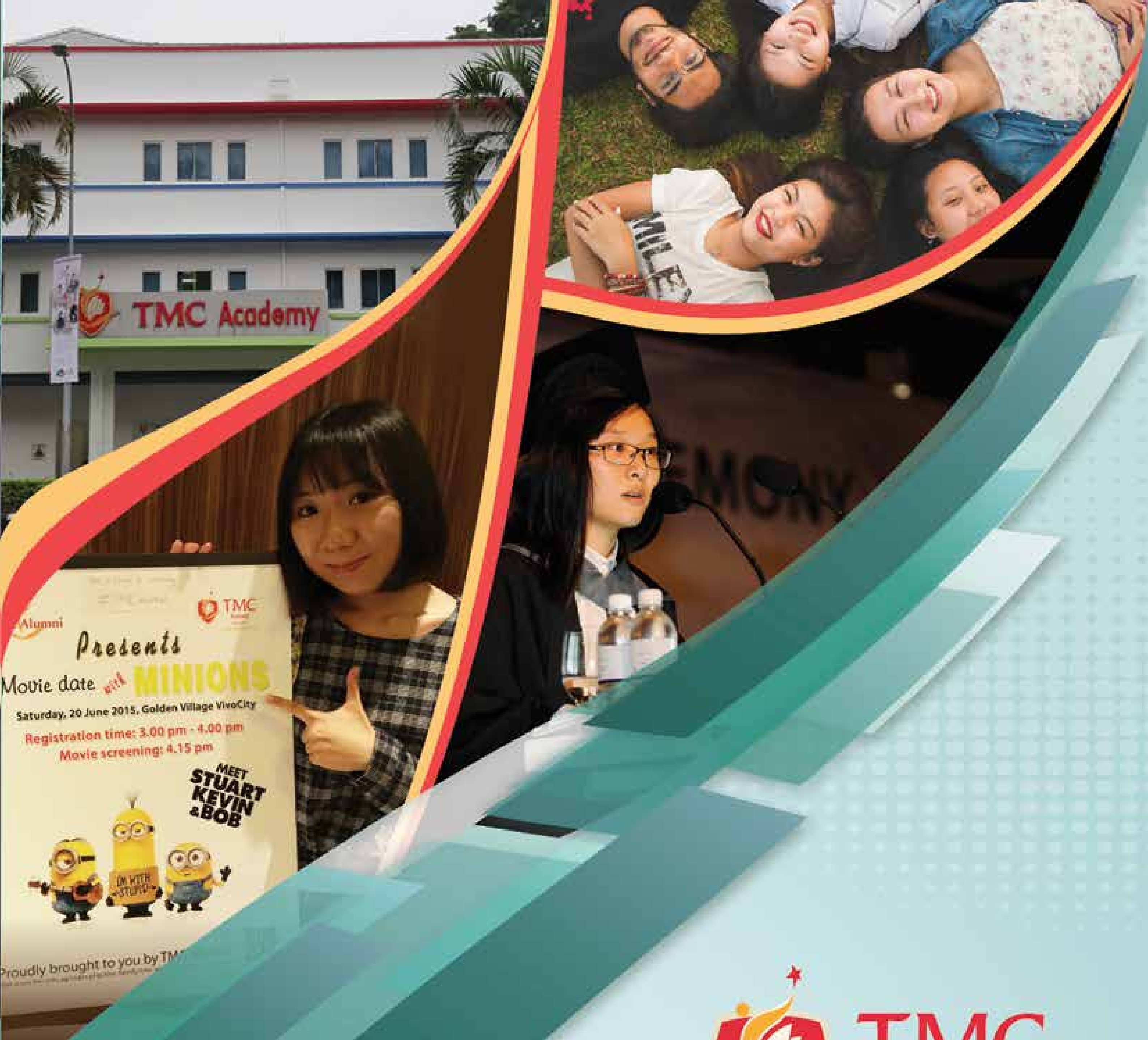


TMC Education Corporation Ltd

Since 1981

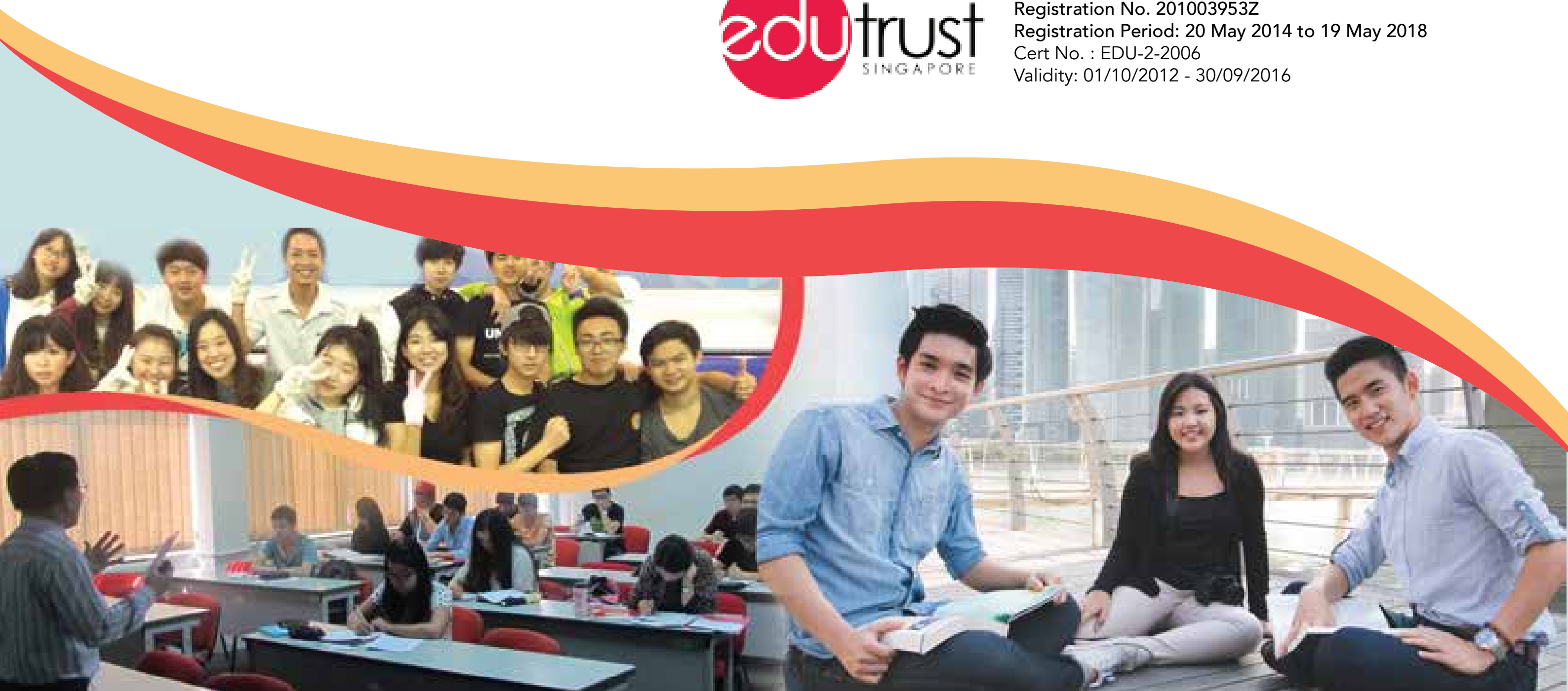
Every Step With You

Empowering Achievers

Annual Report 2015

CONTENTS

TMC Academy
Registration No. 201003953Z
Registration Period: 20 May 2014 to 19 May 2018
Cert No. : EDU-2-2006
Validity: 01/10/2012 - 30/09/2016



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

On behalf of the Board of Directors of TMC Education Corporation Ltd and its subsidiaries ("the Group"), I am pleased to present to you the annual report for our financial year ended 30 June 2015 ("FY2015").

In FY2014, I mentioned that the Group was in discussion with our joint venture partner in China to fully dilute our shareholdings in the loss-making kindergarten business. I am pleased to inform that this was done in FY2015 and the Group disposed the loss-making kindergarten business resulting in the recognition of gain on disposal of S$106,000. The disposal transaction will be fully completed in FY2016 after the final payment of approximately $27,000 (CNY 125,000) is received. This disposal enables the Group to focus on our core business of post-secondary education programmes, and improve our performance in the future.

FY2015 was another challenging year for the Group. This arose from the external business environment as international students in Singapore had generally reduced due mainly to the competition from our regional neighbours as well as the weaker foreign currencies of the more established countries such as Australia and UK. This resulted in more students pursuing their education outside Singapore.

In FY2015, the Group incurred a loss after tax of $5.35 million. This loss arose from the lower course fee revenue and student population, despite a higher rental income and fair value gain on revaluation of investment property. Total revenue for the Group was $9.99 million, down from the revenue of $10.26 million in FY2014. Operating expenses amounted to $15.18 million, finance expenses amounted to $118,000 and loss from discontinued operations, which is the results of our Shenyang kindergarten business, amounted to $44,000, resulted in a loss of $5.35 million for FY2015. The loss resulted in a basic loss of 3.16 cents per share in FY2015, higher than the basic loss per share of 2.31 cents in FY2014.

FINANCIAL REVIEW

The Group's revenue and other income for FY2015 amounted to $9.99 million, a decrease of $261,000 from FY2014 ($10.26 million). The main decrease is the course fee income which reduces by $622,000 from $8.32 million in FY2014 to $7.70 million in FY2015. The decrease in course fee income was due mainly to the reduction in student population. This decrease in revenue was partly offset by the increase in other income of $361,000, from $1.94 million in FY2014 to $2.30 million in FY2015. The major increase in other income was the fair value gain on revaluation of investment properties which increased by $270,000 from $820,000 in FY2014 to $1.09 million in FY2015.

Operating expenses amounted to $15.18 million in FY2015, an increase of $1.12 million from FY2014 ($14.04 million). The increase in operating expenses was due to higher course material and subscription expense, and plant, equipment and investment property related expenses. This increase was partly offset by the lower staff costs, advertising and promotion expenses, and other operating expenses.

The higher course material and subscription expenses in FY2015 were due mainly to the impairment made for course materials and higher programme fees contracted in FY2015 for programmes conducted in conjunction with the Group's overseas university partners. The impairment of course materials was necessary as part of management's assessment of its assets.

The higher plant, equipment and investment property related expenses in FY2015 were due mainly to reinstatement expenses required to be incurred for the Bishan campus to return the site to the landlord in its pre-lease conditions once the lease expired in October 2015, and the impairment of plant and equipment. The impairment of the plant and equipment was necessary as part of management assessment of its assets.

The operating expenses incurred in FY2015 comprised of staff costs ($5.93 million), operating lease expenses ($3.27 million), plant, equipment and investment properties related expenses ($2.83 million), course material and subscriptions expenses ($1.19 million), advertising and promotion expenses ($424,000) and other operating expenses ($1.54 million). Finance expenses amounted to $118,000 and loss from discontinued operations amounted to $44,000. As there was no tax payable, the loss after tax in FY2015 was $5.35 million.

The Group's cash position decreased by $1.14, from $2.60 million in FY2014 to $1.40 million in FY2015. The decrease was due mainly to the deficit in operating cash flow of $4.74 million and investing activities of $13,000. This was partly funded by shareholders' loans, bank borrowings and withdrawal from fixed deposits totaling S$3.42 million, and net cash from discontinued operations of $195,000.

The Group's shareholders' equity in FY2015 decreased by $5.50 million from $17.54 million in FY2014 to $12.04 million in FY2015. The decrease was due mainly to the operating loss incurred in FY2015.

CHAIRMAN'S STATEMENT

As a result of the above, the Group incurred a loss per share of 3.16 cents per share in FY2015 (FY2014: 2.31 cents) and net asset of 7.40 cents per share in FY2015 (FY2014: 10.65 cents).

CORPORATE REVIEW

Competition in the Private Education Industry is high in Singapore. Besides the strengthening Singapore dollars against the currency of the other countries, there is an increasing trend of reputable international education institutions setting up their own campuses in neighbouring countries. This resulted in the fall in international students in Singapore in FY2015.

At the same time, competition from public education institutions in Singapore and the adoption of price competition among players in the private education industry also eroded revenue and profitability of the industry in Singapore. It is on this background that the Group operates and shall continue to hold its position in the industry.

In order to compete better in the industry, the Group's strategy is to continue improving its educational offerings and services, incorporate new teaching methods such as offering internship opportunities as part of our programmes, and upgrading the capability of our academic staff to make them more rounded in knowledge and course delivery, and improving the quality of our programmes.

We would like to highlight the following initiatives taken in FY2015:

1. As mentioned earlier, the Group had disposed its loss-making kindergarten business in China in FY2015. The Group made a gain on disposal of $106,000 in FY2015. This initiative will put the Group in a better position to focus on our core post-secondary education business and help us to improve our financial position in the future.

2. To increase the popularity of our programmes in the professional fields, we are continuing with our effort to get our programmes recognized by the professional bodies. In FY2015, we have signed a memorandum of understanding ("MOU") with the Singapore Psychology Society to accept our Psychology students as members.

3. We have launched new preparatory programmes for admission to government school for secondary 1, 2 and 3 of the Singapore education system for international students. We are confident that these niche programmes will have positive contributions to our financial performance in the future.

4. We have increased our marketing effort in newly developed countries such as Myanmar. To date, this initiative is beneficial to the Group as there are students from these countries currently enrolled in our programmes.

THE YEAR AHEAD

FY2016 will continue to be a challenging year for the Group.

Besides the external challenges we faced from other education institutions both in the region and locally, and aggressive international student recruitment drive, we also have the internal challenges of managing our operating costs, recruiting and retaining highly qualified professionals, and increasing our student numbers.

FY2016 will also see the Group moving its operations from 2 campuses to 1 campus. The lease for our Bishan campus is expiring in October 2015, and we are not able to renew the lease. The Group will work towards integrating the operations into 1 campus with the focus on increasing efficiency without compromising the quality of our programmes and services to the students and parents. At the same time, the Group shall continue to work towards increasing its student numbers.

Our Group is presently working on the following initiatives:

- With the impending consolidation of our operations from 2 campuses to 1 campus, we are looking into reducing our operating expenses without affecting the quality and services to our students. We believe this consolidation will benefit the Group and help the Group to return to profitability soon.

- We are presently negotiating with new reputable UK university partners to bring their educational programmes into Singapore. This is likely to take place in the first half of FY2016. However, as with most new academic programmes, the benefits of these new programmes to the Group will only be felt in 1 or 2 financial periods as it takes time for new programmes and university partners to gain popularity in Singapore as well as to our international recruitment agents and students.

- We are putting effort to increase our local student population. Increased emphasis will be made on promoting programmes under the Singapore's Workforce Skills Qualification ("WSQ") scheme that benefits the local students due to the grant provided by the Singapore government under the Skills Development Fund ("SDF") to this group of students. At the same time, we are working to train our students to be employment ready upon graduation.

- We will continue to streamline and automate our operating processes to make our business more efficient and cost effective.

As at the end of FY2015, our Group has $24.17 million of investment properties, which consist of 35 office units totalling 1,209 square metres located at 111 North Bridge Road, Peninsula Plaza, Singapore 179098. As mentioned in the Company's announcement on 20 August 2015, we shall be taking steps to realise part or whole of the investment to improve our working capital with the best interests of our shareholders in mind.

The Group is also assessing its current businesses and strategic options to improve its financial performance.

We will keep shareholders updated of any material developments.

APPRECIATION

I would like to take this opportunity to thank our directors and external advisers for their advice and guidance, our staff for their commitment and hardwork, our university partners for their confidence and cooperations, our students and their parents for their trust and belief in our educational programmes and other stakeholders for their unwavering support and dedication.

Dr. Chin Kon Yuen
Executive Chairman

BOARD OF **DIRECTORS**

Left to Right:
Ms. Yeow Cheng Khim, Mr. Wong Hin Sun Eugene, Dr. Chin Kon Yuen, Mr Chen Timothy Teck Leng, Mr. Woo Lee Yong

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. Dr Chin is re-designated from Chief Executive Officer and Executive Chairman to Executive Chairman with effect from 1 November 2014. 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.

Ms. Yeow Cheng Khim

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Ms Yeow Cheng Khim, has served the Company as an Executive Director since 1984. She was appointed as the Chief Executive Officer of the Company with effect from 1 November 2014. Her present role includes being overall in-charge of the daily operations of the Group. She is instrumental in negotiating with international educators and university partners at the highest level on academic matters, and successfully brought in many bachelor and master degree programmes from various renowned Australian as well as UK universities. In addition, Ms Yeow is actively involved in regular validation audits conducted by university partners and professional bodies as well as quality certification bodies. One of her significant contributions to TMC's quality journey was her role in strategizing a systematic approach towards attaining and maintaining the prestigious EduTrust Certification and, organizing and guiding the staff in preparing the final documentation for submission to the Council for Private Education (CPE). Ms Yeow has accumulated close to 30 years of experience in managing various schools under TMC Academy. She has taught as Course Director and Senior Lecturer, and has good knowledge of the education systems in Singapore, Australia and UK. Prior to joining TMC, Ms Yeow was an Accountant cum Administration Manager with a UK MNC, and a Management Accountant with a public listed manufacturing company. Ms Yeow received her Bachelor of Accountancy Degree from the University of Singapore and holds a Master of Science Degree (Business Systems Analysis and Design) from City University, UK. She is a Member of the Chartered Institute of Cost and Management Accountants, UK, and a Fellow of CPA Australia.

Mr. Chen Timothy Teck Leng

LEAD INDEPENDENT DIRECTOR AND CHAIRMAN OF THE AUDIT & REMUNERATION COMMITTEE

Mr. Chen Timothy Teck Leng was appointed as a Director on 10 December 2010. Mr Chen has over 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 Tianjin Zhongxin Pharmaceutical Group Corporation, XinRen Aluminium Holdings Ltd, Logistic Holdings Ltd and Yangzijiang Shipbuilding Holdings Ltd, which are companies listed on the SGX-ST.

Mr. Woo Lee Yong

INDEPENDENT DIRECTOR AND CHAIRMAN OF THE NOMINATING COMMITTEE

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

Mr. Wong Hin Sun Eugene

INDEPENDENT DIRECTOR

Mr Wong Hin Sun Eugene was appointed as a Director on 15 August 2012. Mr Wong founded the venture capital investment company, Sirius Venture Capital Pte Ltd. He was an Adjunct Associate Professor at the National University of Singapore ("NUS"), teaching entrepreneurial finance and private equity from 2008 to 2012. Mr Wong is a non-executive director of Ajisen (China) Holdings Limited, a company listed on the Hong Kong Stock Exchange, a non-executive vice chairman of Japan Foods Holding Ltd., and a non-executive director of Neo Group Limited, Jason Marine Group Limited and Singapore Kitchen Equipment Limited, companies listed on Catalist Board of the SGX-ST. Mr Wong currently serves on the non-executive Chairman of CrimsonLogic Pte Ltd, a global eGov solutions firm. He serves on the boards of Agri-Food & Veterinary Authority of Singapore ("AVA Singapore") and International Enterprise Singapore ("IE Singapore"). In addition, he serves as a non-executive director of the Boards of Singapore Cruise Centre Pte Ltd and Cargo Community Network. Mr Wong graduated with a Bachelor of Business Administration (First-Class Honours) from NUS and an MBA from Imperial College London. He attended the Owner President Management Program at Harvard Business School. He is a Chartered Financial Analyst (CFA) and a Chartered Director (CDir) from UK Institute of Directors ("IOD"). He is a Fellow of the IOD, Australia Institute of Company Directors ("AICD") and Hong Kong Institute of Directors.

NON-ACADEMIC KEY MANAGEMENT STAFF









Mr Johnny Yeo Sheok Yeow

CHIEF FINANCIAL OFFICER AND DIRECTOR OF CORPORATE SERVICES

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

Ms Samantha Wong Mun Chien

DIRECTOR – MARKETING AND BUSINESS DEVELOPMENT

Ms Samantha Wong Mun Chien joined TMC in 2015 as the Director of Marketing and Business Development. She has more than 15 years of corporate experience in the finance industry and has led the Marketing, Sales, Business Development and IT team. Ms Wong was formerly the Head of Sales for a global brokerage firm and, was appointed into the committee for the MAS Fair Dealing Act and the Technical Risk Management that advocates professional standards of behaviour and conduct in the finance industry. Ms Wong had also held the position of Senior Investment Analyst during the early part of her career. She obtained her M.Sc (Finance) from National University of Ireland, Dublin.

NON-ACADEMIC KEY MANAGEMENT STAFF

Ms. Tio Hui Hui

DEPUTY DIRECTOR – HUMAN RESOURCE

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

Ms. Pauline Ang Hwee Hoon

REGISTRAR

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

NON-ACADEMIC KEY MANAGEMENT STAFF

Ms. Wendy Yeo Mui Koon

ASSISTANT REGISTRAR – 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. Ivory Tan Pei Ling

ASSISTANT 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 Assistant 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.

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.

Ms. Yu Chu Lee

SENIOR ACCOUNTANT

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

ACADEMIC KEY MANAGEMENT STAFF

Dr. Hew Gill

ACADEMIC DIRECTOR AND HEAD OF PSYCHOLOGY PROGRAMME

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

Mr. Dutta Pinaki

DEAN – SCHOOL OF TOURISM, HOSPITALITY & CULINARY ARTS

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

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

FY2015 was a challenging year for the Group. The Group sold off its loss-making China kindergarten business resulting in a gain of $106,000 on disposal. The Group believes that the disposal of the kindergarten business will help us to minimize our future losses as well as to allow the Group to streamline our business, stopping our loss-making operations and be more focus on our core business in post-secondary educational programmes.

Total loss after tax for FY2015 amounted to S$5.35 million. The loss was due mainly to the falling student numbers attributed by the completion of the teach-out of some of our degree programmes, increased competition in the industry from our regional neighbours and local competitors, and a gestation period for our programmes that were launched last year to gain popularity.

Annual course revenue amounted to $7.7 million in FY2015. The main programme continued to be Business programme, which accounted for 27% of our course revenue. This was followed by our Hospitality, Tourism,and Culinary Arts programme (17%), English Language Proficiency programme (16%), GCE 'O' Level Preparatory programme (12%), Information Technology programme (7%), Monash College Diploma programme (7%), Psychology programme (6%), Mass Communication programme (5%) and Law programme (2%).

In FY2015, the Group continued to take active marketing effort to attract local and international students. Education fairs such as Career Fair, JobsCentral Job Fair and other joint marketing events with our mass-based patners such as SAFRA, nEbO and Mendaki were undertaken to attract local students. To attract local students, the Group emphasized its marketing effort on its WSQ-ATO scheme, which is attractive to local students due to the SDF grant provided by the Singapore government.

In our effort to grow our international student numbers, the Group increased its marketing effort in newly developed countries such as Myanmar. This initiative is beneficial to the Group as student numbers from these countries are increasing. We believe that the continued marketing effort in these countries will continue to benefit the Group in the long term. However, due to the nature of education services, student numbers from these countries need time to pick up as there is the gestation period for the programmes to gain popularity in these countries.

The Group had also launched new programmes for the secondary education segment in Singapore, incorporating new preparatory programmes for admission to government schools for secondary 1, 2 and 3 levels of the Singapore education system. These programmes are growing in popularity in Singapore due to the recognition of Singapore as an education hub. There is the increasing interest of parents in neighbouring countries putting their children through the rigorous Singapore education system for better academic development and career opportunities in the future. We believe these new programmes will continue to have positive contributions to our financial performance in the future.

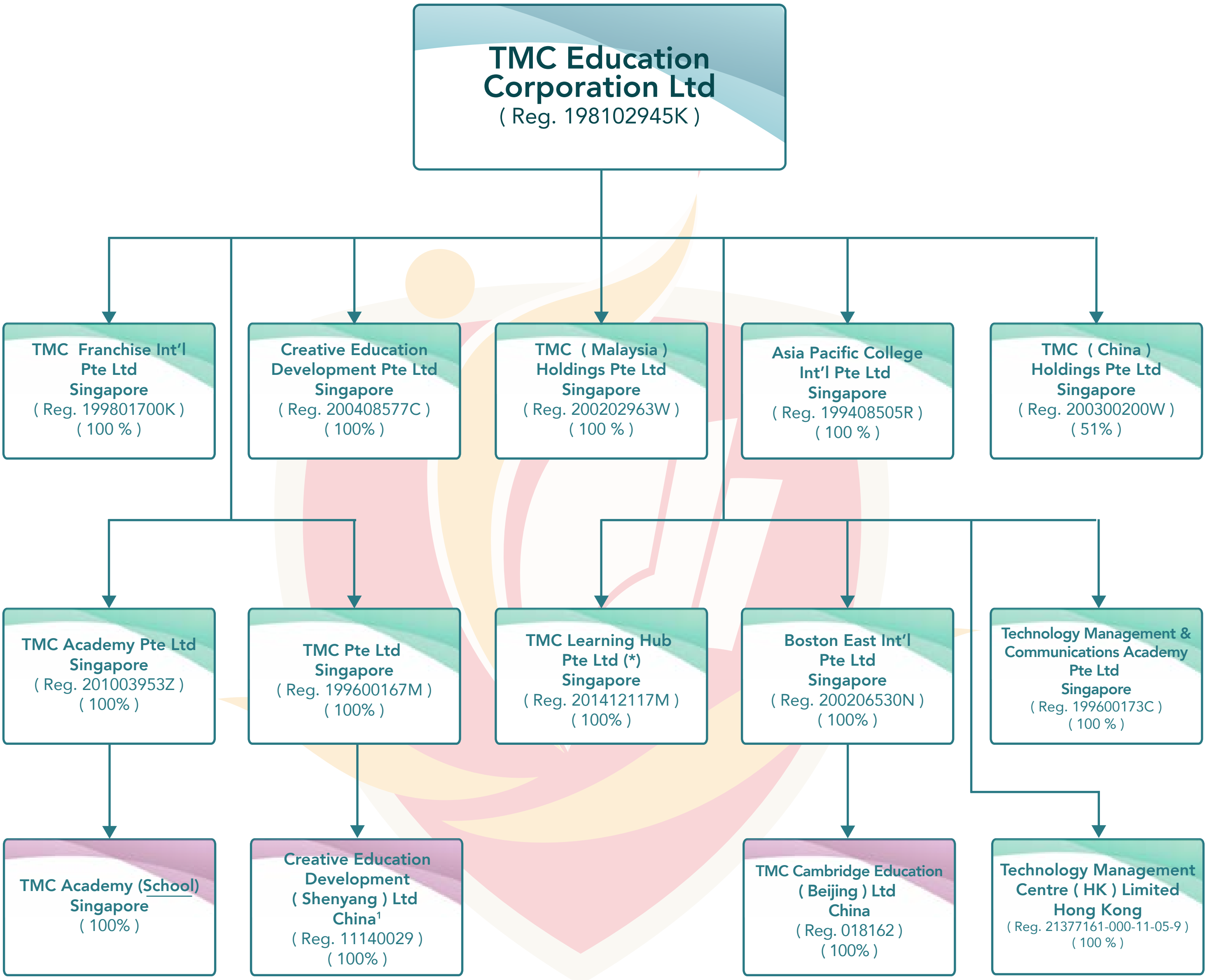
The Group is also working on upgrading its academic programmes to the requirements of the industry. One important aspect of this development is to upgrade and keep our programmes industry-relevant. To achieve this, the Group works with professional bodies to upgrade and ensure our programmes meet the up-to-date professional standards required. In FY2015, a MOU was signed by the Group with the Singapore Psychology Society (SPS) to accept our Psychology

students as members. We believe that this and other initiatives that we are presently working on will continue to see the Group in good stead and positively contribute to the professional standards of our association partners in the industry.

In closing, we would like to emphasize that students and parents treat education as a life-long investment and it is in our interest to ensure that our programmes meet their expectations while looking into the interest of our stakeholders. At the same time, education is a business that needs patience and commitment, and initiatives adopted by institutions take time to materialize and are only expected to materialize over a period of time.

The Group believes that the positive steps that it has taken in the current and previous years will continue to bear fruits for us in the future.

GROUP STRUCTURE
As At 30 June 2015



PS: * - Incorporated on 28 April 2014

[1] During the current financial year, the Group decided to discountinue and dispose of its pre-school education operations in PRC which comprised the entities of CED Shenyang. At the date of the Annual Report, the physical transfer of shares in CED Shenyang to the buyer is still in progress and not completed yet.


GRADUATION CEREMONY

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

TMC & AFFILIATES

SINGAPORE
Registered Office
38C Jalan Pemimpin
(Off Bishan Street 21), Singapore 577180

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250 & 252 Middle Road, Singapore 188983
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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
- Monash College

SWITZERLAND
- Business & Hotel Management School

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

UNITED STATES OF AMERICA
- University of Missouri in Kansas City

2006
- Ranked among the top 500 public listed companies by revenue in the 19th Singapore 1000 and Singapore SME 500 publication by DP Information Group
- Celebrated 25th anniversary of establishment
- Launched new TMC logo

2007
- Entered into joint venture agreement with Lorna Whiston Schools Pte Ltd todevelop 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 with Singapore Psychological Society (SPS) on acceptance of TMC Psychology students as members of the Society
- Launched TMC Alumni Club




CORPORATE INFORMATION

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

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

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

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

COMPANY SECRETARY
Ong Sing Huat

REGISTERED OFFICE
38C Jalan Pemimpin
(Off Bishan Street 21)
Singapore 577180
Tel: (65) 6690 9588
Fax: (65) 6690 9598

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

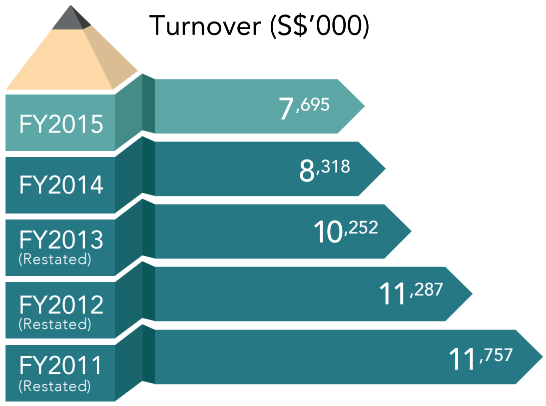
INDEPENDENT AUDITORS
Foo Kon Tan LLP
47 Hill Street #05-01
Singapore Chinese Chamber of Commerce and Industry Building
Singapore 179365
Audit Partner: Mr Toh Kim Teck (with effect from Financial Year 2013)

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

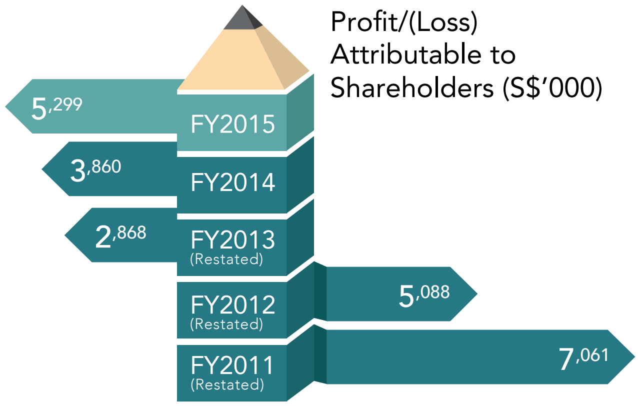
BANKERS
DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
Bank of China Limited
Hong Leong Finance Limited

FINANCIAL HIGHLIGHTS

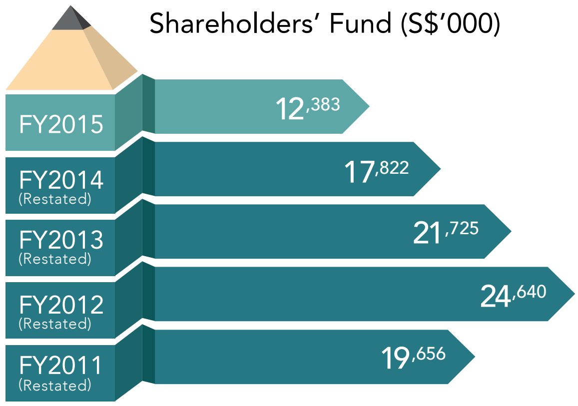
Turnover (S$'000)



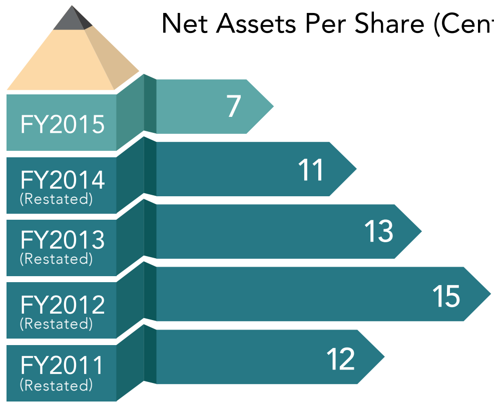
Profit/(Loss) Attributable to Shareholders (S$'000)



Shareholders' Fund (S$'000)



Net Assets Per Share (Cents)



	FY2011 (Restated)	FY2012 (Restated)	FY2013 (Restated)	FY2014	**FY2015**
FOR THE YEAR (S$'000)					
Turnover *	11,757	11,287	10,252	8,318	7,695
Profit/(Loss) before Tax	6,935	5,252	(2,810)	(3,902)	(5,352)
Profit/(Loss) after Tax before Non-Controlling Interests	6,954	5,235	(2,810)	(3,902)	(5,352)
Profit/(Loss) Attributable to Shareholders	7,061	5,088	(2,868)	(3,860)	(5,299)
AT YEAR END (S$'000)					
Shareholders' Funds	19,656	24,640	21,725	17,822	12,383
Fixed Assets **	6,586	2,196	2,388	2,058	461
Investment Property **	16,283	28,220	22,260	23,080	24,170
Current Assets	3,114	3,840	4,653	3,458	1,966
Current Liabilities	6,980	9,199	7,404	7,992	10,815
PER SHARE DATA (CENTS)					
Net Earnings/(Loss) ***	4.22	3.04	(1.71)	(2.31)	(3.16)
Net Assets	11.74	14.72	12.98	10.65	7.40

* Amounts from continuing operations and exclude other revenue.
** Office units are reclassified from Fixed Assets to Investment Property with effect from FY 2011
*** The figures shown do not take into consideration the dilutive effect arising from TMC Share Option Scheme
**** Restatements are made for FY2011 to FY2013 numbers due to changes in accounting policy for Investment Property

CORPORATE GOVERNANCE REPORT

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 2015 ("**FY2015**"), with specific reference to the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "**Code**"). 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 Singapore Exchange Securities Trading Limited ("**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 2015, the Board comprises the following Directors:

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

Principle 1: Board's Conduct of its Affairs

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

The Board is entrusted to lead 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 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 four times a year and it also meets regularly to review, consider and approve strategic, operational and financial matters. Important matters concerning the Group are put before the Board for its decision and approval. Where necessary, additional or ad-hoc meetings may be held to address significant transactions or issues. The Company's Articles of Association (the "**Articles**") allow 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:

- approving the Group's policies, strategies and financial objectives, and monitoring the performance of 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 management staff;
- approving annual budgets, major funding proposals, investments and divestment proposals; and
- assuming responsibility for corporate governance and compliance with the Catalist Rules, the Code and the rules and requirements of regulatory bodies that the Company is subject to.

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

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

All Directors are updated regularly on changes in Company's policies and business updates. Newly appointed Directors will be provided with a formal letter, setting out the Director's duties and obligations and will be given appropriate briefings by the Management on the business activities of the Group, its strategic directions and the Company's corporate governance policies and practices. 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 in FY2015 and the attendance of each Director at the said meetings are tabulated below:

Attendance at Meetings

	Board	**AC**	**NC**	**RC**
No. of meetings held	6	4	2	2
No. of meetings attended by each Board member				
Dr Chin Kon Yuen	6	4	2	2
Ms Yeow Cheng Khim	6	4	2	2
Mr Chen Timothy Teck Leng	6	4	2	2
Mr Woo Lee Yong	5	4	2	2
Mr Wong Hin Sun Eugene	5	3	2	2

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

During FY2015, the Board comprises two Executive Directors and three Independent Directors:

Name of Directors	Designation	Date of first Appointment	Date of last re-election	AC	NC	RC
Dr Chin Kon Yuen[1]	Executive Director (Chairman)	1 March 1982	31 October 2014[2]	-	-	-
Ms Yeow Cheng Khim[1]	Executive Director and Chief Executive Officer	23 March 1984	31 October 2014[3]	-	-	-
Mr Chen Timothy Teck Leng	Lead Independent Director	10 December 2010	31 October 2014[3]	Chairman	Member	Chairman
Mr Woo Lee Yong	Independent Director	1 April 2002	31 October 2014 [4]	Member	Chairman	Member
Mr Wong Hin Sun Eugene	Independent Director	15 August 2012	25 October 2013	Member	Member	Member

Notes:-
(1) Dr Chin Kon Yuen and Ms Yeow Cheng Khim are husband and wife.
(2) Under the Articles, the office of Chairman is not due for rotation but Dr Chin Kon Yuen will retire at the forthcoming Annual General Meeting ("**AGM**") pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (the "**Company Act**").
(3) Ms Yeow Cheng Khim and Mr Wong Hin Sun Eugene will retire at the forthcoming AGM pursuant to Article 104 of the Articles.
(4) Mr Woo Lee Yong will retire at the forthcoming AGM pursuant to Section 153(6) of the Companies Act.

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

Name of Director	Company	Date of Appointment	Date of Resignation
Dr Chin Kon Yuen	Nil	NA	NA
Ms Yeow Cheng Khim	Nil	NA	NA
Mr Chen Timothy Teck Leng	Tianjin Zhongxin Pharmaceutical Group Corporation	May 2014	-
	HuAn Cable Holdings Ltd	October 2009	March 2015
	XinRen Aluminium Holdings Ltd	October 2010	-
	Logistic Holdings Ltd	December 2012	-
	Yangzijiang Shipbuilding Holdings Ltd	April 2013	-
Mr Woo Lee Yong	Nil	NA	NA
Mr Wong Hin Sun Eugene	Ajisen (China) Holdings Limited	March 2007	-
	Japan Foods Holding Ltd	November 2008	-
	Jason Marine Group Limited	September 2009	-
	Q & M Dental Group (Singapore) Limited	October 2009	April 2013
	Neo Group Limited	June 2012	-
	Singapore Kitchen Equipment Limited	June 2013	-

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

Mr Woo Lee Yong ("**Mr Woo**") has served as the Independent Director of the Company for more than nine (9) years from his date of first appointment to the Board. In FY2015, the Board had assessed the independence of Mr Woo after considering the recommendations set out in the Code, and was fully satisfied that he has demonstrated complete independence, robustness of character and judgement in his designated role and member of the Board. The Board was of the view that notwithstanding his long tenure, Mr Woo is and has been able to maintain independence in his deliberation on Group's matters, and concluded that the issue of independence has not been compromised, and Mr Woo is considered by the Board to be still independent.

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 Chen Timothy Teck Leng, Mr Woo Lee Yong and Mr Wong Hin Sun Eugene 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 of Independent Directors of the calibre necessary to carry sufficient weight in Board's decisions. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Executive Directors is particularly important in ensuring that the strategies proposed by Management are constructively challenged, fully discussed and examined.

The Independent Directors had met 2 times in the absence of Management in FY2015.

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 represents 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**") with effect from 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 comprise of Independent Directors of the Company. As such, the Board believes that there are adequate safeguards in place to ensure a balance of power and authority such that no one individual represents a considerable concentration of power.

Notwithstanding that the Chairman and CEO are husband and wife, 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 Chen Timothy Teck Leng ("**Mr Chen**"), as Lead Independent Director. Employees and shareholders of the Company with serious concerns that could have a large impact on the Group shall be able to contact Mr Chen or other members of the AC if 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. The NC meets at least once a year. The members of the NC are as follows:

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

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

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

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

The NC is responsible for:

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

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

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

The Directors due for retirement at the AGM are Ms Yeow Cheng Khim ("**Ms Yeow**") and Mr Wong Hin Sun Eugene ("**Mr Wong**"). Ms Yeow, being eligible for re-election, has offered herself for re-election. Ms Yeow will, upon re-election, remain as an Executive Director and CEO of the Company. The NC has recommended to the Board in which the Board has accepted the re-election of Ms Yeow as Director of the Company at the forthcoming AGM.

Mr Wong has informed the Board that he will not be seeking re-election at the forthcoming AGM. The Board wishes to place on record its appreciation to Mr Wong for his invaluable contributions to the Board and the Group. Upon Mr Wong's cessation as Independent Director of the Company, Mr Wong will *ipso facto* cease to be member of the AC, NC and RC. The Company will use its best endeavours to fill the vacancy following the retirement of Mr Wong as soon as practicable.

In addition, pursuant to Section 153(6) of the Companies Act, Mr Woo Lee Yong ("**Mr Woo**") and Dr Chin will retire at the forthcoming AGM. Mr Woo and Dr Chin, being eligible for re-election, have offered themselves for re-election. Mr Woo will, upon re-election, remain as an Independent Director, Chairman of the NC and a member of the AC and RC. Dr Chin will, upon re-election, remain as an Executive Chairman. The NC has recommended to the Board in which the Board has accepted the re-appointment of Mr Woo and Dr Chin as Directors of the Company at the forthcoming AGM.

In making the above recommendation, 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 to adequately discharge his duties to the Company. Although some of the Board members have multiple board representations, the NC was satisfied that sufficient time and attention had been given to the affairs of the Company by the Directors. The NC would monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company.

Principle 5: Board Performance

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

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

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

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

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

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

The NC had reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for FY2015 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, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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

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

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

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

(B) REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

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

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

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

The responsibilities of the RC are:

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

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

The RC has the right to seek professional advice internally and externally relating to the remuneration of all Directors. The expenses of such advice shall be borne by the Company. No remuneration consultants were engaged by the Company in FY2015.

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

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

Principle 9: Disclosure on Remuneration

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

Details of the Directors' remuneration for FY2015 are set out below:

	Annual Remuneration* $	Directors' Fees $	Base/ Fixed Salary* $	Variable or Performance Related Income/ Bonus* $	Allowances* & Benefits $
$250,000 to $499,999					
Dr Chin Kon Yuen	351,812	21,500	248,412	-	81,900
Ms Yeow Cheng Khim	300,200	21,500	220,800	-	57,900
Below $250,000					
Mr Chen Timothy Teck Leng	60,000	60,000	-	-	-
Mr Woo Lee Yong	40,000	40,000	-	-	-
Mr Wong Hin Sun Eugene	40,000	40,000	-	-	-

* Inclusive of Central Provident Fund Contributions

The RC had recommended to the Board, Directors' fees of $183,000 for the financial year ending 30 June 2016, which will be tabled at the forthcoming AGM for shareholders' approval.

There was no employee who was an immediate family member of any Director or any key executive whose remuneration exceeded $50,000 in FY2015.

The name and remuneration of each of the top five key executives (who are not Directors), as well as the aggregate remuneration paid to the top five key executives are not disclosed in this report. The Board believes that disclosure of the name and the remuneration of individual key executives as recommended by the Code would be disadvantageous to the business interest of the Company, in view of the shortage of talented and experienced personnel in the education industry.

There are no persons occupying managerial positions in the Company who are related to a Director or substantial shareholder of the Company or any of its principal subsidiaries.

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

Share Purchase Mandate

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

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

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

(c) the authority conferred on the Directors by the Share Purchase Mandate to purchase shares shall continue in force for the period commencing from the renewal of the Share Purchase Mandate approved by the shareholders at the last annual general meeting of the Company held on 31 October 2014 and expiring on the earlier of the date the next annual general meeting of the Company is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in general meeting.

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

The Company did not purchase any shares pursuant to the Share Purchase Mandate in FY2015.

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 award any shares pursuant to the TMC Share Award Scheme in FY2015.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

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

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

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

Principle 11: Risk Management and Internal Controls

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

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

The Company has outsourced its internal audit function to Baker Tilly TFW LLP. 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.

In FY2015, 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, various Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and its risk management systems were adequate and effective in FY2015. In addition, the Board has received assurances from the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the Group maintains an effective risk management and internal control systems.

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

Principle 12: Audit Committee

The Board should establish an 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 Chen Timothy Teck Leng	(Chairman)	Lead Independent Director
Mr Wong Hin Sun Eugene	(Member)	Independent Director
Mr Woo Lee Yong	(Member)	Independent Director

The AC has specific terms of reference and has met four times during FY2015.

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

The responsibilities of the AC are to:

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

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

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

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

The aggregate amount of audit fees paid to the Company's external auditors, Foo Kon Tan LLP in FY2015 was $136,500. There were no non-audit fees paid to the external auditors in FY2015.

The AC reviews the independence of the external auditors annually. In FY2015, the AC had reviewed all non-audit services provided by the external auditors and confirmed that these non-audit services would not affect the independence and objectivity of the external auditors. The Group confirms that it has complied with Rule 712 and 715 of the Catalist Rules in relation to its auditing firms. The AC has recommended to the Board the reappointment of Foo Kon Tan LLP as the external auditors of the Group at the forthcoming AGM.

The AC has full access and cooperation of the Management and also full discretion to invite any Director or key Management to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. The AC also has met the external auditors without the presence of the Management in FY2015.

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. Cases that are significant are reviewed by the AC for adequacy and independence of investigation actions and resolutions. Contact details of the AC have been made available to all employees and email address, which is linked directly to the Lead Independent Director's email address, for reporting is also listed at the Company's website. The AC will look at issues reported and independently work with management to address the issues reported and take the corrective action, if required.

Principle 13: Internal Audit

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

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

The Company has appointed Baker Tilly TFW LLP, an independent audit firm, to undertake an internal audit function for the Group. The internal audits were carried out in accordance to the approved audit plan for FY2015 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 general meetings of the Company 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 general meeting via SGXNET.

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

Principle 15: Communication with Shareholders

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

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

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

- annual reports where the Board makes every effort to ensure that all relevant information about the Group, including future developments, disclosures required by the Companies Act, 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. No dividend was declared in FY2015 as the Company has not been profitable in FY2015.

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

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 requests.

Internal Code on Dealings in Securities

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

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

In addition, the Company, its 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 FY2015.

Non-Sponsor Fees

There were no non-sponsor fees paid to PrimePartners Corporate Finance Pte. Ltd. in FY2015.

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' REPORT
for the financial year ended 30 June 2015

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 30 June 2015.

Names of directors

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

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

Arrangements to acquire shares or debentures

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

Directors' interest in shares or debentures

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

	Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
	As at 1.7.2014	**As at 30.6.2015**	**As at 21.7.2015**	As at 1.7.2014	**As at 30.6.2015**	**As at 21.7.2015**
The Company - TMC Education Corporation Ltd	Number of ordinary shares					
Dr Chin Kon Yuen	75,766,600	**75,766,600**	**75,766,600**	29,223,000	**29,551,000**	**29,551,000**
Yeow Cheng Khim	29,223,000	**29,551,000**	**29,551,000**	75,766,600	**75,766,600**	**75,766,600**
Woo Lee Yong	971,220	**971,220**	**971,220**	-	**-**	**-**
Wong Hin Sun Eugene	4,508,000	**4,546,000**	**4,546,000**	-	**-**	**-**

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

	As at 1.7.2014	**As at 30.6.2015**
	Number of ordinary shares	
TMC (China) Holdings Pte Ltd	931,261	**931,261**

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

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

	As at 1.7.2014	**As at 30.6.2015**
	Number of unissued ordinary shares under option	
Woo Lee Yong	100,000	**-**

Directors' benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 18 to the financial statements.

Share Option Scheme

The TMC Share Option Scheme ("SOS") was approved and adopted by the Company's shareholders at an Extraordinary General Meeting held on 25 May 2001 and subsequent amendments were approved on 25 November 2005. The SOS was administered by the Company's Remuneration Committee, comprising three directors, Chen Timothy Teck Leng (Chairman), Woo Lee Yong and Wong Hin Sun Eugene. The 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 1.7.2014	Options exercised	Options forfeited	Options expired	**Options outstanding as at 30.6.2015**	Expiry date	Options exercisable as at 30.6.2014	**Options exercisable as at 30.6.2015**
13.12.2004	$0.0612	26,418	1,258	-	25,160	**-**	12.12.2014	26,418	**-**
07.03.2006	$0.0453	67,934	-	30,193	-	**37,741**	06.03.2016	67,934	**37,741**
26.06.2006	$0.0429	26,418	-	11,322	-	**15,096**	25.06.2016	26,418	**15,096**
11.12.2006	$0.0620	44,030	-	12,580	-	**31,450**	10.12.2016	44,030	**31,450**
18.06.2007	$0.1248	115,740	-	11,322	-	**104,418**	17.06.2017	115,740	**104,418**
10.12.2007	$0.1370	102,000	-	14,000	-	**88,000**	09.12.2017	102,000	**88,000**
16.06.2008	$0.1050	107,000	-	12,000	-	**95,000**	15.06.2018	107,000	**95,000**
16.12.2008	$0.0610	65,000	-	9,000	-	**56,000**	15.12.2018	65,000	**56,000**
19.06.2009	$0.0600	115,000	-	13,000	-	**102,000**	18.06.2019	115,000	**102,000**
03.12.2009	$0.0640	100,000	-	-	100,000	**-**	02.12.2014	100,000	**-**
03.12.2009	$0.0640	104,000	-	10,000	-	**94,000**	02.12.2019	104,000	**94,000**
		873,540	1,258	123,417	125,160	**623,705**		873,540	**623,705**

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 30.6.2015	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						
Woo Lee Yong	-	1,265,620	-	(500,000)	(765,620)	-
Former directors	-	1,891,430	(1,251,620)	-	(639,810)	-
Others						
Academic advisors	-	2,635,860	(1,954,860)	-	(681,000)	-
Employees	-	6,240,877	(3,779,529)	(155,996)	(1,681,647)	623,705
	-	12,033,787	(6,986,009)	(655,996)	(3,768,077)	623,705

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

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

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

Share Award Scheme

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

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

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

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

Audit Committee

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

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

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

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

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

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

(iv) half-yearly financial information, the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2015 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: 8 October 2015

STATEMENT BY DIRECTORS

for the financial year ended 30 June 2015

In our opinion:

(a) the financial statements and, where applicable, the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, if applicable, of the financial position and performance of the Group for the period covered by the financial statements or consolidated financial statements; and

(b) at the date of this statement, as described in Note 1(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

DR CHIN KON YUEN

YEOW CHENG KHIM

Dated: 8 October 2015

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 2015, 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 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Emphasis of matter

We draw attention to Note 1(a) to the financial statements which describes the going concern uncertainty of the Group and the Company. As at 30 June 2015, the Group's and the Company's current liabilities exceeded current assets by $8,848,910 and $13,555,780, respectively. For the financial year ended 30 June 2015, the Group incurred loss for the year of $5,352,460 and total comprehensive loss for the year of $5,501,198, and reported net cash used in operating activities of $4,738,189. At the reporting date, the Group and the Company did not have any unutilised bank credit facilities. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

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

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 8 October 2015

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2015

		The Group		The Company	
		2015	2014	**2015**	2014
	Note	**$**	$	**$**	$
ASSETS					
Non-Current Assets					
Plant and equipment	4	**461,024**	2,057,945	**453,828**	2,029,077
Investment properties	5	**24,170,000**	23,080,000	**24,170,000**	23,080,000
Intangible assets	6	**-**	176,850	**-**	176,850
Subsidiaries	7	**-**	-	**2,000,016**	2,000,016
		24,631,024	25,314,795	**26,623,844**	27,285,943
Current Assets					
Trade and other receivables	8	**565,101**	567,636	**533,358**	518,754
Cash and cash equivalents	9	**1,400,915**	2,890,468	**150,361**	414,654
		1,966,016	3,458,104	**683,719**	933,408
Total assets		**26,597,040**	28,772,899	**27,307,563**	28,219,351
EQUITY					
Share capital	11	**11,477,196**	11,477,119	**11,477,196**	11,477,119
Reserves	12	**906,235**	6,344,448	**(2,154,097)**	3,414,452
Equity attributable to owners of the Company		**12,383,431**	17,821,567	**9,323,099**	14,891,571
Non-controlling interests		**(346,282)**	(283,297)	**-**	-
Total equity		**12,037,149**	17,538,270	**9,323,099**	14,891,571
LIABILITIES					
Non-Current Liabilities					
Borrowings	14	**3,744,965**	3,243,255	**3,744,965**	3,243,255
Current Liabilities					
Trade and other payables	15	**6,276,096**	6,743,151	**9,700,669**	8,836,302
Provisions	16	**550,000**	-	**550,000**	-
Borrowings	14	**3,988,830**	1,248,223	**3,988,830**	1,248,223
		10,814,926	7,991,374	**14,239,499**	10,084,525
Total liabilities		**14,559,891**	11,234,629	**17,984,464**	13,327,780
Total equity and liabilities		**26,597,040**	28,772,899	**27,307,563**	28,219,351

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 2015

	Note	2015 $	2014 $
Continuing operations:			
Revenue	3	**7,695,120**	8,317,505
Other income	17	**1,209,205**	1,118,142
Fair value gain on investment properties	5	**1,090,000**	820,000
Course materials and subscriptions		**(1,191,702)**	(886,353)
Staff costs	18	**(5,933,291)**	(6,156,122)
Plant and equipment, investment properties and related expenses		**(2,830,823)**	(1,282,723)
Advertising and promotion		**(423,952)**	(605,286)
Operating lease expenses		**(3,268,146)**	(3,268,773)
Other expenses	19	**(1,536,600)**	(1,840,529)
Finance costs	20	**(117,759)**	(34,056)
Loss before taxation from continuing operations		**(5,307,948)**	(3,818,195)
Taxation	22	**-**	-
Loss after taxation from continuing operations		**(5,307,948)**	(3,818,195)
Discontinued operations:			
Loss from discontinued operations, net of tax	10	**(44,512)**	(83,392)
Loss for the year	21	**(5,352,460)**	(3,901,587)
Other comprehensive (expense)/income:			
Currency translation differences - foreign operations, at nil tax		**(148,738)**	73,994
Total comprehensive loss for the year		**(5,501,198)**	(3,827,593)
Loss for the year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		**(5,328,847)**	(3,817,650)
- Profit/(Loss) from discontinued operations, net of tax	10	**29,348**	(42,530)
		(5,299,499)	(3,860,180)
Non-controlling interests			
- Profit/(Loss) from continuing operations, net of tax		**20,899**	(545)
- Loss from discontinued operations, net of tax	10	**(73,860)**	(40,862)
		(52,961)	(41,407)
		(5,352,460)	(3,901,587)
Total comprehensive loss for the year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		**(5,463,400)**	(3,742,953)
- Profit/(Loss) from discontinued operations, net of tax	10	**25,187**	(60,498)
		(5,438,213)	(3,803,451)
Non-controlling interests			
- Profit/(Loss) from continuing operations, net of tax		**20,899**	(545)
- Loss from discontinued operations, net of tax	10	**(83,884)**	(23,597)
		(62,985)	(24,142)
		(5,501,198)	(3,827,593)
(Loss)/Earnings per share (cents):			
From continuing operations attributable to equity holders of the Company			
- basic	23.1	**(3.18)**	(2.28)
- diluted	23.2	**(3.18)**	(2.28)
From discontinued operations attributable to equity holders of the Company			
- basic	23.1	**0.02**	(0.03)
- diluted	23.2	**0.02**	(0.03)

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 2015

	Equity attributable to owners of the Company						
	Share capital $	Exchange fluctuation reserve $	Share option reserve $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
At 1 July 2013	11,477,119	142,665	497,598	9,607,574	21,724,956	(259,155)	21,465,801
Loss for the year	-	-	-	(3,860,180)	(3,860,180)	(41,407)	(3,901,587)
Other comprehensive income:							
- Foreign currency translation differences	-	56,729	-	-	56,729	17,265	73,994
Total comprehensive loss for the year	-	56,729	-	(3,860,180)	(3,803,451)	(24,142)	(3,827,593)
Dividends (Note 13)	-	-	-	(99,938)	(99,938)	-	(99,938)
Transactions with owners, recognised directly in equity	-	-	-	(99,938)	(99,938)	-	(99,938)
At 30 June 2014	11,477,119	199,394	497,598	5,647,456	17,821,567	(283,297)	17,538,270
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**

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 2015

	Note	**2015** **$**	2014 $
Cash Flows from Operating Activities			
Loss before taxation from continuing operations		**(5,307,948)**	(3,818,195)
Loss before taxation from discontinued operations		**(44,512)**	(83,392)
Consolidated loss before taxation		**(5,352,460)**	(3,901,587)
Adjustments for:			
Amortisation of intangible assets	6	**56,377**	64,260
Impairment loss on intangible assets	6	**157,533**	-
Depreciation of plant and equipment	4	**762,188**	626,370
Impairment loss on plant and equipment	4	**823,397**	-
Fair value gain on investment properties	5	**(1,090,000)**	(820,000)
Gain on sale of subsidiaries from discontinued operations	10	**(106,223)**	-
Intangible assets written off	6	**1,744**	6,021
Provision for restoration costs	21	**550,000**	-
Interest expense	20	**117,759**	34,056
Interest income	17	**(1,042)**	(1,042)
Gain on disposal of plant and equipment	17	**-**	(9,202)
Plant and equipment written off	4	**-**	1
Operating loss before working capital changes		**(4,080,727)**	(4,001,123)
Changes in operating receivables		**(12,152)**	(70,481)
Changes in operating payables		**(645,310)**	379,627
Cash used in operations		**(4,738,189)**	(3,691,977)
Income tax paid		**-**	-
Net cash used in operating activities		**(4,738,189)**	(3,691,977)
Cash Flows from Investing Activities			
Net proceeds from sale of subsidiaries from discontinued operations	10	**33,365**	-
Interest received		**1,042**	1,042
Proceeds from disposal of plant and equipment		**-**	24,111
Acquisition of intangible assets	6	**(38,804)**	(75,422)
Acquisition of plant and equipment	4	**(9,003)**	(324,725)
Net cash used in investing activities		**(13,400)**	(374,994)
Cash Flows from Financing Activities			
Proceeds from issue of ordinary shares	11	**77**	-
Decrease in fixed deposit pledged		**291,147**	510,609
Interest paid		**(117,759)**	(34,056)
Dividend paid	13	**-**	(99,938)
Proceeds from shareholders' loan		**2,000,000**	-
Proceeds from bank loans		**2,900,000**	4,100,000
Repayments of bank loans		**(1,657,683)**	(1,261,347)
Net cash generated from financing activities		**3,415,782**	3,215,268
Net cash generated from discontinued operations	10	**194,801**	28,400
Net decrease in cash and cash equivalents		**(1,141,006)**	(823,303)
Cash and cash equivalents at beginning of the year		**2,599,321**	3,347,936
Effects of exchange rate changes on cash and cash equivalents		**(57,400)**	74,688
Cash and cash equivalents at end of the year	9	**1,400,915**	2,599,321

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 2015 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 38C Jalan Pemimpin, Singapore 577180.

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

1(a) Going concern uncertainty of the Group and the Company

As at 30 June 2015, the Group's and the Company's current liabilities exceeded current assets by $8,848,910 and $13,555,780 (2014: $4,533,270 and $9,151,117) respectively. For the financial year ended 30 June 2015, the Group incurred loss for the year of $5,352,460 (2014: $3,901,587) and total comprehensive loss for the year of $5,501,198 (2014: $3,827,593), and reported net cash used in operating activities of $4,738,189 (2014: $3,691,977). At the reporting date, the Group and the Company did not have any unutilised bank credit facilities. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

As at 30 June 2015, the Group's current liabilities included non-refundable course and examination fees received in advance from students amounting to $2,169,519 (2014: $2,957,728). Excluding this amount, the Group's current liabilities would have been $8,645,407 (2014: $5,033,646) compared to current assets of $1,966,016 (2014: $3,458,104) as at 30 June 2015.

As at 30 June 2015, the Company's current liabilities included amounts due to wholly-owned subsidiaries of $6,387,996 (2014: $5,581,655). The directors of the Company have the power and authority to manage the payment obligations to the said wholly-owned subsidiaries if the need ever arises.

Not withstanding the above, the directors of the Company believe that the use of going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 June 2015 is still appropriate after taking into consideration the followings:

(1) On 29 April 2015, two directors cum controlling shareholders, Dr Chin Kon Yuen and Yeow Cheng Kim, granted the Company a loan of up to $4,500,000 which shall be used to meet the cash flow requirements of the Group and the Company (Note 14.2). As at 30 June 2015, $2,000,000 had been drawn down. The remaining balance of $2,500,000 was drawn down in August 2015. The Group plans to obtain funding of approximately $2,000,000 from third parties in October 2015 to improve its cash flow position.

(2) The directors have taken various steps to improve the Group's and the Company's net cash flows from operating activities and their working capital position, including discontinuance of the loss-making pre-school education operations in China (Note 10). As part of its cost reduction exercise, the Group will consolidate its core education services business into one campus in October 2015. From profitability and cash flows projections for the next 5 years, the directors expect that the Group and the Company will be able to generate better cash flows from the Group's core business activities in the foreseeable future.

(3) 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 2015, the carrying amount of the Group's and the Company's investment properties was $24,170,000 (2014: $23,080,000) as determined by an independent firm of professional valuers. Subsequent to the year end, on 20 August 2015, the Company announced publicly that it had appointed an agent to market and/or sell by auctions in September 2015 and October 2015 certain of its investment properties at an expected consideration of $5,562,000. Net proceeds thereof (after taking into account the legal fees and other transactional costs in connection with such sale and any tax arising from such sale) will be 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.

1(a) Going concern uncertainty of the Group and the Company (cont'd)

If the Group and the Company are unable to continue as a going concern for any reason, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities which may arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to the financial statements of the Group and the Company in respect of these.

2(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. 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 and the Company's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers who has adopted the Direct Comparative Method to value the subject properties. The Direct Comparative Method takes into consideration the recent sales of comparable properties around and within the location of the subject properties and makes appropriate adjustments for differences such as tenure, location, condition, floor area, prevailing market conditions and all other relevant factors affecting their values. The determination of the fair value of investment property requires estimates of the price per square metre and a discount applied of 19% (2014: 16%) based on the quality of the commercial premises. A reasonably possible change in key estimates of 5.0% (2014: 5.0%) decrease in price per square feet or 1.0% (2014: 1.0%) increase in discount applied would respectively cause an increase of 5.0% and 1.3% (2014: 5.0% and 4.4%) in the fair value of the investment properties. The fair value based on estimated market value may differ from the price at which the Group's and the Company'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 5 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% (2014: 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately 1% (2014: 1%) variance in the Group's and the Company's loss for the year. The carrying amounts of plant and equipment at the reporting date are disclosed in Note 4 to the financial statements.

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

Significant accounting estimates and judgements (cont'd)

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

(iii) Impairment of non-financial assets
Plant and equipment, intangible assets 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. A reasonably possible change in key assumptions of 0.5% increase in discount rate or 0.5% decrease in terminal growth rate would cause an increase of $133,000 and $97,000 in the Group's and the Company's loss for the year respectively. The carrying amounts of plant and equipment, intangible assets and subsidiaries at the reporting date are disclosed in Note 4, 6 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 $56,510 and $53,336 (2014: $56,764 and $51,875) respectively, where applicable. The carrying amounts of trade and other receivables at the reporting date are disclosed in Note 8 to the financial statements.

(v) Provision for restoration costs of leased office premises
A provision is made for the present value of anticipated costs for future restoration of leased office premises. The provision includes future cost estimates associated with expiry of the lease terms of the leased premises made on the basis of quotes obtained from external contractors. The calculation of this provision requires assumptions such as application of the lease expiry dates, cost estimates and an appropriate discount rate to compute the present value of future costs. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes in the expected cost of restoration, the lease terms and restoration terms, may impact the value of the recognised restoration liability, the corresponding asset and annual charge on recognition of depreciation. A 10% increase/decrease in the expected cost of restoration would cause the Group's and the Company's loss for the year to increase/decrease by $55,000. The carrying amounts of provision for restoration costs at the reporting date are disclosed in Note 16 to the financial statements.

(b) Significant judgements used in applying accounting policies

(i) 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. The carrying amounts of the Group's and the Company's deferred tax liabilities at the reporting date amounted to $nil and $nil (2014: $nil and $nil) respectively.

(ii) Income tax
Significant judgement is involved in determining provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's and the Company's current tax payables at the reporting date amounted to $nil and $nil (2014: $nil and $nil) respectively.

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

Significant accounting estimates and judgements (cont'd)

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

(iii) Determination of functional currency
The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services, and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

2(b) New accounting standards and interpretations

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

On 1 July 2014, the Group adopted FRS and INT FRS that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

Reference	Description
Revised FRS 27	*Separate Financial Statements*
Revised FRS 28	*Investments in Associates and Joint Ventures*
FRS 110	*Consolidated Financial Statements*
FRS 111	*Joint Arrangements*
FRS 112	*Disclosure of Interests in Other Entities*
Amendments to FRS 19	*Defined Benefit Plans: Employee Contributions*
Amendments to FRS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to FRS 36	*Recoverable Amount Disclosures to Non-Financial Assets*
Amendments to FRS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
Amendments to FRS 110, FRS 112 and FRS 27	*Investment Entities*
INT FRS 121	*Levies*
Improvement to FRSs (January 2014):	
FRS 102	*Share Based Payment*
FRS 103	*Business Combinations (with consequential amendments to other standards)*
FRS 108	*Operating Segments*
FRS 16	*Property, Plant and Equipment*
FRS 24	*Related Party Disclosures*
FRS 38	*Intangible Assets*
Improvements to FRSs (February 2014):	
FRS 103	*Business Combinations*
FRS 113	*Fair Value Measurement*
FRS 40	*Investment Property*

FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements
FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 require management to exercise significant judgement to determine whether entities are controlled and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements. The Group has reassessed which entities the Group controls and there are no retrospective changes required.

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

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

Improvements to FRSs (January 2014): FRS 24 *Related Party Disclosures*
Improvements to FRSs (January 2014): FRS 24 *Related Party Disclosures* clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The Improvements to FRSs (January 2014): FRS 24 *Related Party Disclosures* are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group and the Company when implemented.

Improvements to FRSs (January 2014): FRS 108 *Operating Segments*
The Improvements to FRSs (January 2014): FRS 108 *Operating Segments* clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. As this is a disclosure standard, it will not have any impact on the financial statements.

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

(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)**
FRS 27	Amendments to FRS 27: *Equity Method in Separate Financial Statements*	1 January 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
FRS 111	Amendments to FRS 111: *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
FRS 114	*Regulatory Deferral Accounts*	1 January 2016
FRS 115	*Revenue from Contracts with Customers*	1 January 2017
FRS 109	*Financial Instruments*	1 January 2018
FRS 1	Amendments to FRS 1: *Disclosure Initiatives*	1 January 2016
FRS 110, FRS 112 and FRS 28	Amendments to FRS 110, 112 and 28: *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: *Agriculture and Bearer Plants*	1 January 2016
Improvement to FRSs (November 2014):		
FRS 105	*Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
FRS 107	*Financial Instruments: Disclosures*	1 January 2016
FRS 19	*Employee Benefits*	1 January 2016
FRS 34	*Interim Financial Reporting*	1 January 2016

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

(ii) Accounting standards and interpretations not yet effective (cont'd)

FRS 115 *Revenue from Contracts with Customers*

FRS 115 *Revenue from Contracts with Customers* requires the entity to recognise revenue which depict transfer of promised goods or services to customers in an amount that reflects the consideration (payment) to which the entity expects to be entitled in exchange for those goods or services. FRS 115 is effective for annual periods beginning on or after 1 January 2017. 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.

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 Group and the Company in the period of their initial adoption.

2(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.

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

Consolidation (cont'd)
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.

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.

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

Plant and equipment and depreciation (cont'd)
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, principally comprising office units, are held for long-term rental yields and/or for capital appreciation and are not occupied by the Group.

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

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.

Intangible assets
Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to rise.

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

<u>Goodwill</u>
Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, refer to the significant accounting policy on "Consolidation".

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.

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

Financial assets (cont'd)
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.

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.

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

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.

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.

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to 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.

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

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.

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

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.

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

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.

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 the 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.

2(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).

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 as income in profit or loss.

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

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

Interest income is recognised on a time-apportionment basis using the effective interest rate method.

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

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 dollar, which is also the functional currency of the Company.

Conversion of foreign currencies
Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences 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 measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

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.

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.

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

Segment reporting (cont'd)
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.

3 Principal activities and revenue

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

4 Plant and equipment

The Group	Renovations	Furniture and fittings	Office and training equipment	Computers and software	Motor vehicle	Total
	$	$	$	$	$	$
Cost						
At 1 July 2013	2,611,024	449,429	280,501	1,516,686	321,426	5,179,066
Additions	166,119	26,039	13,108	120,441	-	325,707
Disposal	-	-	(9,922)	-	(321,426)	(331,348)
Write-offs	-	-	-	(4,308)	-	(4,308)
Translation differences	(4,508)	(1,245)	(747)	(2,115)	-	(8,615)
At 30 June 2014	**2,772,635**	**474,223**	**282,940**	**1,630,704**	**-**	**5,160,502**
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**
Accumulated depreciation						
At 1 July 2013	888,030	233,376	109,707	1,245,983	313,753	2,790,849
Depreciation	418,053	30,530	23,629	168,163	-	640,375
Disposal	-	-	(2,686)	-	(313,753)	(316,439)
Write-offs	-	-	-	(4,307)	-	(4,307)
Translation differences	(4,248)	(1,160)	(614)	(1,899)	-	(7,921)
At 30 June 2014	**1,301,835**	**262,746**	**130,036**	**1,407,940**	**-**	**3,102,557**
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**
Accumulated impairment						
At 1 July 2013 and 30 June 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**
Net book value						
At 30 June 2015	**311,398**	**49,183**	**51,723**	**48,720**	**-**	**461,024**
At 30 June 2014	1,470,800	211,477	152,904	222,764	-	2,057,945

4 Plant and equipment (cont'd)

The Company	Renovations	Furniture and fittings	Office and training equipment	Computers and software	Motor vehicle	Total
	$	$	$	$	$	$
Cost						
At 1 July 2013	2,435,028	400,832	251,346	1,434,102	321,426	4,842,734
Additions	166,119	26,039	12,929	119,256	-	324,343
Disposals	-	-	(9,922)	-	(321,426)	(331,348)
Write-offs	-	-	-	(4,308)	-	(4,308)
At 30 June 2014	**2,601,147**	**426,871**	**254,353**	**1,549,050**	**-**	**4,831,421**
Additions	**1,980**	**-**	**7,023**	**-**	**-**	**9,003**
At 30 June 2015	**2,603,127**	**426,871**	**261,376**	**1,549,050**	**-**	**4,840,424**
Accumulated depreciation						
At 1 July 2013	728,708	190,773	88,567	1,176,343	313,753	2,498,144
Depreciation	411,978	28,038	20,950	163,980	-	624,946
Disposal	-	-	(2,686)	-	(313,753)	(316,439)
Write-offs	-	-	-	(4,307)	-	(4,307)
At 30 June 2014	**1,140,686**	**218,811**	**106,831**	**1,336,016**	**-**	**2,802,344**
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**
Accumulated impairment						
At 1 July 2013 and 30 June 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**
Net book value						
At 30 June 2015	**311,398**	**49,144**	**51,701**	**41,585**	**-**	**453,828**
At 30 June 2014	1,460,461	208,060	147,522	213,034	-	2,029,077

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

4 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 $823,397 (2014: $nil) 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 relevant CGU using the plant and equipment has been 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 does not exceed management's expectation of the long term average growth rate of the industry and country in which the Group and the Company operates.

5 Investment properties

The Group and the Company	**2015** **$**	2014 $
At fair value:		
At 1 July	**23,080,000**	22,260,000
Gain on fair value	**1,090,000**	820,000
At 30 June	**24,170,000**	23,080,000

Investment properties consist of 35 office units (2014: 35 office units) located at 111 North Bridge Road, Peninsula Plaza, Singapore 179098. The properties have a total floor area of 1,209 square metres (2014 - 1,209 square metres). The properties are on 999-year lease and the unexpired lease term of the properties is 813 years (2014 - 814 years).

The aggregate fair value of the investment properties at the end of the reporting period is $24,170,000 (2014 - $23,080,000) 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 28.

As at 30 June 2015, 26 units (2014 - 35 units) of the investment properties are leased to third parties under operating leases during certain periods of the financial year. Any vacant units during the financial year are held for purpose of lease out under operating leases.

24 office units (2014 - 24 office units) of the investment properties of 720 square metres (2014 - 720 square metres) with aggregate fair value of $14,440,000 (2014 - $13,790,000) are mortgaged to secure bank loans (Note 14).

The following amounts were recognised in profit or loss:

The Group and the Company	**2015** **$**	2014 $
Rental income (Note 17)	**816,474**	730,888
Direct operating expenses arising from investment properties that generated rental income	**228,874**	243,202
Direct operating expenses arising from investment properties that did not generate rental income	**9,493**	24,028

6 Intangible assets

Development expenditure	The Group	The Company
	$	$
Cost		
At 1 July 2013	581,661	581,661
Additions	75,422	75,422
Write-offs	(59,970)	(59,970)
At 30 June 2014	**597,113**	**597,113**
Additions	**38,804**	**38,804**
Write-offs	**(26,880)**	**(26,880)**
At 30 June 2015	**609,037**	**609,037**
Accumulated amortisation		
At 1 July 2013	409,952	409,952
Amortisation	64,260	64,260
Write-offs	(53,949)	(53,949)
At 30 June 2014	**420,263**	**420,263**
Amortisation	**56,377**	**56,377**
Write-offs	**(25,136)**	**(25,136)**
At 30 June 2015	**451,504**	**451,504**
Accumulated impairment		
At 30 June 2014	**-**	**-**
Impairment loss recognised	**157,533**	**157,533**
At 30 June 2015	**157,533**	**157,533**
Net book value		
At 30 June 2015	**-**	**-**
At 30 June 2014	176,850	176,850

Impairment assessment of intangible assets

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 intangible assets. Consequently, the Group and the Company carried out a review of the recoverable amount of the intangible assets. Based on the impairment test, the carrying amount of the Group's and the Company's intangible assets were determined to be not recoverable and thus were fully impaired.

The recoverable amount of the relevant CGU using the intangible assets has been determined based on a value-in-use ("VIU") calculation using cash flow projections from financial budgets 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 does not exceed management's expectation of the long term average growth rate of the industry and country in which the Group and the Company operates.

7 Subsidiaries

The Company	**2015** $	2014 $
Unquoted equity investments, at cost:		
At 1 July	**2,931,278**	2,931,276
Addition	**-**	2
At 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 **2015** %	2014 %
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 TMC (China) Holdings Pte Ltd				
Creative Education Development (Shenyang) Ltd [3, 4] ("CED Shenyang")	Investment holding	People's Republic of China ("PRC")	**-**	51
Held by Creative Education Development (Shenyang) Ltd				
Lorna Whiston Creative Kindergarten [3, 4] ("LWC Kindergarten")	Provision of kindergarten and early childhood education	People's Republic of China	**-**	51
Held by Boston East Int'l Pte Ltd				
TMC-Cambridge Education (Beijing) Ltd [3]	Provision of marketing & recruitment support services	People's Republic of China	**100**	100

1 Audited by Foo Kon Tan LLP.
2 Audited by Lee, Sek, Chiu & Hui, Certified Public Accountants, Hong Kong.
3 Audited by Grant Thornton Zhi Tong, People's Republic of China, for consolidation purposes.
4 During the current financial year, the Group decided to discontinue and dispose of its pre-school education operations in PRC which comprised the entities of CED Shenyang and LWC Kindergarten (Note 10). At the date of these financial statements, the physical transfer of shares in CED Shenyang to the buyer is still in progress and not completed yet.

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	CED Shenyang	LWC Kindergarten	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)**
2014				
Current assets	11,556	2,695	492,638	506,889
Non-current assets	-	-	21,026	21,026
Total assets	11,556	2,695	513,664	527,915
Current liabilities	508,691	209,333	388,049	1,106,073
Non-current liabilities	-	-	-	-
Total liabilities	508,691	209,333	388,049	1,106,073
Net (liabilities)/assets	(497,135)	(206,638)	125,615	(578,158)
Net (liabilities)/assets attributable to NCI	(243,596)	(101,252)	61,551	(283,297)

7 Subsidiaries (cont'd)

Details of non-wholly owned subsidiaries that have non-controlling interests (cont'd)

(ii) Summarised statements of comprehensive income:

	TMC China $	CED Shenyang $	LWC Kindergarten $	Total $
2015				
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	**-**	**-**	**-**	**-**

	TMC China $	CED Shenyang $	LWC Kindergarten $	Total $
2014				
Revenue	-	-	1,024,582	1,024,582
Loss for the year	(1,111)	(51,014)	(32,379)	(84,504)
Other comprehensive income	-	21,553	13,680	35,233
Total comprehensive loss for the year	(1,111)	(29,461)	(18,699)	(49,271)
Attributable to NCI:				
- Loss for the year	(544)	(24,997)	(15,866)	(41,407)
- Other comprehensive income	-	10,562	6,703	17,265
- Total comprehensive loss for the year	(544)	(14,435)	(9,163)	(24,142)
Dividends paid to NCI	-	-	-	-

(iii) Summarised statements of cash flows:

	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**
2014				
Cash flows from operating activities	(1,111)	(10)	29,382	28,261
Cash flows from investing activities	-	10	(982)	(972)
Cash flows from financing activities	1,081	-	-	1,081
Net (decrease)/increase in cash and cash equivalents	(30)	-	28,400	28,370

8 Trade and other receivables

		The Group		The Company	
		2015	2014	**2015**	2014
		$	$	**$**	$
Trade receivables		**102,955**	88,772	**101,946**	87,431
Allowance for impairment losses:					
- At 1 July		**(1,380)**	(23,204)	**(1,380)**	(23,204)
- Allowance made (Note 19)		**(219)**	-	**(219)**	-
- Allowance utilised		**780**	21,824	**780**	21,824
- At 30 June		**(819)**	(1,380)	**(819)**	(1,380)
	(a)	**102,136**	87,392	**101,127**	86,051
Other receivables		**74,342**	19,690	**44,888**	15,022
Deposits		**96,080**	55,863	**95,466**	50,618
		170,422	75,553	**140,354**	65,640
Allowance for impairment losses:					
- At 1 July		**(19,086)**	(9,209)	**(19,086)**	(9,209)
- Allowance made (Note 19)		**-**	(12,686)	**-**	(12,686)
- Allowance utilised		**-**	2,809	**-**	2,809
- At 30 June		**(19,086)**	(19,086)	**(19,086)**	(19,086)
	(b)	**151,336**	56,467	**121,268**	46,554
Amounts due from subsidiaries (non-trade)		**-**	-	**7,340,469**	6,882,019
Allowance for impairment losses:		**-**			
- At 1 July		**-**	-	**(6,882,019)**	(6,797,794)
- Allowance made		**-**	-	**(458,450)**	(84,225)
- At 30 June		**-**	-	**(7,340,469)**	(6,882,019)
	(c)	**-**	-	**-**	-
Total "loans and receivables" (a + b + c)		**253,472**	143,859	**222,395**	132,605
Prepayments		**311,629**	423,777	**310,963**	386,149
Total trade and other receivables		**565,101**	567,636	**533,358**	518,754

Included above in "other receivables" is remainder cash consideration receivable amounting to $26,942 from sale of subsidiaries from discontinued operations (Note 10).

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	
	2015	2014	**2015**	2014
	$	$	**$**	$
Australian dollar	**9,297**	-	**9,297**	-
Hong Kong dollar	**358**	-	**-**	-
Renminbi	**29,669**	46,497	**-**	-
Singapore dollar	**525,777**	521,139	**524,061**	518,754
	565,101	567,636	**533,358**	518,754

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	
	2015	2014	**2015**	2014
	$	$	**$**	$
By geographical areas				
Australia	**9,297**	-	**9,297**	-
Singapore	**92,839**	87,392	**91,830**	86,051
	102,136	87,392	**101,127**	86,051

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

	2015		2014	
	Gross	**Impairment losses**	Gross	Impairment losses
The Group	**$**	**$**	$	$
Past due less than 90 days	**36,787**	**-**	86,051	-
Past due over 90 days	**31,504**	**(19,905)**	36,578	(20,466)
The Company				
Past due less than 90 days	**36,787**	**-**	86,051	-
Past due over 90 days	**29,001**	**(19,905)**	31,911	(20,466)

Past due and impaired
The Group's and the Company's impairment losses arose mainly from long outstanding balances due from debtors which management is in the process of recovering the debts.

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.

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

9 Cash and cash equivalents

	The Group		The Company	
	2015	2014	**2015**	2014
	$	$	**$**	$
Fixed deposits	**-**	291,147	**-**	291,147
Cash on hand	**4,140**	4,229	**3,049**	3,065
Cash in banks	**1,396,775**	2,595,092	**147,312**	120,442
	1,400,915	2,890,468	**150,361**	414,654

The Group's and the Company's fixed deposits of $nil (2014: $291,147) at the end of the reporting period was pledged as security to obtain banker's guarantees.

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

	2015	2014
The Group	**$**	$
Fixed deposits	**-**	291,147
Cash on hand and in banks	**1,400,915**	2,599,321
	1,400,915	2,890,468
Less: Fixed deposit pledged	**-**	(291,147)
Cash and cash equivalents in the consolidated statement of cash flows	**1,400,915**	2,599,321

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2015	2014	**2015**	2014
	$	$	**$**	$
Australian dollar	**32,451**	46,399	**10,736**	34,568
Hong Kong dollar	**87**	81	**87**	81
Renminbi	**78,813**	542,632	**-**	-
Singapore dollar	**1,289,416**	2,301,219	**139,390**	379,868
United States dollar	**148**	137	**148**	137
	1,400,915	2,890,468	**150,361**	414,654

At the end of previous financial year, the fixed deposits had an average maturity within 4 months from 30 June 2014 with a weighted average effective interest rate of 0.01% per annum.

10 Discontinued operations

During the current 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.

10 Discontinued operations (cont'd)

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 date of these financial statements, 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 is included in "trade and other receivables" (Note 8) on the Group's consolidated statement of financial position.

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 current and previous financial years.

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

The Group	**2015** **$**	2014 $
Loss for the year from the pre-school education operations in PRC	**(150,735)**	(83,392)
Gain on sale of subsidiaries (CED Shenyang and LWC Kindergarten) from discontinued operations	**106,223**	-
	(44,512)	(83,392)

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

The Group	Note	**2015** **$**	2014 $
Revenue	3	**758,285**	1,024,582
Other income	17	**116,127**	14,539
Fair value gain on investment properties		**-**	-
Course materials and subscriptions		**(883)**	(3,856)
Staff costs	18	**(602,706)**	(648,664)
Plant and equipment, investment properties and related expenses		**(14,692)**	(28,199)
Advertising and promotion		**(89,589)**	(147,229)
Operating lease expenses		**(170,139)**	(143,393)
Other expenses	19	**(147,138)**	(151,172)
Finance costs		**-**	-
Loss before taxation from discontinued operations		**(150,735)**	(83,392)
Taxation	22	**-**	-
Loss after taxation from discontinued operations		**(150,735)**	(83,392)

10 Discontinued operations (cont'd)

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

The Group	2015 $	2014 $
Operating activities	**170,736**	29,372
Investing activities	**24,066**	(972)
Financing activities	**-**	-
Net cash inflows	**194,802**	28,400

Details of the assets disposed of 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	2015 Number of ordinary shares	2014 Number of ordinary shares	2015 $	2014 $
Issued and fully paid, with no par value				
At 1 July	**167,396,419**	167,396,419	**11,477,119**	11,477,119
Issue of ordinary shares	**1,258**	-	**77**	-
At 30 June	**167,397,677**	167,396,419	**11,477,196**	11,477,119

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

In 2015, 1,258 (2014: nil) new ordinary shares were issued upon the exercise of 1,258 share options granted under the TMC Share Option Scheme.

12 Reserves

	The Group 2015 $	The Group 2014 $	The Company 2015 $	The Company 2014 $
Exchange fluctuation reserve	**60,680**	199,394	**-**	-
Share option reserve	**497,598**	497,598	**497,598**	497,598
Retained earnings	**347,957**	5,647,456	**(2,651,695)**	2,916,854
	906,235	6,344,448	**(2,154,097)**	3,414,452

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 Dividends

	The Group 2015 $	The Group 2014 $	The Company 2015 $	The Company 2014 $
First and final dividend paid of 0.0597 cents per share in respect of the financial year ended 30 June 2014	**-**	99,938	**-**	99,938

14 Borrowings

The Group and the Company	Note	**2015 $**	2014 $
Non-current			
Bank loans (secured)	14.1	**3,744,965**	3,243,255
Current			
Bank loans (secured)	14.1	**1,988,830**	1,248,223
Shareholders' loan (unsecured)	14.2	**2,000,000**	-
Total current borrowings		**3,988,830**	1,248,223
		7,733,795	4,491,478

14 Borrowings (cont'd)

14.1 Bank loans (secured)

The Group and the Company	Note	2015 $	2014 $
Renovation loan	(a)	**334,387**	596,329
Working capital loan	(b)	**1,743,841**	-
Term loan	(c)	**3,655,567**	3,895,149
		5,733,795	4,491,478
Represented by:			
Non-current		**3,744,965**	3,243,255
Current		**1,988,830**	1,248,223
		5,733,795	4,491,478

(a) Renovation loan comprises of a drawdown of $1,000,000 on 5 November 2012. The loan is repayable by 48 monthly principal instalments of $20,833 or by any such instalments as may be specified or fixed by the bank from time to time. Interest is charged at the prevailing 3-months Swap Offer Rate plus 1.75% (2014: 1.75%) per annum.

(b) Working capital loan comprises of 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 is 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 is charged at the prevailing 3-months Swap Offer Rate plus 1.75% (2014: 1.75%) per annum.

(c) Term loan comprises of 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 $104,167 or by any such instalments as may be specified or fixed by the bank from time to time. Interest is charged at 2.72% (2014: 2.03%) per annum below the bank's prevailing Commercial Property Rate.

The bank loans are secured by mortgages over the Group's and the Company's investment properties of 24 office units (2014: 24 office units) with floor area of 720 square metres (2014: 720 square metres) and carrying amount of $14,440,000 (2014: $13,790,000) (Note 5) at the end of the reporting period.

14.2 Shareholders' loan (unsecured)

The Group and the Company	2015 $	2014 $
Shareholders' loan (unsecured)	**2,000,000**	-

The shareholders' loan is interest free, unsecured and with no fixed terms of repayment.

14.3 Currency risk

Borrowings are denominated in the Singapore dollar.

14.4 Weighted average effective interest rates

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

The Group and the Company	2015	2014
Bank loans (secured)	**2.16%**	2.02%

14 Borrowings (cont'd)

14.5 Carrying amounts and fair values

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

15 Trade and other payables

	The Group		The Company	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade payables	**1,750,387**	1,401,375	**1,711,894**	1,384,574
Accrued expenses	**1,410,425**	1,684,852	**1,385,591**	1,631,279
Amounts due to subsidiaries (non-trade)	**-**	-	**6,387,996**	5,581,655
Amount due to non-controlling interests (non-trade)	**627,963**	209,333	**-**	-
Other payables	**317,802**	489,863	**215,188**	238,794
Total "non-derivative financial liabilities"	**4,106,577**	3,785,423	**9,700,669**	8,836,302
Course and examination fees received in advance (non-refundable)	**2,169,519**	2,957,728	**-**	-
Total trade and other payables	**6,276,096**	6,743,151	**9,700,669**	8,836,302

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	
	2015	2014	**2015**	2014
	$	$	**$**	$
Australian dollar	**29,755**	45,018	**29,755**	45,018
Hong Kong dollar	**3,910**	1,841	**-**	-
Indonesian rupiah	**61**	63	**61**	63
British pound	**447,424**	400,276	**447,424**	400,276
Renminbi	**45,602**	320,906	**-**	-
Singapore dollar	**5,746,302**	5,964,647	**9,220,387**	8,380,545
United States dollar	**3,042**	10,400	**3,042**	10,400
	6,276,096	6,743,151	**9,700,669**	8,836,302

16 Provisions

	The Group		The Company	
	2015	2014	**2015**	2014
	$	$	**$**	$
Provision for restoration costs:				
- At 1 July	**-**	-	**-**	-
- Provision made (Note 21)	**550,000**	-	**550,000**	-
- At 30 June	**550,000**	-	**550,000**	-

The provision for restoration costs represents the present value of anticipated costs for future restoration of leased office premises for which the best estimate has been made on the basis of quotes obtained from external contractors.

17 Other income

The Group	Continuing operations 2015 $	2014 $	Discontinued operations 2015 $	2014 $	Total 2015 $	2014 $
Exchange gain, net	**133,068**	-	**107,684**	-	**240,752**	-
Government grants	**119,930**	264,304	**-**	-	**119,930**	264,304
Graduation fees	**11,925**	18,519	**-**	-	**11,925**	18,519
Gain on disposal of plant and equipment	**-**	9,202	**-**	-	**-**	9,202
Interest income from cash and cash equivalents	**1,042**	1,042	**1,011**	1,431	**2,053**	2,473
Rental income from investment properties (Note 5)	**816,474**	730,888	**-**	-	**816,474**	730,888
Rental income – others	**66,150**	48,363	**-**	-	**66,150**	48,363
Others	**60,616**	45,824	**7,432**	13,108	**68,048**	58,932
	1,209,205	1,118,142	**116,127**	14,539	**1,325,332**	1,132,681

Others mainly relate to commission income and insurance claims.

18 Staff costs

The Group	Continuing operations 2015 $	2014 $	Discontinued operations 2015 $	2014 $	Total 2015 $	2014 $
Key management personnel:						
Directors' fees	**183,000**	183,000	**-**	-	**183,000**	183,000
Directors' remuneration other than fees						
- salaries and other related costs	**589,212**	579,869	**-**	-	**589,212**	579,869
- contributions to defined contribution plans	**19,800**	20,074	**-**	-	**19,800**	20,074
	792,012	782,943	**-**	-	**792,012**	782,943
Other than directors						
- salaries and other related costs	**1,449,775**	1,494,662	**70,950**	68,411	**1,520,725**	1,563,073
- contributions to defined contribution plans	**125,417**	150,128	**2,667**	2,572	**128,084**	152,700
	1,575,192	1,644,790	**73,617**	70,983	**1,648,809**	1,715,773
Total key management personnel compensation	**2,367,204**	2,427,733	**73,617**	70,983	**2,440,821**	2,498,716
Other than key management personnel:						
- salaries and other related costs	**3,154,296**	3,372,741	**443,633**	473,270	**3,597,929**	3,846,011
- contributions to defined contribution plans	**411,791**	355,648	**85,456**	104,411	**497,247**	460,059
	3,566,087	3,728,389	**529,089**	577,681	**4,095,176**	4,306,070
Total staff costs	**5,933,291**	6,156,122	**602,706**	648,664	**6,535,997**	6,804,786

19 Other expenses

	Continuing operations		Discontinued operations		Total	
	2015	2014	**2015**	2014	**2015**	2014
The Group	**$**	$	**$**	$	**$**	$
Sub-contractor costs	**377,046**	518,424	**-**	-	**377,046**	518,424
Courier and postage	**31,479**	43,909	**1,766**	1,286	**33,245**	45,195
Communication	**67,767**	40,150	**2,009**	2,112	**69,776**	42,262
Utilities	**236,523**	270,869	**24,799**	27,410	**261,322**	298,279
Audit fees:						
- auditor of the Company	**136,500**	136,000	**-**	-	**136,500**	136,000
- other auditors	**28,359**	26,897	**34,743**	15,862	**63,102**	42,759
Printing and stationery	**43,043**	50,125	**3,929**	1,066	**46,972**	51,191
Professional fees	**210,184**	151,692	**43,104**	20,982	**253,288**	172,674
Transport and travelling	**169,246**	127,801	**30,918**	33,455	**200,164**	161,256
Insurance	**90,196**	134,430	**-**	-	**90,196**	134,430
Bank charges	**60,966**	73,655	**636**	638	**61,602**	74,293
Impairment losses on trade and other receivables	**219**	12,686	**-**	-	**219**	12,686
Others	**85,072**	253,891	**5,234**	48,361	**90,306**	302,252
	1,536,600	1,840,529	**147,138**	151,172	**1,683,738**	1,991,701

20 Finance costs

	Continuing operations		Discontinued operations		Total	
	2015	2014	**2015**	2014	**2015**	2014
The Group	**$**	$	**$**	$	**$**	$
Interest expense						
- bank loans (secured)	**117,759**	34,056	**-**	-	**117,759**	34,056

21 Loss for the year

		Continuing operations		Discontinued operations		Total	
		2015	2014	**2015**	2014	**2015**	2014
The Group	Note	**$**	$	**$**	$	**$**	$
Loss for the year has been arrived at after charging/(crediting):							
Amortisation of intangible assets	6	**56,377**	64,260	**-**	-	**56,377**	64,260
Depreciation of plant and equipment	4	**762,188**	626,370	**10,341**	14,005	**772,529**	640,375
Intangible assets written off	6	**1,744**	6,021	**-**	-	**1,744**	6,021
Plant and equipment written off	4	**-**	1	**853**	-	**853**	1
Gain on disposal of subsidiaries	10	**-**	-	**(106,223)**	-	**(106,223)**	-
Provision for restoration costs	16	**550,000**	-	**-**	-	**550,000**	-
Impairment losses on:							
- Plant and equipment	4	**823,397**	-	**-**	-	**823,397**	-
- Intangible assets	6	**157,533**	-	**-**	-	**157,533**	-

22 Taxation

The Group	2015 $	2014 $
Current tax expense	-	-
Deferred tax expense	-	-
	-	-

Domestic income tax is calculated at 17% (2014: 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.

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	2015 $	2014 $
Loss before taxation from continuing operations	(5,307,948)	(3,818,195)
Loss before taxation from discontinued operations	(44,512)	(83,392)
Consolidated total loss before taxation	(5,352,460)	(3,901,587)
Tax at statutory rate of 17% (2014: 17%)	(909,918)	(663,270)
Tax effects of:		
Expenses not deductible in determining taxable income	205,091	12,897
Income exempt from taxation	(179,518)	(139,400)
Tax incentives	-	(49,321)
Deferred tax assets on current year losses not recognised	582,080	754,192
Temporary differences not recognised	241,060	104,887
Difference in foreign tax rate	61,205	(19,985)
	-	-

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

	The Group		The Company	
	2015 $	2014 $	2015 $	2014 $
Tax losses	13,247,000	9,823,000	12,270,000	8,798,000
Deductible temporary differences	2,850,000	1,432,000	2,850,000	1,432,000
	16,097,000	11,255,000	15,120,000	10,230,000

Tax losses of $977,000 (2014: $1,025,000) expire from 2017 through 2021. The remaining tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

23 (Loss)/Earnings per share

23.1 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)/Profit for the year attributable to ordinary shareholders:

	2015	2014
The Group	**$**	$
From continuing operations	**(5,328,847)**	(3,817,650)
From discontinued operations	**29,348**	(42,530)
Consolidated total loss for the year	**(5,299,499)**	(3,860,180)

(b) Weighted average number of ordinary shares:

	2015	2014
The Group	Number of ordinary shares	
Issued ordinary shares at beginning of the year	**167,396,419**	167,396,419
Issue of ordinary shares during the year	**1,258**	-
Issued ordinary shares at end of the year	**167,397,677**	167,396,419
Weighted average number of ordinary shares	**167,396,936**	167,396,419

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

	2015	2014
The Group	**cents**	cents
From continuing operations	**(3.18)**	(2.28)
From discontinued operations	**0.02**	(0.03)

23.2 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 2015 and 2014. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 30 June 2015 and 2014.

24 Equity-settled share-based payment transactions

Share Option Scheme

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

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

Share Option Scheme (cont'd)

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

Date of grant of options	Exercise price per share	Options outstanding as at 1.7.2014	Options exercised	Options forfeited	Options expired	**Options outstanding as at 30.6.2015**	Expiry date	Options exercisable as at 30.6.2014	**Options exercisable as at 30.6.2015**
13.12.2004	$0.0612	26,418	1,258	-	25,160	**-**	12.12.2014	26,418	**-**
07.03.2006	$0.0453	67,934	-	30,193	-	**37,741**	06.03.2016	67,934	**37,741**
26.06.2006	$0.0429	26,418	-	11,322	-	**15,096**	25.06.2016	26,418	**15,096**
11.12.2006	$0.0620	44,030	-	12,580	-	**31,450**	10.12.2016	44,030	**31,450**
18.06.2007	$0.1248	115,740	-	11,322	-	**104,418**	17.06.2017	115,740	**104,418**
10.12.2007	$0.1370	102,000	-	14,000	-	**88,000**	09.12.2017	102,000	**88,000**
16.06.2008	$0.1050	107,000	-	12,000	-	**95,000**	15.06.2018	107,000	**95,000**
16.12.2008	$0.0610	65,000	-	9,000	-	**56,000**	15.12.2018	65,000	**56,000**
19.06.2009	$0.0600	115,000	-	13,000	-	**102,000**	18.06.2019	115,000	**102,000**
03.12.2009	$0.0640	100,000	-	-	100,000	**-**	02.12.2014	100,000	**-**
03.12.2009	$0.0640	104,000	-	10,000	-	**94,000**	02.12.2019	104,000	**94,000**
		873,540	1,258	123,417	125,160	**623,705**		873,540	**623,705**

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						
Woo Lee Yong	-	1,265,620	-	(500,000)	(765,620)	-
Former directors	-	1,891,430	(1,251,620)	-	(639,810)	-
Others						
Academic advisors	-	2,635,860	(1,954,860)	-	(681,000)	-
Employees	-	6,240,877	(3,779,529)	(155,996)	(1,681,647)	623,705
	-	12,033,787	(6,986,009)	(655,996)	(3,768,077)	623,705

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

	Weighted average exercise price 2015 $	**Number of options 2015**	Weighted average exercise price 2014 $	Number of options 2014
Outstanding at beginning of year	**0.0948**	**873,540**	0.0801	1,174,408
Exercised during the year	**0.0612**	**(1,258)**	-	-
Forfeited during the year	**0.0745**	**(123,417)**	0.1044	(55,580)
Expired during the year	**0.0634**	**(125,160)**	0.0717	(245,288)
Outstanding at end of year	**0.0881**	**623,705**	0.0948	873,540
Exercisable at end of year	**0.0881**	**623,705**	0.0948	873,540

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

Share Option Scheme (cont'd)

The weighted average remaining contractual life of share options outstanding at the reporting date is 2.76 years (2014: 3.29 years).

1,258 (2014: nil) options were exercised during the financial year ended 30 June 2015.

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.

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

25 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	**2015** **$**	2014 $
Service fees charged to a subsidiary	**7,585,470**	8,208,869
Rental of premises charged to a subsidiary	**42,966**	-

26 Commitments

26.1 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	
	2015	2014	**2015**	2014
	$	$	**$**	$
Not later than one year	**1,907,481**	3,369,338	**1,904,361**	3,260,447
Later than one year and not later than five years	**1,601,257**	3,580,511	**1,589,037**	3,493,398
	3,508,738	6,949,849	**3,493,398**	6,753,845

The leases on the Group's and the Company's campus and office premises and office equipment expire between October 2015 and May 2019 whereby some contain renewal options.

26 Commitments (cont'd)

26.1 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	**2015** **$**	2014 $
Not later than one year	**282,263**	606,674
Later than one year and not later than five years	**43,537**	224,415
	325,800	831,089

The leases on the Group's and the Company's commercial premises expire between July 2015 and July 2017 and contain renewal options.

27 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 5).

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.

27 Operating segments (cont'd)

The Group	Continuing operations: Tertiary education in Singapore $	Continuing operations: Others $	Continuing operations: 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**
Fair value gain on investment properties	**-**	**1,090,000**	**1,090,000**	**-**	**1,090,000**
Interest expense	**117,759**	**-**	**117,759**	**-**	**117,759**
Depreciation of plant and equipment	**762,188**	**-**	**762,188**	**10,341**	**772,529**
Amortisation of intangible assets	**56,377**	**-**	**56,377**	**-**	**56,377**
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)**
2014					
External revenue	8,317,505	-	8,317,505	1,024,582	9,342,087
Interest income	1,042	-	1,042	1,431	2,473
Fair value gain on investment properties	-	820,000	820,000	-	820,000
Interest expense	(34,056)	-	(34,056)	-	(34,056)
Depreciation of plant and equipment	(626,370)	-	(626,370)	(14,005)	(640,375)
Amortisation of intangible assets	(64,260)	-	(64,260)	-	(64,260)
Reportable segment (loss)/profit for the year	(5,101,853)	1,283,658	(3,818,195)	(83,392)	(3,901,587)
Capital expenditure (on plant and equipment and intangible assets)	400,147	-	400,147	982	401,129
Reportable segment assets	5,176,540	23,080,000	28,256,540	516,359	28,772,899
Reportable segment liabilities	(10,960,492)	-	(10,960,492)	(274,137)	(11,234,629)

27 Operating segments (cont'd)

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

Revenue	2015 $	2014 $
Singapore – Continuing operations	**7,695,120**	8,317,505
PRC – Discontinued operations	**758,285**	1,024,582
	8,453,405	9,342,087

Non-current assets	2015 $	2014 $
Singapore – Continuing operations	**24,631,024**	25,293,769
PRC – Discontinued operations	**-**	21,026
	24,631,024	25,314,795

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

The Group	Continuing operations $	Discontinued operations $	Total $
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 Operating segments (cont'd)

Reconciliations of reportable segment revenue, loss before taxation, assets and liabilities (cont'd)

The Group	Continuing operations $	Discontinued operations $	Total $
2014			
Revenue			
Total revenue for reportable segments	8,317,505	1,024,582	9,342,087
Consolidated revenue	8,317,505	1,024,582	9,342,087
Loss for the year			
Total loss for the year for reportable segments	(3,785,180)	(84,823)	(3,870,003)
Unallocated income (net of expenses)	(33,015)	1,431	(31,584)
Consolidated total loss for the year	(3,818,195)	(83,392)	(3,901,587)
Assets			
Total assets for reportable segments	29,617,955	516,359	30,134,314
Elimination of inter-segment assets	(1,361,415)	-	(1,361,415)
Consolidated total assets	28,256,540	516,359	28,772,899
Liabilities			
Total liabilities for reportable segments	12,321,907	274,137	12,596,044
Elimination of inter-segment liabilities	(1,361,415)	-	(1,361,415)
Consolidated total liabilities	10,960,492	274,137	11,234,629

28 Financial risk management objectives and policies

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

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

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

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

28.1 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.

28 Financial risk management objectives and policies (cont'd)

28.1 Credit risk (cont'd)

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

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

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

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

The Group's and the Company's trade receivables comprise three debtors (2014: two debtors) that represented 59% (2014: 66%) 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.

28.2 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 1(a) to the financial statements.

28 Financial risk management objectives and policies (cont'd)

28.2 Liquidity risk (cont'd)

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

		-----Contractual undiscounted cash flows------		
	Carrying amount	Total	Less than 1 year	Between 2 and 5 years
The Group	$	$	$	$
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**
2014				
Non-derivative financial liabilities				
Trade and other payables	3,785,423	3,785,423	3,785,423	-
Borrowings	4,491,478	4,661,808	1,327,675	3,334,133
	8,276,901	8,447,231	5,113,098	3,334,133
The Company				
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**
2014				
Non-derivative financial liabilities				
Trade and other payables	8,836,302	8,836,302	8,836,302	-
Borrowings	4,491,478	4,661,808	1,327,675	3,334,133
	13,327,780	13,498,110	10,163,977	3,334,133

28.3 Interest rate risk

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

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

Sensitivity analysis for interest rate risk
For the variable rate bank loans, a change of 75 (2014: 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.

28 Financial risk management objectives and policies (cont'd)

28.3 Interest rate risk (cont'd)

	Loss before tax ---Increase/(Decrease)---		Equity ---(Decrease)/Increase---	
	(75bp Increase)	(75bp Decrease)	(75bp Increase)	(75bp Decrease)
	$	$	$	$
The Group and the Company				
2015				
Variable rate bank loans	**43,003**	**(43,003)**	**(43,003)**	**43,003**
2014				
Variable rate bank loans	33,686	(33,686)	(33,686)	33,686

28.4 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), Singapore dollar (SGD) and pound sterling (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% (2014: 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.

	--------------2015--------------		-----------2014-----------	
	Loss before tax - (decrease)/ increase	**Equity - increase/ (decrease)**	Loss before tax - (decrease)/ increase	Equity - increase/ (decrease)
	$	**$**	$	$
The Group				
AUD - strengthened 10% (2014: 10%)	**(1,199)**	**1,199**	(138)	138
- weakened 10% (2014: 10%)	**1,199**	**(1,199)**	138	(138)
GBP - strengthened 10% (2014: 10%)	**44,742**	**(44,742)**	40,028	(40,028)
- weakened 10% (2014: 10%)	**(44,742)**	**44,742**	(40,028)	40,028
The Company				
AUD - strengthened 10% (2014: 10%)	**972**	**(972)**	1,045	(1,045)
- weakened 10% (2014: 10%)	**(972)**	**972**	(1,045)	1,045
GBP - strengthened 10% (2014: 10%)	**44,742**	**(44,742)**	40,028	(40,028)
- weakened 10% (2014: 10%)	**(44,742)**	**44,742**	(40,028)	40,028

28 Financial risk management objectives and policies (cont'd)

28.5 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.

28.6 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	
	2015	2014	**2015**	2014
	$	$	**$**	$
Financial assets				
Financial assets measured at amortised cost:				
Trade and other receivables (excluding prepayments)	**253,472**	143,859	**222,395**	132,605
Cash and cash equivalents	**1,400,915**	2,890,468	**150,361**	414,654
	1,654,387	3,034,327	**372,756**	547,259
Financial liabilities				
Financial liabilities measured at amortised cost:				
Trade and other payables (excluding course and examination fees received in advance (non-refundable))	**4,106,577**	3,785,423	**9,700,669**	8,836,302
Borrowings	**7,733,795**	4,491,478	**7,733,795**	4,491,478
	11,840,372	8,276,901	**17,434,464**	13,327,780

28.7 Fair values of financial instruments

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

The carrying amounts of non-current borrowings approximate their fair values because the bank loans have variable effective interest rates.

28.7.1 Fair value measurement of non-financial assets

Fair value hierarchy

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

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

The Group and the Company	Level 1 $	Level 2 $	Level 3 $	Total $
2015				
Investment properties (Note 5)	**-**	**-**	**24,170,000**	**24,170,000**
2014				
Investment properties (Note 5)	-	-	23,080,000	23,080,000

28 Financial risk management objectives and policies (cont'd)

28.7 Fair values of financial instruments (cont'd)

28.7.1 Fair value measurement of non-financial assets (cont'd)

Fair value hierarchy (cont'd)

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.	Any significant isolated increase (decrease) in this input would result in a significantly higher (lower) value measurement

29 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.

29 Capital management (cont'd)

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 trade and other payables, provisions and borrowings, less cash and cash equivalents. Total capital represents equity attributable to owners of the Company.

	The Group		The Company	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade and other payables (Note 15)	**6,276,096**	6,743,151	**9,700,669**	8,836,302
Borrowings (Note 14)	**7,733,795**	4,491,478	**7,733,795**	4,491,478
Total debt	**14,009,891**	11,234,629	**17,434,464**	13,327,780
Less: Cash and cash equivalents (Note 9)	**(1,400,915)**	(2,890,468)	**(150,361)**	(414,654)
Net debt	**12,608,976**	8,344,161	**17,284,103**	12,913,126
Equity attributable to owners of the Company	**12,383,431**	17,821,567	**9,323,099**	14,891,571
Total capital and net debt	**24,992,407**	26,165,728	**26,607,202**	27,804,697
Gearing ratio	**50%**	32%	**65%**	46%

STATISTICS OF SHAREHOLDINGS
as at 22 September 2015

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	0.10	20	0.00
100 - 1,000	759	39.39	752,674	0.45
1,001 - 10,000	790	41.00	3,351,968	2.00
10,001 - 1,000,000	369	19.15	24,934,129	14.90
1,000,001 and Above	7	0.36	138,358,886	82.65
Total	**1,927**	**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	16,406,900	9.80%	-	-

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

STATISTICS OF SHAREHOLDINGS
as at 22 September 2015

TOP 20 SHAREHOLDERS' LIST

No.	Name	No. of Shares	%
1	Raffles Nominees (Pte) Limited	75,792,100	45.28
2	Yeow Cheng Khim	29,551,000	17.65
3	Royal Inst of Construction Economists Pte Ltd	16,406,900	9.80
4	United Overseas Bank Nominees (Private) Limited	6,231,286	3.72
5	Wong Hin Sun Eugene	4,546,000	2.72
6	Yeow Cheng Choo	4,072,600	2.43
7	OCBC Securities Private Limited	1,759,000	1.05
8	Lee Bee Lian	980,000	0.59
9	Woo Lee Yong	971,220	0.58
10	OCBC Nominees Singapore Private Limited	918,200	0.55
11	Tan Suan Yin	666,872	0.40
12	DBS Nominees (Private) Limited	523,800	0.31
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		**145,946,978**	**87.19**

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 22 September 2015, approximately 27.28% 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, 30 October 2015 at 11.00 a.m. ("**AGM**") for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2015, together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2(a). To re-elect Ms Yeow Cheng Khim who is retiring pursuant to Article 104 of the Articles of Association of the Company. **(Resolution 2)**

Note: Ms Yeow Cheng Khim, if re-elected, will remain as the Executive Director and Chief Executive Officer of the Company. More details on Ms Yeow Cheng Khim may be found in the Annual Report.

(b). To note the retirement of Mr Wong Hin Sun, Eugene who is retiring pursuant to Article 104 of the Articles of Association of the Company. Mr Wong has decided not to seek re-election at the AGM.

3. To re-elect Mr Woo Lee Yong, a Director retiring pursuant to Section 153(6) of the Companies Act, Chapter 50, of Singapore ("**Companies Act**"), to hold office from the date of the AGM until the next annual general meeting. **(Resolution 3)**

Note:

Mr Woo Lee Yong, if re-elected, will remain as an Independent Director, Chairman of the Nominating Committee, and a member of the Audit Committee and Remuneration Committee. The Board considered Mr Woo Lee Yong to be independent pursuant to Rule 704(7) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). More details on Mr Woo Lee Yong may be found in the Annual Report.

4. To re-elect Dr Chin Kon Yuen, who is retiring pursuant to Section 153(6) of the Companies Act, to hold office from the date of the AGM until the next annual general meeting. **(Resolution 4)**

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

5. To approve Directors' fees of S$183,000 for the financial year ending 30 June 2016 (FY2015: S$183,000). **(Resolution 5)**

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

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, Chapter 50 of Singapore ("Companies Act") and Rule 806 of the Catalist Rules, authority be and hereby given to the Directors to:-

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

(b) make or grant offers, agreements or options (collectively, "**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 ("**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 Articles of Association 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 (i)] **(Resolution 7)**

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

That the Directors be and are hereby authorised to offer and grant awards ("**Awards**") in accordance with the provisions of the TMC Share Award Scheme (the "**Scheme**") and to allot and issue from time to time such number of 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 8)

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 1 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 (ii)] **(Resolution 9)**

11. **Proposed disposal of investment properties**

That as set out in Appendix 2 to the Annual Report, authority be and hereby given to the Directors to dispose of the properties comprising four (4) strata lots (or any one of them) situated at 111 North Bridge Road, #06-01 to #06-35, Peninsula Plaza, Singapore 179098 ("**Properties**") as and when the Directors are of the view that would be in the best interests of the Company and the Shareholders, subject to the Properties being disposed for not less than 80% of the Proposed Sale Prices (as defined in the Appendix 2). **(Resolution 10)**

By Order of the Board

Ong Sing Huat
Company Secretary

Singapore,
15 October 2015

Explanatory Notes

(i) Resolution 7, 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.

(ii) Resolution 9, if passed, will empower the Directors, from the date of the AGM until the date of the next annual general meeting, or the date by which the next annual general meeting is required by law to be held or when varied or revoked by the Company in general meeting or when purchases and acquisitions of Share 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 1 to the Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

Notes

A member entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend and vote on his behalf and where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 38C Jalan Pemimpin (Off Bishan Street 21) Singapore 577180 not less than forty-eight (48) hours before the time appointed for the AGM.

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

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

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT
1. **For investors who have used their CPF monies to buy TMC EDUCATION CORPORATION LTD's shares, the Annual Report is forwarded to them at the request of their CPF approved nominees and is sent solely FOR INFORMATION ONLY.**
2. **This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.**
3. **CPF investors who wish to attend the AGM as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.**

I/We ____ (Name)

of ____ (Address)

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

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting of the Company ("**AGM**"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM to be held at 250 Middle Road Singapore 188983 on Friday, 30 October 2015, at 11.00 a.m., and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote(s) for or against the resolutions to be proposed at the AGM as hereunder indicated. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.

All resolutions put to vote at the AGM shall be decided by way of poll.

No.	Ordinary Resolutions	For*	Against*
Ordinary Business			
1	To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2015 together with the Directors' Report and the Auditors' Report thereon		
2	To re-elect Ms Yeow Cheng Khim as Director of the Company		
3	To re-elect Mr Woo Lee Yong as Director of the Company		
4	To re-elect Dr Chin Kon Yuen as Director of the Company		
5	To approve Directors' fees amounting to S$183,000 for the financial year ended 30 June 2016		
6	To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise Directors to fix their remuneration		
Special Business			
7	To approve the authority to allot and issue new shares		
8	To approve the authority to issue shares under the TMC Share Award Scheme		
9	To approve the proposed renewal of the Share Purchase Mandate		
10	To approve the proposed disposal of investment properties		

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

Dated this 15th day of October 2015

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

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

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

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

4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and the second named proxy shall he deemed to be an alternate to the first named.

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

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

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

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

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