settled share-based payment transactions

TMC 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), Wee Liang Hiam and Tham Wan Loong, Jerome. The options under the SOS were granted during a period of ten years which 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.

23 Equity-settled share-based payment transactions (Cont'd)

TMC 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 1.7.2015	Options exercised	Options forfeited	Options expired	**Options outstanding as at 30.6.2016**	Expiry date	Options exercisable as at 30.6.2015	**Options exercisable as at 30.6.2016**
07.03.2006	$0.0453	**37,741**	-	15,096	22,645	**-**	06.03.2016	37,741	**-**
26.06.2006	$0.0429	**15,096**	-	5,032	10,064	**-**	25.06.2016	15,096	**-**
11.12.2006	$0.0620	**31,450**	-	12,580	-	**18,870**	10.12.2016	31,450	**18,870**
18.06.2007	$0.1248	**104,418**	-	11,322	-	**93,096**	17.06.2017	104,418	**93,096**
10.12.2007	$0.1370	**88,000**	-	10,000	-	**78,000**	09.12.2017	88,000	**78,000**
16.06.2008	$0.1050	**95,000**	-	15,000	-	**80,000**	15.06.2018	95,000	**80,000**
16.12.2008	$0.0610	**56,000**	-	13,000	-	**43,000**	15.12.2018	56,000	**43,000**
19.06.2009	$0.0600	**102,000**	-	16,000	-	**86,000**	18.06.2019	102,000	**86,000**
03.12.2009	$0.0640	**94,000**	-	16,000	-	**78,000**	02.12.2019	94,000	**78,000**
		623,705	-	114,030	32,709	**476,966**		623,705	**476,966**

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 30.6.2015	Aggregate options granted since commencement of SOS to 30.6.2015	Aggregate options lapsed since commencement of SOS to 30.6.2015	Aggregate options expired since commencement of SOS to 30.6.2015	Aggregate options exercised since commencement of SOS to 30.6.2015	Aggregate options outstanding as at 30.6.2015
Directors						
Former directors	-	3,157,050	(1,251,620)	(500,000)	(1,405,430)	-
Others						
Academic advisors	-	2,635,860	(1,954,860)	-	(681,000)	-
Employees	-	6,240,877	(3,893,559)	(188,705)	(1,681,647)	476,966
	-	12,033,787	(7,100,039)	(688,705)	(3,768,077)	476,966

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

	Weighted average exercise price 2016 $	**Number of options 2016**	Weighted average exercise price 2015 $	Number of options 2015
Outstanding at beginning of year	**0.0881**	**623,705**	0.0948	873,540
Exercised during the year	**-**	**-**	0.0612	(1,258)
Forfeited during the year	**0.0773**	**(114,030)**	0.0745	(123,417)
Expired during the year	**0.0446**	**(32,709)**	0.0634	(125,160)
Outstanding at end of year	**0.0936**	**476,966**	0.0881	623,705
Exercisable at end of year	**0.0936**	**476,966**	0.0881	623,705

23 Equity-settled share-based payment transactions (Cont'd)

TMC Share Option Scheme (Cont'd)

The weighted average remaining contractual life of share options outstanding at the reporting date is 2.08 years (2015 - 2.76 years).

No (2015 - 1,258) options were exercised during the financial year ended 30 June 2016.

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 2013. The grant date fair value of share options granted under the SOS is measured based on the Black-Scholes Model.

TMC 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), Wee Liang Hiam and Tham Wan Loong, Jerome, at the end of the financial year.

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.

24 Related party transactions

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

The Company	**2016** **$**	2015 $
Service fees charged to a subsidiary	**5,408,089**	7,585,470
Rental of premises charged to a subsidiary	**-**	42,966

25 Commitments

25.1 Operating lease commitments (non-cancellable)

Where the Group and the Company are the lessee,

At the end of the reporting period, 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	
	2016	2015	**2016**	2015
	$	$	**$**	$
Not later than one year	**1,262,473**	1,907,481	**1,262,473**	1,904,361
Later than one year and not later than five years	**1,640,797**	1,601,257	**1,640,797**	1,589,037
	2,903,270	3,508,738	**2,903,270**	3,493,398

The leases on the Group's and the Company's campus and office premises and office equipment expire between October 2017 and October 2020 whereby some contain renewal options.

25 Commitments (Cont'd)

25.1 Operating lease commitments (non-cancellable) (Cont'd)

Where the Group and the Company are the lessor,

At the end of the reporting period, 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	**2016** **$**	2015 $
Not later than one year	**160,415**	282,263
Later than one year and not later than five years	**81,997**	43,537
	242,412	325,800

The leases on the Group's and the Company's commercial premises expire between April 2017 and July 2018 and contain renewal options.

26 Operating segments

Business and geographical segments

The Group has several reportable business 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's 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 business segments:

- "Tertiary education in Singapore" segment relates to provision of education courses to tertiary students in Singapore.
- "Pre-school education in PRC" segment relates to provision of kindergarten and early childhood education to nursery students in the People's Republic of China ("PRC"), which the Group decided to discontinue and dispose of because the operations were loss making (Note 10).
- "Others" segment relates to holding of investment properties (Note 6).

The Group operates in two principal geographical segments in Singapore and PRC.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit for the year, as included in the internal management reports that are reviewed by the Group's 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.

There is no single external customer or group of customers who accounts for 10% or more of the Group's revenue. Therefore, no information about major customers is disclosed.

26 Operating segments (Cont'd)

Business and geographical segments (Cont'd)

The Group	Continuing operations: Tertiary education in Singapore $	Others $	Total $
2016			
External revenue	**5,863,895**	**-**	**5,863,895**
Interest income	**56**	**-**	**56**
Interest expense	**513,352**	**-**	**513,352**
Depreciation of plant and equipment	**143,249**	**-**	**143,249**
Fair value loss on investment properties	**-**	**1,300,000**	**1,300,000**
Impairment loss on plant and equipment	**369,820**	**-**	**369,820**
Loss on disposal of plant and equipment	**919**	**-**	**919**
Loss on disposal of investment properties	**-**	**1,212,155**	**1,212,155**
Plant and equipment written off	**10,727**	**-**	**10,727**
Reportable segment loss for the year	**(3,438,618)**	**(2,441,635)**	**(5,880,253)**
Capital expenditure (on plant and equipment)	**(250,794)**	**-**	**(250,794)**
Reportable segment assets	**1,918,920**	**17,250,000**	**19,168,920**
Reportable segment liabilities	**(11,684,865)**	**-**	**(11,684,865)**

26 Operating segments (Cont'd)

Business and geographical segments (Cont'd)

The Group	Continuing operations: Tertiary education in Singapore $	Others $	Sub-Total $	Discontinued operations: Pre-school education in PRC $	Total $
2015					
External revenue	7,695,120	-	7,695,120	758,285	8,453,405
Interest income	1,042	-	1,042	1,011	2,053
Interest expense	117,759	-	117,759	-	117,759
Depreciation of plant and equipment	762,188	-	762,188	10,341	772,529
Fair value gain on investment properties	-	1,090,000	1,090,000	-	1,090,000
Amortisation of intangible assets	56,377	-	56,377	-	56,377
Impairment loss on intangible assets	157,533	-	157,533	-	157,533
Intangible assets written off	1,744	-	1,744	-	1,744
Gain on sale of subsidiaries from discontinued operations	-	-	-	106,223	106,223
Reportable segment (loss)/ profit for the year	(6,976,055)	1,668,107	(5,307,948)	(44,512)	(5,352,460)
Capital expenditure (on plant and equipment and intangible assets)	47,807	-	47,807	-	47,807
Reportable segment assets	2,427,040	24,170,000	26,597,040	-	26,597,040
Reportable segment liabilities	(14,559,891)	-	(14,559,891)	-	(14,559,891)

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

The Group	**2016 $**	2015 $
Revenue		
Singapore – Continuing operations	**5,863,895**	7,695,120
PRC – Discontinued operations	**-**	758,285
	5,863,895	8,453,405
Non-current assets		
Singapore – Continuing operations	**17,424,587**	24,631,024
PRC – Discontinued operations	**-**	-
	17,424,587	24,631,024

26 Operating segments (Cont'd)

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

The Group	Continuing operations $	Discontinued operations $	Total $
2016			
Revenue			
Total revenue for reportable segments	**5,863,895**	**-**	**5,863,895**
Consolidated revenue	**5,863,895**	**-**	**5,863,895**
Loss for the year			
Total loss for the year for reportable segments	**(5,366,957)**	**-**	**(5,366,957)**
Unallocated income (net of expenses)	**(513,296)**	**-**	**(513,296)**
Consolidated total loss for the year	**(5,880,253)**	**-**	**(5,880,253)**
Assets			
Total assets for reportable segments	**19,168,920**	**-**	**19,168,920**
Elimination of inter-segment assets	**-**	**-**	**-**
Consolidated total assets	**19,168,920**	**-**	**19,168,920**
Liabilities			
Total liabilities for reportable segments	**11,684,865**	**-**	**11,684,865**
Elimination of inter-segment liabilities	**-**	**-**	**-**
Consolidated total liabilities	**11,684,865**	**-**	**11,684,865**
2015			
Revenue			
Total revenue for reportable segments	7,695,120	758,285	8,453,405
Consolidated revenue	7,695,120	758,285	8,453,405
Loss for the year			
Total loss for the year for reportable segments	(5,191,231)	(45,523)	(5,236,754)
Unallocated income (net of expenses)	(116,717)	1,011	(115,706)
Consolidated total loss for the year	(5,307,948)	(44,512)	(5,352,460)
Assets			
Total assets for reportable segments	26,597,040	-	26,597,040
Elimination of inter-segment assets	-	-	-
Consolidated total assets	26,597,040	-	26,597,040
Liabilities			
Total liabilities for reportable segments	14,559,891	-	14,559,891
Elimination of inter-segment liabilities	-	-	-
Consolidated total liabilities	14,559,891	-	14,559,891

27 Financial risk management objectives and policies

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.

27 Financial risk management objectives and policies (Cont'd)

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.

27.1 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.

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 (2015 - three debtors) that represented 78% (2015 - 59%) 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.

<u>Exposure to credit risk</u>

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.

The Group's and the Company's major classes of financial assets are bank deposits and trade receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 8.

27 Financial risk management objectives and policies (Cont'd)

27.2 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.

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

The Group's and the Company's ability to continue as a going concern and adequacy of resources for the Group and the Company to continue in operational existence for the foreseeable future are discussed in Note 2 to the financial statements.

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------------			
The Group	Carrying amount $	Total $	Less than 1 year $	Between 2 and 5 years $	Over 5 years $
2016					
Non-derivative financial liabilities					
Trade and other payables	**1,751,745**	**1,751,745**	**1,751,745**	**-**	**-**
Borrowings	**8,021,076**	**8,294,026**	**1,473,006**	**6,821,020**	**-**
	9,772,821	**10,045,771**	**3,224,751**	**6,821,020**	**-**
2015					
Non-derivative financial liabilities					
Trade and other payables	4,106,577	4,106,577	4,106,577	-	-
Borrowings	7,733,795	7,943,331	4,102,058	3,841,273	-
	11,840,372	12,049,908	8,208,635	3,841,273	-
The Company					
2016					
Non-derivative financial liabilities					
Trade and other payables	**7,137,765**	**7,137,765**	**7,137,765**	**-**	**-**
Borrowings	**8,021,076**	**8,294,026**	**1,473,006**	**6,821,020**	**-**
	15,158,841	**15,431,791**	**8,610,771**	**6,821,020**	**-**
2015					
Non-derivative financial liabilities					
Trade and other payables	9,700,669	9,700,669	9,700,669	-	-
Borrowings	7,733,795	7,943,331	4,102,058	3,841,273	-
	17,434,464	17,644,000	13,802,727	3,841,273	-

27 Financial risk management objectives and policies (Cont'd)

27.3 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 from their variable rate bank loans.

Sensitivity analysis for interest rate risk

For the variable rate bank loans, a change of 75 (2015 - 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 ---Increase/(Decrease)---		Equity ---(Decrease)/Increase---	
	(75bp Increase)	(75bp Decrease)	(75bp Increase)	(75bp Decrease)
The Group and The Company	$	$	$	$
2016				
Variable rate bank loans	**18,124**	**(18,124)**	**(18,124)**	**18,124**
2015				
Variable rate bank loans	43,003	(43,003)	(43,003)	43,003

27.4 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 has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currencies of the group entities, namely Singapore Dollar and Renminbi. The foreign currencies in which these transactions are denominated are primarily the Australian Dollar (AUD) 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% (2015 - 10%) strengthening/weakening of the above currencies against the functional currencies of the group entities at the reporting date would have increased/decreased profit/loss before tax 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 end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

27 Financial risk management objectives and policies (Cont'd)

27.4 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

	2016		2015	
The Group	**Loss before tax (decrease)/ increase $**	**Equity increase/ (decrease) $**	Loss before tax (decrease)/ increase $	Equity increase/ (decrease) $
AUD				
- strengthened 10% (2015 - 10%)	**(1,090)**	**1,090**	(1,199)	1,199
- weakened 10% (2015 - 10%)	**1,090**	**(1,090)**	1,199	(1,199)
GBP				
- strengthened 10% (2015 - 10%)	**17,520**	**(17,520)**	44,742	(44,742)
- weakened 10% (2015 - 10%)	**(17,520)**	**17,520**	(44,742)	44,742
The Company				
AUD				
- strengthened 10% (2015 - 10%)	**429**	**(429)**	972	(972)
- weakened 10% (2015 - 10%)	**(429)**	**429**	(972)	972
GBP				
- strengthened 10% (2015 - 10%)	**17,520**	**(17,520)**	44,742	(44,742)
- weakened 10% (2015 - 10%)	**(17,520)**	**17,520**	(44,742)	44,742

27.5 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.

27.6 Financial instruments by category

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	The Group		The Company	
	2016 $	2015 $	**2016 $**	2015 $
Financial assets				
Financial assets measured at amortised cost:				
Trade and other receivables (excluding prepayments)	**110,272**	253,472	**108,243**	222,395
Cash and cash equivalents	**1,492,350**	1,400,915	**212,003**	150,361
	1,602,622	1,654,387	**320,246**	372,756
Financial liabilities				
Financial liabilities measured at amortised cost:				
Trade and other payables (excluding course and examination fees received in advance (non-refundable))	**1,751,745**	4,106,577	**7,137,765**	9,700,669
Borrowings	**8,021,076**	7,733,795	**8,021,076**	7,733,795
	9,772,821	11,840,372	**15,158,841**	17,434,464

27 Financial risk management objectives and policies (Cont'd)

27.7 Fair value measurement

Except as disclosed elsewhere in the financial statements, information about the assumptions made in determining fair values is as follows:

27.7.1 Financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables (excluding prepayments), cash and cash equivalents, trade and other payables (excluding course and examination fees received in advance (non-refundable)) and current borrowings) approximate their fair values because of the short period to maturity.

The carrying amounts of non-current variable rate borrowings approximate their fair values.

27.7.2 Non-financial assets

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used 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 table below analyses non-financial assets carried at fair value.

The Group and The Company	Level 1 $	Level 2 $	Level 3 $	Total $
2016				
Investment properties (Note 6)	**-**	**-**	**17,250,000**	**17,250,000**
2015				
Investment properties (Note 6)	-	-	24,170,000	24,170,000

The reconciliation of the carrying amount of investment properties which are classified within Level 3 is set out in Note 6.

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	The Group used the direct comparison method. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.	Price per square meter.	The estimated fair value would increase (decrease) if price per square meter was higher (lower).

28 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's abilities to continue as a going concern;

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

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

(d) To provide an adequate return to shareholders.

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

There were no changes in the Group's and the Company's approach to capital management during the financial year.

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

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

	The Group		The Company	
	2016	2015	**2016**	2015
	$	$	**$**	$
Total liabilities	**11,684,865**	14,559,891	**15,308,841**	17,984,464
Less: Cash and cash equivalents (Note 9)	**(1,492,350)**	(1,400,915)	**(212,003)**	(150,361)
Net debt (A)	**10,192,515**	13,158,976	**15,096,838**	17,834,103
Equity attributable to owners of the Company (B)	**7,836,495**	12,383,431	**4,570,249**	9,323,099
Total capital and net debt (C) = (A) + (B)	**18,029,010**	25,542,407	**19,667,087**	27,157,202
Gearing ratio (D) = (A) / (C)	**57%**	52%	**77%**	66%

STATISTICS OF SHAREHOLDINGS
as at 3 October 2016

SHAREHOLDERS' INFORMATION

Issued and fully paid-up capital	:	$11,477,196		
Number of Shares	:	167,397,677		
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 - 99	2	0.11	20	0.00
100 - 1,000	757	39.86	750,674	0.45
1,001 - 10,000	771	40.60	3,273,068	1.96
10,001 - 1,000,000	361	19.01	23,259,615	13.89
1,000,001 and Above	8	0.42	140,114,300	83.70
Total	**1,899**	**100.00**	**167,397,677**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	%	Deemed Interest	%
Chin Kon Yuen	75,766,600	45.26%	29,551,000	17.65%
Yeow Cheng Khim	29,551,000	17.65%	75,766,600	45.26%
Royal Inst of Construction Economists Pte Ltd	17,515,200	10.46%	-	0.00%

Notes:
1. Chin Kon Yuen and Yeow Cheng Khim are spouses.
2. Chin Kon Yuen's direct interest comprises 75,766,600 shares held in the name of Raffles Nominees (Pte) Limited.

STATISTICS OF SHAREHOLDINGS
as at 3 October 2016

TOP 20 SHAREHOLDERS' LIST

No.	Name	No. of Shares	%
1	Raffles Nominees (Pte) Limited	75,793,100	45.28
2	Yeow Cheng Khim	29,551,000	17.65
3	Royal Inst of Construction Economists Pte Ltd	17,515,200	10.46
4	Wong Hin Sun Eugene	4,400,000	2.63
5	Yeow Cheng Choo	4,072,600	2.43
6	United Overseas Bank Nominees (Private) Limited	3,796,600	2.27
7	DBS Nominees (Private) Limited	3,223,800	1.93
8	OCBC Securities Private Limited	1,762,000	1.05
9	Merinda Lee Bee Lian	980,000	0.59
10	Woo Lee Yong	971,220	0.58
11	OCBC Nominees Singapore Private Limited	918,200	0.55
12	Tan Suan Yin	666,872	0.40
13	Teo Yit Soon Samuel (Zhang Yishun Samuel)	522,000	0.31
14	Seacare Foundation Pte Ltd	500,000	0.30
15	Yeo Chiew Eng	434,000	0.26
16	Kuah Ann Soon	433,000	0.26
17	Law Peng Kwee	420,000	0.25
18	Tam Chee Mun	420,000	0.25
19	Chew Theng Joyce (Zhou Ting Joyce)	401,000	0.24
20	UOB Kay Hian Private Limited	398,000	0.24
Total		**147,178,592**	**87.93**

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 3 October 2016, approximately 26.62% 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 of **TMC EDUCATION CORPORATION LTD.** (the "**Company**") will be held at 250 Middle Road Singapore 188983 on Friday, 28 October 2016 at 11.00 a.m. (the "**AGM**") for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2016, together with the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Regulation 108 of the Company's Constitution:

   (a) Mr Wee Liang Hiam *[See Explanatory Note (i)]* **(Resolution 2)**
   (b) Mr Tham Wan Loong, Jerome *[See Explanatory Note (ii)]* **(Resolution 3)**

3. To re-elect Mr Chen Timothy Teck Leng, a Director retiring pursuant to Regulation 104 of the Company's Constitution, as Director of the Company. *[See Explanatory Note (iii)]* **(Resolution 4)**

4. To re-appoint Dr Chin Kon Yuen, who is retiring pursuant to Section 153(6) of the Companies Act, Cap. 50 (the "**Companies Act**") (which was then in force as at the date of the last annual general meeting) as Director of the Company. *[See Explanatory Note (iv)]* **(Resolution 5)**

5. To approve Directors' fees of S$183,000 for the financial year ending 30 June 2017 (FY2016: S$183,000). **(Resolution 6)**

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

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

SPECIAL BUSINESS

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

8. **Authority to allot and issue shares in the capital of the Company**

   That pursuant to Section 161 of the Companies Act and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), authority be given to the Directors to:

   (a) allot and issue shares in the Company (the "**Shares**") whether by way of bonus, rights or otherwise; or

   (b) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares; or

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

   provided that:

   (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) to be issued pursuant to this resolution shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company (the "**Shareholders**") shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

   (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this ordinary resolution, after adjusting for:

      (i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this resolution provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall 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.

[See Explanatory Note (v)] **(Resolution 8)**

9. **Authority to issue shares under the TMC Share Award Scheme**

That the Directors be authorised to offer and grant awards (the "**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 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 Shares (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 9)**

10. **Proposed renewal of the Share Purchase Mandate**

That for the purposes of Section 76C and 76E of the Companies Act, the Directors be and are hereby authorised to make purchases of 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 total issued Shares (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 as set out in Appendix to the Annual Report 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 or the date when purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier.

For the purposes of 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 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.

[See Explanatory Note (vi)] **(Resolution 10)**

By Order of the Board

Ong Sing Huat
Company Secretary

Singapore,
13 October 2016

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

(i) Mr Wee Liang Hiam shall, upon re-election as Director of the Company, remain as the Chairman of the Audit Committee and a member of each of the Nominating and Remuneration Committees. The Board considers Mr Wee to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(ii) Mr Tham Wan Loong, Jerome shall, upon re-election as Director of the Company, remain as a member of each of the Audit, Nominating and Remuneration Committees. The Board considers Mr Tham to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(iii) Mr Chen Timothy Teck Leng shall, upon re-election as Director of the Company, remain as the Chairman of each of the Nominating and Remuneration Committees and a member of the Audit Committee. The Board considers Mr Chen to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(iv) Dr. Chin Kon Yuen who is over the age of 70 was re-appointed as a director to hold office from the date of the last annual general meeting (held on 30 October 2015) until the next annual general meeting in compliance with section 153(6) of the Companies Act which was then in force. Section 153(6) of the Companies Act was repealed with effect from 3 January 2016. As Dr. Chin's appointment lapses at the forthcoming annual general meeting, he will have to be re-appointed to continue in office. Upon his re-appointment at the conclusion of the forthcoming annual general meeting, going forward, Dr. Chin will be subject to retirement by rotation under Regulation 104 of the Company's Constitution.

(v) Resolution 8, if passed, will empower the Directors from the date of this AGM until the date 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares), of which up to fifty per cent (50%) may be issued other than on a pro-rata basis to existing Shareholders.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company will be calculated based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this ordinary resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(vi) Resolution 10, 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 or when varied or revoked by the Company in general meeting or when purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier, to purchase Shares by way of market purchases or off-market purchases of up to ten percent (10%) of the total issued Shares (excluding treasury shares) at such price up to the Maximum Price. Information relating to this resolution is set out in Appendix to the Annual Report.

Notes:

1. Except for a member who is a relevant intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

2. Pursuant to Section 181(1C) of the Companies Act, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "relevant intermediary" means:

   (a) a banking corporation licenced under the Banking Act, Cap. 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital market sevices licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy, If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.

4. The instrument appointing a proxy or proxies must be duly deposited at the registered office of the Company at 250 Middle Road Singapore 188983, not less than 48 hours before the time appointed for the holding of the AGM.

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

6. Where an instrument appointing a proxy 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 Depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his name appears on the Depository Register maintained by The Central Depository (Pte) Limited not less than 72 hours before the time appointed for the AGM. The Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

8. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CDP and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

9. 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.

Personal data privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Companies Act"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use by CPF and/or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy. In which case, the CPF and SRS investors shall be precluded from attending the AGM.

PROXY FORM
ANNUAL GENERAL MEETING

I/We* ____ (Name)

of ____ (Address)

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

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%
and/or (delete as appropriate)				

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("**AGM**") as my/our* proxy/proxies* to attend and vote on my /our* behalf, at the AGM of the Company, to be held at 250 Middle Road, Singapore 188983 on Friday, 28th October 2016 at 11.00 a.m. and at any adjournment thereof. I/We* direct my/ our* proxy/ proxies* to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM.

No.	Ordinary Resolutions Relating To:	For **	Against **
AS ORDINARY BUSINESS			
1.	Adoption of the Audited Financial Statements for the financial year ended 30 June 2016 together with the Directors' Statement and Auditors' Report.		
2.	Re-election of Mr Wee Liang Hiam as a Director of the Company.		
3.	Re-election of Mr Tham Wan Loong, Jerome as a Director of the Company.		
4.	Re-election of Mr Chen Timothy Teck Leng as a Director of the Company.		
5.	Re-appointment of Dr Chin Kon Yuen as a Director of the Company.		
6.	Approval of Directors' Fees of S$183,000 for the financial year ending 30 June 2017.		
7.	Re-appointment of Foo Kon Tan LLP as Auditors of the Company and to authorise Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
8.	Authority to allot and issue shares in the capital of the Company.		
9.	Authority to issue shares under the TMC Share Award Scheme.		
10.	Proposed renewal of the Share Purchase Mandate.		

* *Please delete accordingly.*

** *If you wish to exercise all you votes "For" or "Against", please indicate with an " √ " within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ________ day of ____________________ 2016.

....
Signature(s) of member(s)/Common Seal of corporate member

Total Number of Shares	

NOTES:

1. Please insert the total number of ordinary shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the Shares held by you.

2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.

3. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

4. Pursuant to Section 181(1C) of the Companies Act, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each such proxy must be appointed to exercise the rights attached to a different shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "relevant intermediary" means:

   (a) a banking corporation licenced under the Banking Act, Cap. 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Companies Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, of the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer 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 either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which 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 AGM, in accordance with Section 179 of the Companies Act.

7. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 250 Middle Road, Singapore 188983, not less than 48 hours before the time appointed for the AGM.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies.

9. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the AGM if he so wishes.

10. In the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

11. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CDP and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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