TMC
Education Corporation Ltd
Every Step With You

The Power of Education

2008 Annual Report

Contents

Corporate Vision

To be the leading provider of quality education and training in the Asia Pacific region.

Corporate Mission

Our qualified professionals are committed to delivering high quality courses in a conducive learning environment with state-of-the-art technology and excellent student services.

Core Values

Our mission is supported by four core values outlined in PACE which illustrates our internal beliefs of:

Professionalism

We uphold the highest standards of ethics, accountability and transparency.

Affinity

We value relationships and see ourselves as a family that constantly supports and stands by one another.

Continuous Improvement

We are uncompromising in our pursuit for excellence and strive to re-invent ourselves to stay relevant.

Empowerment

We are ambassadors of our brand and each and everyone of us is responsible for creating an enriching and inspiring TMC experience.

Chairman's Message

Dr Chin Kon Yuen, *Chairman and CEO*

On behalf of our Board of Directors, I present the annual report and audited financial statements of our Group for the financial year ended 31 December 2008.

Income statement review

In 2008, the group registered a revenue increase of 8.2% from $11.35 million to $12.28 million.

Revenue from the operations in Singapore increased 6.82% from $10.99 million in FY2007 to $11.74 million in FY2008 due to the increase in income from new courses. Revenue from operations in China increased 63% from $179,000 in FY2007 to $292,000 in FY2008.

Revenue from business courses increased 7.18% from $8.50 million in FY2007 to $9.11 million in FY2008, while revenue from computing courses increased 4.02% from $2.49 million in FY2007 to $2.59 million in FY2008.

Other income increased by $68,000 from $182,000 in FY2007 to $250,000 in FY2008 arising from the course fee set aside for book fund which is no longer required.

Despite registering higher revenue, the Group recorded a loss before tax of $225,000 for FY2008 compared to a profit before tax of $232,000 for FY2007. This was largely due to:-

(a) more aggressive overseas and local advertising to promote and create awareness of TMC and its new courses in both existing and new markets.
(b) exchange loss of $228,000 in FY2008 due to the falling Australian dollar exchange rate from September 2008.

Overall operating expenses of the Group increased 12.51% from $11.03 million in FY2007 to $12.41 million in FY2008. The main reasons for the increase were as follows:-

(a) Course materials and subscriptions
- These were largely due to higher fees paid to partner institutions in FY2008 due to increased fees and student enrolment in certain courses and the write off of course materials no longer in use.

(b) Advertising and promotion expenses
- Higher expenses, i.e. an increase of 31.6% from $729,000 in FY2007 to $959,000 in FY2008, were incurred to promote and create awareness of TMC and its new courses in both existing and new markets.

(c) Operating expenses mainly attributed to:
- increase in student protection insurance premiums and recruitment agent fees due to increase in international student enrolments
- exchange loss as a result of the falling value of Australian dollars
- inflation hike in FY2008 also led to increase in other operating expenses such as professional fees, courier and utilities.

Balance sheet review

The Group's total equity remained relatively unchanged in FY2008 as compared to FY2007.

During FY2008, the Group wrote off $71,000 of development expenditure for the operations in Singapore.

The Group invested $253,000 in property, plant and equipment in FY2008 to upgrade the teaching facilities in Singapore and Shenyang, China. During the year, a further $191,000 was spent on developing teaching materials to enhance the relevance of existing courses as well as for the teaching of new courses including hospitality & tourism and gaming & animation. Another sum of $75,000 was spent on the purchase of business name.

The Group's current assets improved 29.0% over the year. The negative working capital was mainly due to course fees

Revenue from the operations in Singapore increased 6.82% from **$10.99** million in FY2007 to **$11.74** million in FY2008 due to the increase in income from new courses. Revenue from operations in China increased **63%** from **$179,000** in FY2007 to **$292,000** in FY2008.

received in advance from students. Cash and cash equivalents increased 39.2% from $4.24 million in FY2007 to $5.90 million in FY2008 while total bank borrowings reduced 46.2% from $910,000 in FY2007 to $490,000 in FY2008.

Other payables increased 46.6% from $3.86 million in FY2007 to $5.66 million due mainly to the increase in course fees received in advance.

Cash flow review

The Group's operating activities generated positive cash flow of $2.38 million during FY2008 (FY2007: $2.05 million). Like the year before, these funds were reinvested into property, plant and equipment through upgrading of the teaching facilities amounting to $253,000 (FY2007: $258,000) and developing teaching materials as mentioned above as well as spending $75,000 (2007: $0) for the purchase of business name.

The Group continued to reduce its gearing by repaying bank borrowings amounting to $420,000.

Cash position improved and stayed healthy at $5.9 million (FY2007: $4.24 million).

Dividend

Given the full-year financial performance, the Board of Directors recommends no dividend to be declared for the financial year ended 31 December 2008.

Competitive Conditions of Education Industry

The current global economic and financial crisis is likely to affect the group's operations in 2009. The group anticipates stiff competition in recruiting students given that students may choose to further their studies in Australia and UK due to the falling value of the Australian dollar and sterling pound.

The group will adopt the following strategies to ride through these tough operating conditions:

(1) Continue to focus its recruitment efforts in bringing in international students through strengthening and expanding its student recruitment network as well as setting up sister schools in the region, including China, Indonesia and Myanmar.
(2) Tap the large polytechnic and ITE graduates market. In this regard, it has recently introduced a $1 million scholarship scheme to complement the government's efforts to help professionals, managers, executives and technicians (PMET) upgrade themselves.
(3) Develop new programs to cater to those looking for career changes. Bridging programmes will be launched to bridge the gap between the students' existing qualifications and entry to the final year degree.
(4) Expand the range of programmes with special focus on postgraduate level courses.

With a view to the upcoming implementation of the new EduTrust Certification Scheme by the Ministry of Education, Singapore, in the later part of this year, the group is well-placed to take on the new regulatory regime as a premier institution playing its part towards building a quality private education sector that benefits students and raises standards in the industry over time.

Appreciation

I wish to thank all those who have given their support to the Group in the past year: my fellow board members for their wise advice and professionalism; our management and staff for their passion and dedication; our academic advisers for their contributions; students, business partners and associates as well as shareholders for their continued confidence and support.

Dr Chin Kon Yuen
Chairman and CEO

Board of Directors

From left: Dr Lau Teik Soon, Mr David Tan Chao Hsiung, Mr Woo Lee Yong, Dr Chin Kon Yuen, Ms Yeow Cheng Khim

Chairman and Chief Executive Officer

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

Executive Director

MS YEOW CHENG KHIM, the Executive Director of the Company, has served the Company since 1984 and is overall in-charge of the daily operations of the Group. In addition, she supervises TMC's pursuit of opportunities to extend its university and institution affiliation network, including potential partnerships with reputable institutions worldwide as well as new collaborative agreements with existing partner universities. 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.

Lead Independent Director and Chairman of the Audit and Executive Committees

MR DAVID TAN CHAO HSIUNG was appointed as a Director on 1 April 2002 and last re-elected on 28 April 2008. He has over 20 years of senior management experience in the banking and finance industry and has held positions in both local and foreign financial institutions including ABN Amro Bank, Keppel Bank and NM Rothschild (Singapore). Mr Tan is currently the Chief Executive Officer of Omega Capital Ltd. He obtained a

Executive Committee

Seated from left: Dr Lau Teik Soon, Mr David Tan Chao Hsiung, Mr Woo Lee Yong, Ms Yeow Cheng Khim
Standing from left: Dr Chin Kon Yuen, Dr Michael Arthur Cope, Dr Lemmy Teo Kay Chee, Ms Dorothy Tan Suan Yin (Exco Secretary)

Master of Commerce (Specializing in Finance) from the University of New South Wales and a Bachelor of Economics from Macquarie University, and is also a Fellow of the Institute of CPA (Australia). In addition, Mr Tan is an Independent Director of Powermatic Data Systems Ltd, which is listed on the SGX-ST.

Independent Director and Chairman of the Nominating Committee

MR WOO LEE YONG was appointed as a Director on 1 April 2002 and last re-elected on 28 April 2008. 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 MSc (Organisational Psychology) from Manchester School of Management, UMIST, UK, and a BSc (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.

Independent Director and Chairman of the Remuneration Committee

DR LAU TEIK SOON was appointed as a Director on 16 June 2006 and last re-elected on 28 April 2008. An Advocate and Solicitor of the Supreme Court of Singapore, Dr Lau has been in private practice since 1998 and is currently a partner in the law firm, Lau & Gur. Dr Lau practices in the areas of civil and criminal litigation, family law, wills and probate, and arbitration. His academic credentials include a Doctor of Philosophy in International Relations from Australian National University, a Bachelor of Arts (Hons) First Class from the University of Singapore and a Bachelor of Laws (Hons) Second Class Lower from the University of London. In addition, he possesses a Postgraduate Diploma in Criminal Justice from the University of Leicester and a Professional Certificate in Arbitration from the University of Adelaide. Dr Lau is also an Independent Director of Eagle Brand Holdings Limited.

Key Management Staff
Academic

ACADEMIC DIRECTOR

Dr Michael Arthur Cope has considerable experience in the Singapore private education sector, having been involved in the industry since 1993. Before joining TMC in 2007, he was a senior lecturer and then Academic Director/ Deputy Chief Learning Officer with another private education provider from 1993 through to early 2006. He has extensive experience in the design and development of academic programmes, building partnerships with universities, managing the delivery and quality assurance aspects of programmes, and marketing such programmes across the region. Prior to moving to Singapore, he was working as a management/marketing consultant and trainer for both private and local government organizations in UK. Clients included Westminster and Nottingham City Council, University of Bradford, Unilever, Allied Lyons and BP. He is currently involved in various functions covering school operations, resource planning, examination administration and quality assurance. Dr Cope holds a PhD in International Economics from the University of Bradford and a BSc (Hons) in Business Studies from the same university.

DEAN – IT / GCE

Ms Pauline Ang Hwee Hoon started her career with TMC in 1990 as a Lecturer in Computer Mathematics and other computer software application packages. Since then, she was promoted several times from Lecturer to Subject Leader, Senior Lecturer to Assistant Course Director and then Deputy Course Director to Dean. She is responsible for overseeing the GCE 'O' Level programme and School of IT in the areas of Computing & IT courses, IT infrastructure, system administration and e-campus development. Ms Ang graduated with a Bachelor in Science (Mathematics) from the National University of Singapore and holds a LCCI Higher Diploma in Accounting.

DEAN – BUSINESS

Dr Ha Thi Thu Huong joined TMC in 1998 as a Business Lecturer. Over the past years, Dr Ha was promoted from Lecturer to Subject Leader, Senior Lecturer to Assistant Course Director, and subsequently Deputy Course Director to Dean. Dr Ha oversees the Business School and is also the Chief Editor of TMC Academic Journal, a double-blind peer-reviewed journal with an ISNN and registered with the National Library Board of Singapore. Dr Ha has many years of working experience in manufacturing, marketing research and business consultancy/development and teaching in tertiary institutions/universities in Australia, Singapore and Vietnam. Her research interests include public policy, governance, education and e-consumer protection. Her research activities have resulted in a research grant by Consumer Affairs Victoria, Government of Victoria State (Australia), a Distinguished Paper Award (USA/Turkey), many international

1 **Mr Mohd Razif,** *Asst Dean - IT* | 2 **Ms Naniek Yuliati,** *Senior Manager - Quality Assurance* | 3 **Ms Pauline Ang,** *Dean - IT/GCE* | 4 **Mr Eugene Choe,** *Actg Assoc Dean - IT* | 5 **Mr Albert Wee,** *Actg Assoc Dean - IT* | 6 **Dr Michael Arthur Cope,** *Academic Director* | 7 **Dr Ha Thi Thu Huong,** *Dean-Business* | 8 **Dr Amy Rashap,** *Director of Studies - Hawthorn English Language Centre, Singapore* | 9 **Mr Harjinder Singh,** *Asst Dean/Actg Assoc Dean - Business*

travel grants, refereed journal articles, book chapters and encyclopaedia articles published by well-known publishers such as McMillan, Pal Grave, ABC-Publishers, Kluwer Academic Journal, etc. and several conference papers. She has also been invited to review many academic journals and conference articles. Dr Ha holds a PhD in Management from Monash University, Australia, a Master in Public Policy from Lee Kuan Yew School of Public Policy, National University of Singapore, a Postgraduate Certificate (PRE-MBA) and others. She was a recipient of PhD Scholarship awarded by Monash University, Temasek Scholarship (for young potential ASEAN leaders) awarded by National University of Singapore, and a scholarship awarded by United Nations University (UNU), International Leadership Academy (ILA), to attend the First International Leadership Programme by UNU/ILA, and many other professional and academic awards.

SENIOR MANAGER – QUALITY ASSURANCE

Ms Naniek Yuliati joined TMC in 2000 as an IT Lecturer and System Administrator. The last 9 years saw her being promoted to Award Leader in 2001, Quality Assurance Manager in 2005 and Senior Quality Assurance Manager in 2007. Ms Yuliati plays a significant role in the group's quality assurance journey in delivering quality services and ensuring programme excellence. Notably, she took the lead in the group's various quality audits such as Singapore Quality Class (SQC) for Private Education Organisations (PEOs), ISO9001:2000 and CaseTrust for Education. She also plays a key role in assisting the Management to develop and monitor the group's key performance indicators (KPIs). To-date, she continues to tutor in the degree programmes conducted by TMC and concurrently serves as the Management Representative for the group's various quality certifications and awards. Ms Yuliati graduated with a Master in Business Administration from Deakin University and a Bachelor of Computing from Monash University, Australia.

DIRECTOR OF STUDIES – HAWTHORN ENGLISH LANGUAGE CENTRE, SINGAPORE

Dr Amy Rashap has a career spanning many fields: publishing, fund raising, museum education, health education, and the humanities. Education has been her primary passion for the past 26 years. Dr Rashap created the position of Director of Education for the American Swedish Historical Museum in the 1980s, and singlehandedly began developing programmes for Philadelphia school children. As Programme Specialist for the Delaware Humanities Forum, she worked with many local groups to develop humanities programmes for the state of Delaware. She also raised funds for the American Lung Association of Delaware, and until she came to Singapore, Dr Rashap was Director of Marketing and Sales for several US academic publishing houses. Upon coming to Singapore, Dr Rashap immersed herself in the ESL (English as a Second Language) field. She has written three ESL textbooks that are being used in Taiwan. Dr Rashap taught at several private English schools in Singapore before joining our Hawthorn English Language Centre in 2007. She is presently responsible for all operations connected with the centre. Dr Rashap has a PhD in Cultural Studies from the University of Pennsylvania and a BA in Anthropology from Cornell University, US. She has also received a TESOL certification from INTESOL, which is accredited by the College of Teachers, London.

Key Management Staff
Non-Academic

MANAGEMENT SUPPORT CHIEF

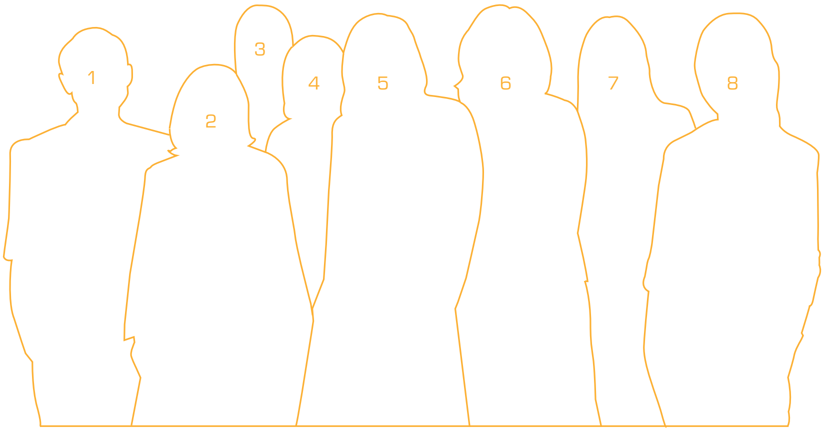
Ms Dorothy Tan Suan Yin joined TMC in 1987 as a Business Lecturer. Since then, she has enjoyed a rewarding career with the Company and has been promoted to increasingly senior positions over the years : Assistant Course Director in 1988; Personal Assistant to Executive Director in 1992; Personal Assistant to Chief Executive Officer in 1993; and General Manager in 1996. Currently the Management Support Chief in-charge of corporate administration and human resource matters of the group, Ms Tan has extensive experience in school administration and external liaison with government bodies and institutions of higher learning. In addition, she has covered many other functions including examination administration, student services and purchasing. Ms Tan received her Bachelor of Arts Degree from the National University of Singapore and a Master of Business Administration Degree from Brunel University, UK.

DIRECTOR – STUDENT RECRUITMENT & MARKETING / STUDENT SERVICES

Dr Lemmy Teo Kay Chee joined TMC in 2008 as Director in-charge of Student Recruitment, Marketing and Student Services. Prior to his appointment, Dr Teo was the Principal/Executive Director of a private education provider and during his 3-year leadership, profitability of business units under him increased an average of over 100% year-on-year. Dr Teo's extensive experience witnessed a decade long career in the electronics manufacturing industry where he held various engineering/ management positions in companies like Omni Electronics, Nixdorf Computers and Flextronics International Singapore. In 1994, Dr Teo made a switch to the education industry and joined Temasek Polytechnic as an academic. During his ten-year tenure, he simultaneously served as consultant/external trainer for a number of corporations such as Hewlett Packard, Motorola Electronics, Matsushita Electronics, Delphi Automotive Systems, Celestica Electronics (Thailand) and the Singapore Navy. Dr Teo holds a Doctorate in Education from University of Western Australia, a Masters in Science from Nanyang Technological University and a Degree in Engineering from Royal Melbourne Institute of Technology. He presently sits on the board of Singapore Education International (SEI) as an alternate to its Vice-President.

DEPUTY DIRECTOR – HUMAN RESOURCE & ADMINISTRATION

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



1 Dr Lemmy Teo, Director-Student Recruitment & Marketing/Student Services | 2 Ms Dorothy Tan, Management Support Chief | 3 Ms Angi Yap, Manager-Student Recruitment & Marketing | 4 Ms Wendy Yeo, Senior Manager-Resource Planning & Exam Admin | 5 Ms Felicia Lam, Senior Manager-Student Services | 6 Ms Tio Hui Hui, Deputy Director-HR & Admin | 7 Ms Ivory Tan, Manager-Student Services | 8 Ms Callie Chen, Actg Senior Manager-Int'l Office

Tio's present portfolio covers human resource and administration matters of the group. Prior to joining TMC as Senior Course Coordinator, Ms Tio was Centre Manager for a private computer training centre in-charge of its day-to-day operations. Ms Tio holds a Bachelor of Science in Business Administration from the University of Alabama in Huntsville, US.

SENIOR MANAGER – RESOURCE PLANNING & EXAMINATION ADMINISTRATION

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

SENIOR MANAGER – STUDENT SERVICES

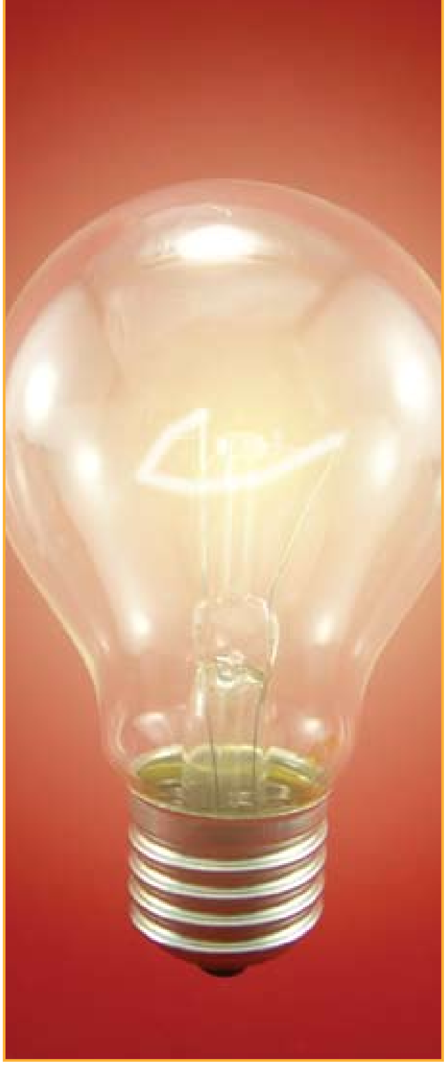
Ms Felicia Lam Chui Lin is responsible for operations in the Student Services Department with a focus on GCE 'O' level and proprietary course students. Ms Lam started her career with TMC in 2000 as an Assistant Manager. She is experienced in student recruitment, marketing, branch operations and student services. In her current portfolio, she also handles student counselling, graduation ceremonies, student club activities and industrial attachment. Prior to joining TMC, Ms Lam was a Sales Manager with a reputable local tour company handling corporate & incentive tour services. Ms Lam holds a Bachelor of Business in Business Administration from the Royal Melbourne Institute of Technology, Australia.

ACTING SENIOR MANAGER – INTERNATIONAL OFFICE

Ms Callie Chen Xiufen joined TMC in 2004 as an Executive in the Management Office. She subsequently moved to the International Office as a Senior Executive for overseas student recruitment in markets like Indonesia, Vietnam, Thailand and Myanmar. Over the recent few years, she gained several promotions rising to Assistant Manager, Manager and Regional Manager. In her present portfolio as Acting Senior Manager, she oversees a wide range of markets beyond South-east Asia including East Asia, South Asia and Europe. Ms Chen graduated with a Bachelor of Science (Life Science) from the National University of Singapore.

Business Review

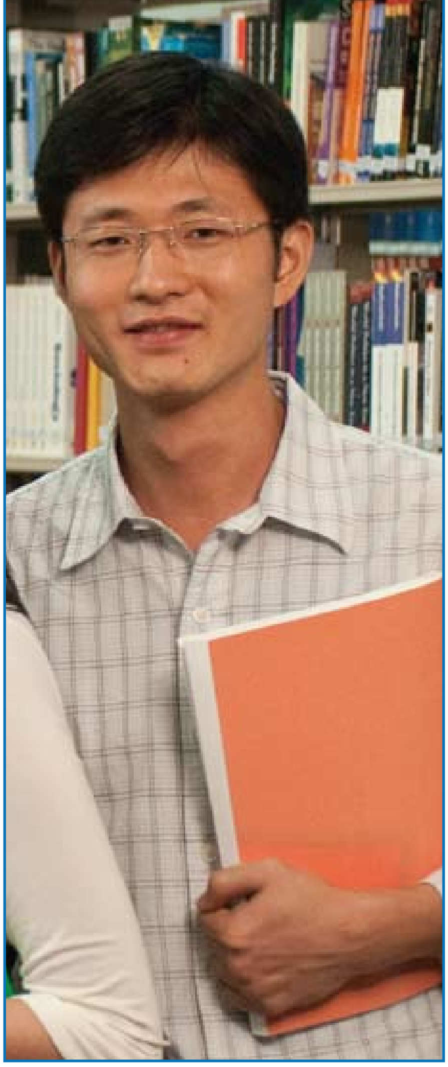
"In Singapore, the Group plans to further broaden its reach in the local education market. In this regard, the Group recently introduced a $1 million scholarship scheme to complement the government's effort to help professionals, managers, executives and technicians (PMETs) upgrade themselves."



In the year under review, the Group continued to focus its recruitment efforts in bringing in international students. This has resulted in positive outcome with over 20% increase in the number of international students recruited in 2008 as compared to the preceding year. Notably, the Hawthorn English student population in 2008 doubled that of 2007. New markets in Mauritius, Malaysia, Outer Mongolia and Russia have also been established through collaboration with reputable local recruitment agents and consultants. The Group aims to increase its international student cohort from the current 30% to 60% of total enrolment within the next two to five years. However, the Group anticipates stiff competition in recruiting international students. The falling value of the Australian dollar has already resulted in a significant increase in the number of international students pursuing their studies in Australia last year. The same can be said of UK which may be more attractive to international students in view of the depreciation of the pound. Competition has also intensified locally, with a number of Australian universities having set up campuses / study centres in Singapore, and this number is set to grow.

In 2008, the Group entered into an agreement with Eresha Education to offer its International Diploma in Business and IT in Indonesia. This is a 6-month foundation programme offered overseas and graduates will then pursue the Higher Diploma course in Singapore and eventually progress onto the Group's partner universities' programmes in Singapore and / or overseas. In the same year, the Group also signed a Memorandum of Understanding with Myanma Computer Co Ltd to deliver its Higher Diploma in Business Studies Module Certificate programme in Myanmar. Through these sister-school partnership arrangements, the students will benefit from the accelerated academic pathway the Group has to offer. Further efforts will be focused in similar forms of collaboration with overseas partners.

In Singapore, the Group plans to further broaden its reach in the local education market. In this regard, the Group recently introduced a $1 million scholarship scheme to complement the government's effort to help professionals, managers, executives and technicians (PMETs) upgrade themselves. This scheme will enable the Group to tap into the large polytechnic and ITE graduate market. Further, in response to the government's *Skills Programme for Upgrading and Resilience* (SPUR), the Group plans to offer more skills-upgrading pathways and programmes at PMET-level to enable them to reskill and upskill for higher employability. In addition, to promote lifelong learning, the Group will run modular units of its Diploma and Higher Diploma programmes and participants will obtain a certificate for each successfully completed unit, thus, encouraging them to continue their studies to receive a full Diploma or Higher Diploma and eventually a Degree.



Business Review

The Group has also forged collaborations with more UK universities in various disciplines including Information Technology, Mass Communication, Hospitality and Tourism.

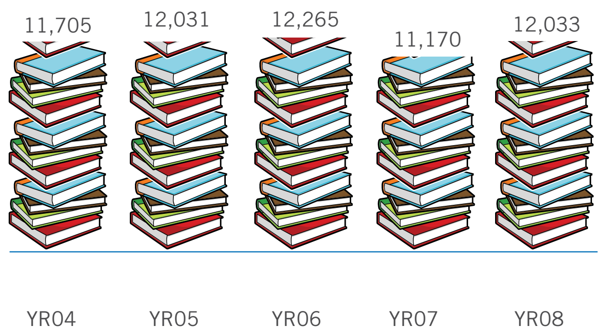
In 2008, the Group tied-up with the University of Wolverhampton to allow its Higher Diploma graduates to pursue a 12-month top-up degree in UK in BSc (Hons) Business Information Technology, BSc (Hons) Computing, BSc (Hons) Information Technology or BSc (Hons) International IT Management.

Commencing July 2009, in a tie-up with the University of Hertfordshire, UK, the Group will offer these new degrees: BA (Hons) Tourism Management, BA (Hons) Marketing & Tourism and BA (Hons) Mass Communications.

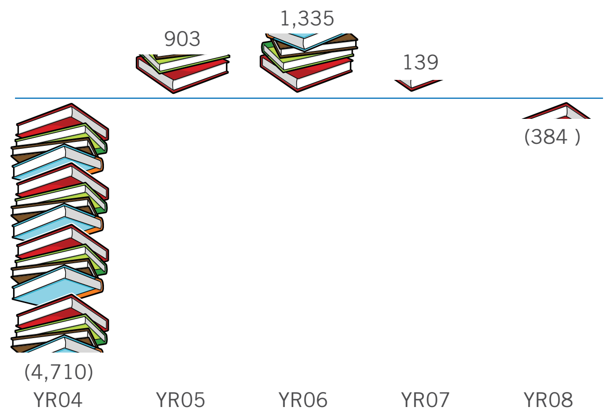
At proprietary course level, the Group admitted its first intake of Diploma and Higher Diploma students for its animation and gaming programmes last year. These courses cater to the many employment opportunities in the fast-growing creative sector in Singapore. In the current year, the Group has launched a new Higher Diploma in Mass Communication (Digital Media & Film) course to enable students to enter the foray of the media industry which is one of the most dynamic sectors in the global employment market. The Group has also introduced a new Higher Diploma in Psychology with Counselling programme to support the growing demand for jobs in social work, psychology and counselling. Further, a bridging programme, Advanced Diploma in Hospitality and Tourism Management, has been launched to cater to Polytechnic graduates who now only need to study 6 instead of 12 units for bridging to a university degree. More of such bridging programmes will be launched to bridge the gap between the students' existing qualifications and entry to the final year degree.

Moving forward, amidst the challenging economic situation, the Group will continue its mission of providing quality education by expanding the scope of its programmes through quality education pathways as well as build and strengthen affiliations with reputable local and overseas institutions and universities. The Group looks towards increasing its market share and achieving a stronger presence both in Singapore and the region.

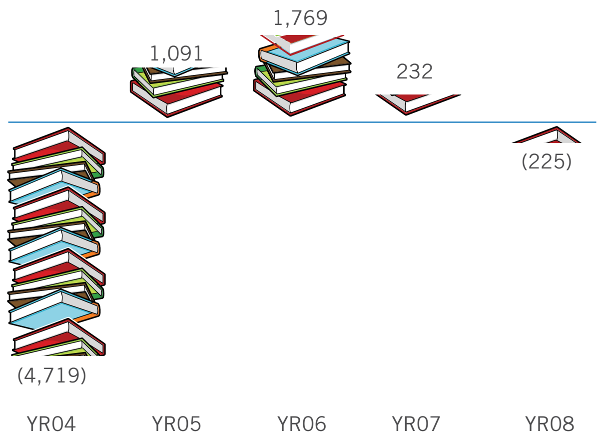
Turnover (S$'000)



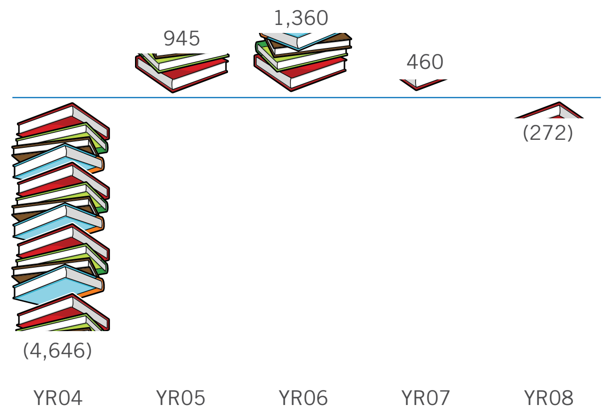
Profit/(Loss) After Tax Before Minority Interest (S$'000)



Profit/(Loss) Before Tax (S$'000)



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



	FY 2004	FY 2005	FY 2006	FY 2007*	FY 2008
FOR THE YEAR (S$'000)					
Turnover **	11,705	12,031	12,265	11,170	12,033
Profit/(Loss) before Tax	(4,719)	1,091	1,769	232	(225)
Profit/(Loss) after Tax before Minority Interests	(4,710)	903	1,335	139	(384)
Profit/(Loss) Attributable to Shareholders	(4,646)	945	1,360	460	(272)
AT YEAR END (S$'000)					
Shareholders' Funds	9,332	10,494	11,681	12,222	12,049
Fixed Assets	13,349	14,100	14,240	13,717	13,368
Current Assets	3,393	2,633	3,735	4,911	6,334
Current Liabilities	6,163	5,150	5,246	6,248	7,922
PER SHARE DATA (CENTS)					
Net Earnings/(Loss)***	(4.00)	0.81	1.17	0.37	(0.16)
Net Assets	8.18	9.15	10.14	9.58	7.09

* Prior year adjustment (refer to page 77 Note 32).
** Amounts exclude other revenue.
*** The figures shown do not take into consideration the dilutive effect arising from TMC Share Option Scheme.

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)

TMC and Affiliates

Singapore

Head Office

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Tel: (8610) 8211 7073

Shenyang Office

Building 12
46 Middle Chongshan Road
Huang Gu District
Shenyang City, 110032
Tel: (8624) 8681 0589
Tel and Fax: (8624) 8681 0117

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

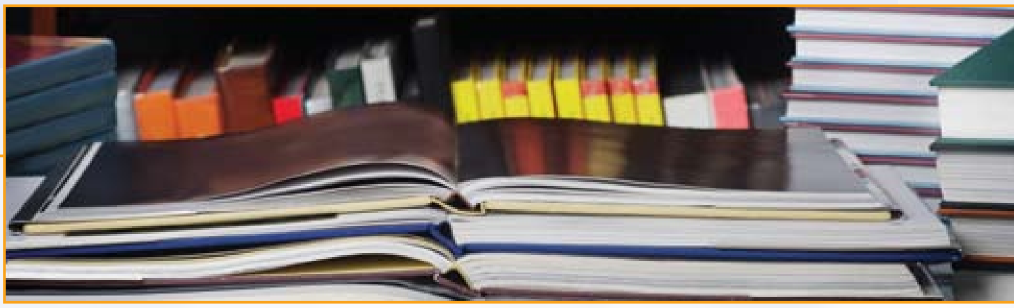
2004
- Awarded Singapore Quality Class (SQC) for Private Education Organisations (PEOs) by Spring Singapore
- Acquired majority interest in Xian TMC International College (China)
- Collaboration with University of Greenwich, UK

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

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

2007
- Entered into joint venture agreement with Lorna Whiston Schools Pte Ltd to develop English-based bilingual curriculum for childcare centre in Shenyang, China
- Collaboration with UK's Liverpool John Moores University in summer school programmes
- Attained Institute of Technical Education (ITE) Approved Training Provider Status

2008
- Collaboration with University of Hertfordshire, UK
- Collaboration with University of Gloucestershire, UK
- Granted Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award (Bronze) by Health Promotion Board



Australia
- Deakin University
- Melbourne Institute of Business and Technology
- Monash College
- Monash University
- University of Newcastle
- Southern Cross University
- Sydney Film School

Singapore
- Institute of Technical Education
- Lorna Whiston Schools Pte Ltd

United Kingdom
- Liverpool John Moores University
- Manchester Metropolitan University
- Middlesex University
- Oxford Brookes University
- University of Cambridge International Examinations
- University of East London
- University of Gloucestershire
- University of Greenwich
- University of Hertfordshire
- University of London
- University of Wolverhampton

United States of America
- Southern New Hampshire University

Corporate Information

Directors
Dr Chin Kon Yuen
Yeow Cheng Khim
David Tan Chao Hsiung
Woo Lee Yong
Dr Lau Teik Soon

Secretary
Tan Soo Khoon Raymond

Registered Office
111 North Bridge Road
#17-06 Peninsula Plaza
Singapore 179098
Tel: (65) 6337 0922
Fax: (65) 6337 0966

Registrar and Share Transfer Office
Boardroom Corporate & Advisory Services Pte Ltd
3 Church Street
#08-01 Samsung Hub
Singapore 049483

Auditors
Horwath First Trust LLP
Audit Partner: Catherine Cheng Sam Tai
(since 2005)

Bankers
Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd
Bank of China Limited
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland

Corporate Governance

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

This Report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2005 ("**Code**"). Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Effective Board to lead and control the Company

The Board oversees the business affairs and dealings of the Group, determines the Group's corporate strategies and sets 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. It is responsible for the overall corporate governance compliance of the Group.

The Board has put in place a set of internal controls that lists out operational and financial policies and procedures. The internal control is reviewed regularly.

The Board has 3 committees namely, the Audit Committee, the Nominating Committee and the Remuneration Committee to assist in the execution of its responsibilities. Each committee has its terms of reference and operating procedures, which are reviewed periodically. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Listing Manual of the SGX-ST and the Code.

The Board holds regular meetings 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. Ad-hoc meetings will be held when circumstances require.

The attendance of the Directors at Board and Committee meetings held in FY2008 is tabulated below:

Attendance at Meetings

		Board Committees		
	Board	**Audit**	**Nominating**	**Remuneration**
No. of Meetings Held	5	3	1	3
Board Members				
Dr Chin Kon Yuen	5	3	1	2
Yeow Cheng Khim	5	3	1	2
David Tan Chao Hsiung	5	3	1	3
Woo Lee Yong	5	3	1	3
Dr Lau Teik Soon	5	3	1	3

Newly appointed Directors will be given briefings and orientations by the Management on the business activities and corporate governance practices of the Group. For the financial year ended 31 December 2008, there were no new appointments to the Board.

Corporate Governance

Board Composition and Guidance

Principle 2: Strong and independent element on the Board

Currently, the Board comprises two executive Directors and three independent Directors:

Name of Directors	Board of Directors	Date of Appointment	Audit Committee	Nominating Committee	Remuneration Committee
Dr Chin Kon Yuen	Executive Director (Chairman)	1 March 1982	-	-	-
Yeow Cheng Khim	Executive Director	23 March 1984	-	-	-
David Tan Chao Hsiung	Independent Director	1 April 2002	Chairman	Member	Member
Woo Lee Yong	Independent Director	1 April 2002	Member	Chairman	Member
Dr Lau Teik Soon	Independent Director	16 June 2006	Member	Member	Chairman

Note: Dr Chin Kon Yuen is the husband of Yeow Cheng Khim

The Board comprises individuals who are suitably qualified with the necessary mix of expertise, experience and knowledge. Please refer to pages 4 and 5 of this Annual Report for details of the qualifications and experience of the Directors. The directorships or chairmanships held by the Directors presently or in the last 3 years in other listed companies are set out in the table below:

Name of Director	Company	Date of Appointment	Date of Resignation
Dr Chin Kon Yuen	Nil	NA	NA
Yeow Cheng Khim	Nil	NA	NA
	Second Chance Properties Ltd	1 December 2001	13 November 2008
David Tan Chao Hsiung	Powermatic Data Systems Ltd	24 March 2008	-
Woo Lee Yong	Nil	NA	NA
Dr Lau Teik Soon	Eagle Brand Holdings Ltd	6 January 1999	-

The Board's composition, size, balance and independence of each non-executive Director are reviewed by the Nominating Committee.

The Directors consider the Board's present size and composition appropriate, taking into account the nature and scope of the Group's operations, the skills and knowledge of the Directors.

Chairman and Chief Executive Officer ("CEO")

Principle 3: Clear division of responsibilities at the top of the Company

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

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

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

In addition, as recommended by the Code, the Board has appointed independent non-executive Director, David Tan Chao Hsiung, as our Lead Independent Director. Employees and shareholders of the Company with serious concerns that could have a large impact on the Group, which contact through the normal channels has failed to resolve or for which such contact is inappropriate shall be able to contact Mr David Tan Chao Hsiung or the members of the Audit Committee of the Company.

To further enhance the level of governance within the Company, the Board has established an Executive Committee ("**Exco**"). The Exco consists of all the members of the Board and is chaired by the Lead Independent Director. The Exco also includes the Divisional Directors comprising the Academic Director, Chief Financial Officer and Director of Student Recruitment & Marketing/ Student Services. The functions of the Exco include:

- Recommending strategic directions, monitor execution of strategic plans and key performance indicators and allocate resources.
- Setting directions, policies and guidelines pertaining to functional and other operational matters, make decisions on such matters and oversee their execution.
- Reviewing with management the overall corporate objectives and policies of the Group and recommend to the Board the necessary improvements and monitor their implementation.
- Carrying out other functions as may be delegated to it by the Board.

The Exco usually holds its meetings on a monthly or bi-monthly basis.

Board Membership

Principle 4: Formal and transparent process for appointment of new directors to the Board

The Nominating Committee ("**NC**") comprises of 3 Directors, all of whom are independent non-executive Directors. The NC meets at least once a year.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possesses 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 NC also has at its disposal executive search companies, personal contacts and recommendations in its search and nomination process for the right candidates.

The NC is responsible for:

- 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;
- 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 3 years.

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

Mr David Tan Chao Hsiung and Ms Yeow Cheng Khim have offered to retire and being eligible have offered themselves for re-election as Directors of the Company. The NC has reviewed and recommended to the Board the re-election of Mr David Tan Chao Hsiung and Ms Yeow Cheng Khim as Directors of the Company at the forthcoming Annual General Meeting of the Company.

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board and contributions by each Director

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.

In assessing the performance of the Directors, the NC evaluates each Director based on the following review parameters, including:

- attendance at 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.

In addition to the above, the NC also evaluates the performance and effectiveness of the Board as a whole, taking into account of the Board's balance and mix.

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.

For the financial year ended 31 December 2008, there were no new appointments to the Board.

Access to Information

Principle 6: Board members to have complete, adequate and timely information

Directors have unrestricted access to the Company's records and information, all Board and Committee minutes, and receive 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 are sent out to the Directors before meetings so that all Directors may 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 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.

Procedures for Developing Remuneration Policies

Principle 7: Formal and transparent procedure for fixing remuneration packages of Directors and key management executives.

The Company has established a Remuneration Committee ("**RC**") for determining the remuneration of Directors and key executives of the Company. The RC comprises 3 non-executive independent Directors.

The responsibilities of the RC are:

- 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;
- review and recommend to the Board the terms of the service agreements of the Directors;
- determine the appropriateness of the remuneration of the Directors;
- consider the disclosure requirements for Directors' and key executives' remuneration as required by the SGX-ST; and
- administer the TMC Share Option Scheme.

No Director is involved in deciding his or her own remuneration.

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

The RC has the right to seek professional advice internally and externally relating to the remuneration of all Directors.

Level and Mix of Remuneration

Principle 8: The level of remuneration for Directors should be adequate, not excessive, and linked to performance.

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

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

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

Disclosure on Remuneration

Principle 9: Clear disclosure of remuneration policy, level and mix of remuneration, and the procedure for setting remuneration.

Details of the Directors and key executives' remuneration for FY 2008 are set out below:

	Annual Remune-ration* S$	Directors' Fees %	Base/ Fixed Salary* %	Variable or Performance Related Income/ Bonus* %	Allowances* & Benefits %	Gains from TMC Share Option %	Total %
Directors							
$250,000 to $499,999							
Dr Chin Kon Yuen	260,000	9.23	84.40	2.52	3.85	-	100
Below $250,000							
Yeow Cheng Khim	240,598	9.98	81.47	2.73	5.82	-	100
David Tan Chao Hsiung	61,780	92.26	-	-	-	7.74	100
Woo Lee Yong	43,522	91.91	-	-	-	8.09	100
Dr Lau Teik Soon	35,000	100.00	-	-	-	-	100

* Inclusive of Central Provident Fund Contributions

Key Executives	Directors' Fees %	Base/ Fixed Salary* %	Variable or Performance Related Income/ Bonus* %	Allowances* & Benefits %	Gains from TMC Share Option %	Total %
Dr Michael Arthur Cope, Academic Director	-	93.75	-	6.25	-	100
Liu Yuet Fong, Dawn Chief Financial Officer	-	94.53	-	5.47	-	100
Dr Teo Kay Chee, Lemmy Director – Student Recruitment / Student Services	-	89.99	-	10.01	-	100
Dorothy Tan Suan Yin, Management Support Chief	-	87.85	-	5.68	6.47	100
Sumiati Irwanto @ Tio Hui Hui, Deputy Director – HR & Admin	-	90.20	6.49	-	3.31	100

* Inclusive of Central Provident Fund Contributions

For the period under review, the Remuneration Committee had recommended to the Board total Directors fees of $180,000 for the Directors, which had been approved at the last AGM. For FY2009, the Remuneration Committee is recommending no change to the Directors fees, which will be tabled by the Board at the forthcoming Annual General Meeting for shareholders' approval.

There is no employee who is related to a Director whose remuneration exceeds $250,000 in the Group's employment for the financial year ended 31 December 2008. There is also no employee who is an immediate family member of any Director or any key executive whose remuneration exceeds $150,000 for the financial year ended 31 December 2008.

There is no material contract or loan by the Company or its subsidiary companies involving the interest of any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

During the year, no option to take up unissued shares of the Company of any corporation in the Group was granted.

Participant	**Options granted during financial year 2008**	**Options granted from start of scheme to 31 December 2008**	**Options lapsed since start of scheme to 31 December 2008**	**Options exercised from start of scheme to 31 December 2008**	**Options outstanding as at 31 December 2008**
Directors					
David Tan Chao Hsiung	200,000	1,065,620	-	(639,810)	425,810
Woo Lee Yong	200,000	1,065,620	-	(765,620)	300,000
Dr Lau Teik Soon	200,000	425,810	-	-	425,810
Others					
Academic Advisers					
Dr Robert James Bignall	200,000	778,620	-	(227,000)	551,620
Prof Chen Swee Eng	200,000	778,620	-	(227,000)	551,620
Loh Hoon Sun	200,000	778,620	-	(227,000)	551,620
Employees	941,000	5,510,877	(1,765,932)	(1,540,583)	2,204,362
	2, 141,000	10,403,787	(1,765,932)	(3,627,013)	5,010,842

Accountability

Principle 10: 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 Management also presents to the Board the half yearly and full year accounts and the Audit Committee 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.

Audit Committee

Principle 11: Establishment of Audit Committee with written terms of reference

The Audit Committee ("**AC**") consists of 3 Directors, including the Chairman, all of whom are non-executive independent Directors. The AC has specific terms of reference and has met 3 times in FY2008.

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:

- reviews 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;
- reviews the financial statements of the Group before their submission to the Board, and before their announcement;
- reviews 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;
- reviews the cost effectiveness and the independence and objectivity of the external auditors;
- reviews the nature and extent of non-audit services provided by the external auditors;
- reviews the assistance given by the Group's officer to the auditors;
- nominates external auditors for appointment/re-appointment;
- reviews the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time;
- reviews interested person transactions in accordance with the requirements of the Listing Rules of the SGX-ST; and
- reviews the adequacy of the Group's internal controls.

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

For the year ended 31 December 2008, the AC has 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.

Following discussions with the management of the Company, the Audit Committee has recommended to the Board of Directors a change in the external auditors of the Company from Horwath First Trust LLP to KPMG LLP. The Board has accepted this recommendation on the basis that the relevant authorities regulating private education providers in Singapore are revamping the rules and regulations pertaining to private education providers and introducing major changes to the private education industry. In the Board's opinion, KPMG LLP would be in a good position to assist the Group in meeting these new changes.

The Group has implemented the whistle blowing policy since 2006. The policy aims to provide avenue for employees to raise concerns about misconducts in the Group and at the same time assure them that they will be protected from victimization 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.

Subsequent event

The Company is required by the provisions of the Listing Manual to release an announcement of the Group's consolidated unaudited financial statements and results of operations for the year ended 31 December 2008 within 60 days after the end of the financial year. On or about 25 February 2009, about 5 days before the expiration of the time limited for the Company to make the announcement of the Group's consolidated unaudited financial statements and results of operations for the year ended 31 December 2008, the AC was informed that the Group's then CFO was taken ill suddenly and had to be admitted to hospital. As the primary responsibility for preparing the announcement was on the CFO, the Company made an application to the SGX-ST for an extension of time up to 15 March 2009 for the announcement to be made. Subsequently, when the CFO returned to work, the Company was informed by the external auditors that some of the audit schedules that were delivered to them earlier were incomplete and contained errors. Most of the errors were related to errors in the allocation period of revenue. Additional work was required, in particular, those pertaining to receipts in advance, which have consequences on the allocation of revenue for FY2008, which has a bearing on the profit and loss statement. As a result, on 15 March 2009, the Company applied to the SGX-ST for a further extension of time up to 25 March 2009 for the Company to release the announcement.

On 19 March 2009, the Company was informed by the SGX-ST that the application for a further extension of time up to 25 March 2009 was rejected and the Company was required to announce the Group's consolidated unaudited financial statements and results of operations for the year ended 31 December 2008 as soon as possible.

On 25 March 2009, the Company requested for a voluntary suspension of trading in the shares of the Company on the SGX-ST. On the same day, the Company released an announcement to explain the reasons for the voluntary suspension. In the announcement, the Company informed shareholders that the AC recommended to the Board that a request be made for a voluntary suspension of the trading of the Company's shares on the SGX-ST with immediate effect. The lifting of the suspension would be conditional upon the announcement of the unaudited financial statements for FY 2008. The AC noted that the scope of work performed by the external auditors relates to providing a fair opinion on the Group's financial statements and from various discussions with the auditors and the Management of the Company, nothing has come to the Board's attention to suggest that there are any irregularities in the financial affairs of the Group as at the date of announcement and that the delays are due to the reasons stated in the announcement dated 16 March 2009.

The Audit Committee recommended to the Board of Directors that the following steps be undertaken (in order to ensure that the integrity of the financial statements be preserved and avert delays in future financial result announcements):

(1) Mandate the internal auditors to review and make recommendations on the accounting process (including work flows and processes and management information system).

(2) Mandate the internal auditors to perform a review to ensure that internal control weaknesses highlighted by the external auditors, in its management letter issued pursuant to the audit of FY2008, be implemented soonest possible.

A follow up review by the internal auditors will be conducted 6 months from the date of the issue of the letter by the internal auditors that the weaknesses highlighted by external auditors in its management letter have been implemented. The review will also include the implementation of recommendations made by the internal auditors in its recent report for the period ending 31 December 2008.

(3) Appoint a new Chief Financial Officer to inter alia, to oversee and manage the financial reporting requirements on behalf of the Company.

(4) Comply with any other conditions to be imposed by SGX-ST.

The voluntary suspension of trading in the shares of the Company was lifted on 15 April 2009 following the release of an announcement of the Group's consolidated unaudited financial statements and results of operations for the year ended 31 December 2008 on 14 April 2009.

On 16 April 2009, the Company made applications to the SGX-ST and the Accounting and Corporate Regulatory Authority of Singapore for an extension of time up to 30 June 2009 for the Company to hold its next Annual General Meeting, which was due on or before 30 April 2009.

The AC is of the view that the omission by the Company to release the Group's consolidated unaudited financial statements and results of operations for the year ended 31 December 2008 within the time limited by the provisions of the Listing Manual is an isolated event brought about primarily by the unexpected illness of the Group's then CFO and an unexpected high turnover in staff in the Company's finance department. Although nothing came to the attention of the AC to suggest that there are any irregularities in the financial affairs of the Group, the AC took the precaution of recommending a voluntary suspension of trading in the shares of the Company while efforts were made to verify the integrity of the financial affairs of the Group.

The Company has appointed an Interim CFO on 16 April 2009 to work with the External Auditors to have the audit for FY 2008 completed and to finalise the financial statements for FY 2008 as well as to work with the management team and board to expedite the coming half-yearly announcement. The Interim CFO will also undertake to review the operational processes with the Internal Auditor and take charge of the full accounting, financial and treasury/cash management of the Group.

The AC intends to closely monitor the work of the Interim CFO in the finance department. Where necessary, the AC would recommend to Management that steps be taken to improve efficiency and competence. It is the objective of the AC to ensure that the Company complies with all its obligations under the Listing Manual, including prompt announcements of its financial statements and results of operations.

Internal Controls

Principle 12: Sound system of internal controls

The Board acknowledges that it is responsible for maintaining a sound system of internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities, and can provide only reasonable and not absolute assurance against material misstatement or loss.

During the financial year, the Group's external and internal auditor has conducted annual review of the effectiveness of the Group's internal control. Any non-compliance and recommendation for improvement were reported to the AC.

The AC has mandated the Interim CFO to work with the internal auditors to perform a review to ensure that internal control weaknesses highlighted by the external auditors in its management letter issued pursuant to the audit of FY2008 be implemented soonest possible.

A follow up review by the internal auditors will be conducted 6 months from the date of the issue of the letter by the internal auditors that the weaknesses highlighted by external auditors in its management letter have been implemented. The review will also include the implementation of recommendations made by the internal auditors in its recent report for the period ending 31 December 2008.

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

Internal Audit

Principle 13: Setting up independent internal audit function

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

Currently, the Chairman of the AC enquires and relies on reports from the Management, internal 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 has reviewed with the internal 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 internal and external auditors are adequate.

The Company has established an internal audit function which is independent of the activities it audits. In the year under review, CA Accountants International Pte Ltd, a professional accounting firm, performed the internal audit function and reported directly to the AC which assists the Board in monitoring and managing risks and internal controls of the Group.

Communication with Shareholders

Principle 14: Regular, effective and fair communication with shareholders

Principle 15: Shareholders' participation at AGM

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 the Company pursuant to the Corporate Disclosure Policy of the SGX-ST 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

  The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments, disclosures required by the Companies Act, and Financial Reporting Standards;

- 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.

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

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

The Board welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or at the Annual General Meeting.

Internal Code on Dealings in Securities

The Company has put in place an internal code on dealings with securities, which has been issued to all Directors and employees setting up the implications on insider trading.

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

In addition, Directors and employees are reminded to observe insider trading laws at all times.

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 Party 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.

For the year ended 31 December 2008, there were no transactions with interested persons.

Transition to the Catalist Sponsored Regime

On 17 December 2007, the SGX-ST launched Catalist, a new sponsor-supervised board for fast-growing companies, to replace the Stock Exchange of Singapore Dealing and Automated Quotation System ("**SESDAQ**").

As part of the transition to the new Catalist regime, SESDAQ-listed companies will be required to adopt the Catalist rules as set out in Section B of the Listing Manual and appoint intermediaries ("**Sponsors**") authorized by the SGX-ST to act as a continuing Sponsor. The role of a continuing Sponsor will be to ensure that the Company complies with the Catalist rules and makes the appropriate disclosures.

Pursuant to Practice Note 14A of the Catalist rules, the SGX-ST has fixed the date for all SESDAQ-listed companies to migrate to the Catalist regime on 5 February 2010. Practice Note 14A also requires all SESDAQ-listed companies (of which the Company is one) to, inter alia, provide quarterly progress reports to the SGX-ST and update shareholders and investors on efforts made by them to appoint a continuing Sponsor.

The Board has delegated the task of sourcing a continuing Sponsor to the Executive Director and Chief Financial Officer. As at the date of this Annual Report, the Company has approached and met with 7 potential continuing Sponsors. It is the Company's goal to meet with all shortlisted continuing Sponsors by October 2009 and to appoint a continuing Sponsor by end December 2009.

The directors present their report to the members together with the audited consolidated financial statements of TMC Education Corporation Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2008 and the balance sheet of the Company as at 31 December 2008.

Directors

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

Dr Chin Kon Yuen
Yeow Cheng Khim
David Tan Chao Hsiung
Woo Lee Yong
Dr Lau Teik Soon

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Except as disclosed below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

The following directors of the Company who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares or debentures of the Company or its related corporations, as stated below:

	Shareholdings registered in name of director		Shareholdings in which a director is deemed to have an interest	
	At 1 January 2008	At 31 December 2008	At 1 January 2008	At 31 December 2008
The Company				
Ordinary shares				
Dr Chin Kon Yuen	74,989,600	74,989,600	25,200,000	25,839,000
Yeow Cheng Khim	25,200,000	25,839,000	74,989,600	74,989,600
David Tan Chao Hsiung	719,000	845,410	719,000	845,410
Woo Lee Yong	719,000	971,220	719,000	971,220

The directors' interests in the shares and options of the Company at 21 January 2009 were the same as those as at 31 December 2008.

By virtue of section 7 of the Singapore Companies Act, Cap 50, Dr Chin Kon Yuen and Yeow Cheng Khim are deemed to have interests in the share capital of all the Company's subsidiaries.

Except as disclosed above and those disclosed under share options, no other director had an interest in any shares in, or debentures of, the Company or related corporations either at the beginning of the financial year or at the end of the financial year and on 21 January 2009.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements.

Share options

The TMC Share Option Scheme ("the Scheme") was approved by shareholders on 25 May 2001 and subsequent amendment was approved on 25 November 2005.

Under the Scheme, all options to be issued will have a term no longer than 10 years commencing on the date upon which the Scheme is adopted by the Company. The exercise price of the option may be based on the market price or at a discount to the market price at the date of grant.

The Committee administering the Scheme comprises the following directors:

Dr Lau Teik Soon (Chairman)
David Tan Chao Hsiung
Woo Lee Yong

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

Individual employees are not allowed to receive more than their limit on the number of options. Non-executive directors who were granted options, academic advisors and employees who received 5% or more of the total options available under the Scheme are:

	Options granted during the financial year ended 31 December 2008	Aggregate options granted since commencement of scheme to 31 December 2008	Aggregate options lapsed since commencement of scheme to 31 December 2008	Aggregate options exercised since commencement of scheme to 31 December 2008	Aggregate options outstanding as at 31 December 2008 and 21 January 2009
Directors of the Company					
David Tan Chao Hsiung	200,000	1,065,620	-	(639,810)	425,810
Woo Lee Yong	200,000	1,065,620	-	(765,620)	300,000
Dr Lau Teik Soon	200,000	425,810	-	-	425,810
Academic advisors and employees who received 5% or more of the total options					
Dr Robert James Bignall	200,000	778,620	-	(227,000)	551,620
Professor Chen Swee Eng	200,000	778,620	-	(227,000)	551,620
Loh Hoon Sun	200,000	778,620	-	(227,000)	551,620
Dr Michael Arthur Cope	360,000	590,000	-	-	590,000
Other employees (in aggregate)	581,000	4,920,877	(1,765,932)	(1,540,583)	1,614,362
	2,141,000	10,403,787	(1,765,932)	(3,627,013)	5,010,842

Share options (Continued)

Except as disclosed above, no other participant has received 5% or more of the total number of options under the Scheme.

All options granted under the Scheme are exercisable as follows:

(a) An option granted without discount shall be exercisable from the 1st anniversary of the date of grant to the expiry date; and

(b) An option granted at a discount shall be exercisable from the 2nd anniversary of the date of grant to the expiry date.

At the end of the financial year, options to take up 5,010,842 unissued shares in the Company were outstanding:

Date of grant	Balance at 1.1.2008 / date of grant	Forfeited	Exercised	Balance at 31.12.2008	Exercise price	Expiry date
07.12.2001	16,354	-	-	16,354	$0.1192	06.12.2011
02.12.2002	98,128	-	-	98,128	$0.1043	01.12.2012
30.06.2003	50,320	-	-	50,320	$0.1291	29.06.2013
01.12.2003	35,224	-	-	35,224	$0.1037	30.11.2013
28.06.2004	51,578	(6,290)	-	45,288	$0.0994	27.06.2014
13.12.2004	38,998	(2,516)	(7,000)	29,482	$0.0612	12.12.2014
07.03.2006	89,320	(3,774)	-	85,546	$0.0453	06.03.2016
26.06.2006	45,288	(2,516)	-	42,772	$0.0429	25.06.2016
11.12.2006	629,050	-	(251,620)	377,430	$0.0620	10.12.2011
11.12.2006	319,544	(33,966)	(168,583)	116,995	$0.0620	10.12.2016
18.06.2007	754,860	-	(125,810)	629,050	$0.1248	17.06.2012
18.06.2007	367,349	(93,096)	-	274,253	$0.1248	17.06.2017
10.12.2007	600,000	-	-	600,000	$0.1370	09.12.2012
10.12.2007	582,000	(99,000)	-	483,000	$0.1370	09.12.2017
16.06.2008	600,000	-	-	600,000	$0.1050	15.06.2013
16.06.2008	489,000	(14,000)	-	475,000	$0.1050	15.06.2018
16.12.2008	600,000	-	-	600,000	$0.0610	15.12.2013
16.12.2008	452,000	-	-	452,000	$0.0610	15.12.2018
Total	5,819,013	(255,158)	(553,013)	5,010,842		

None of the holders of the above share options has any right to participate by virtue of the options in any share issue of any other company. During the financial year:

(a) 553,013 share options were exercised under the Scheme at the exercise price of between $0.0612 and $0.1248 per share, resulting in the issuance of 553,013 ordinary shares;

(b) 2,141,000 shares options were granted under the Scheme at the exercise price of $0.0610 or $0.1050 per shares; and

(c) no other shares were issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

Audit Committee

The members of the Audit Committee at the date of this report are as follows:

David Tan Chao Hsiung (Chairman)
Woo Lee Yong
Dr Lau Teik Soon

The Audit Committee performs the functions specified by Section 201B of the Singapore Companies Act, Cap. 50, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance.

In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditors;

- the audit plan of the Company's independent auditors and its report on the weaknesses of internal accounting controls arising from the statutory audit;

- the assistance given by the Company's management to the independent auditors;

- the periodic results announcements prior to their submission to the Board for approval;

- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2008 prior to their submission to the Board of Directors, as well as the independent auditors' report on the balance sheet of the Company and the consolidated financial statements of the Group; and

- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

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 discretion to invite any director or executive officer to attend its meetings.

The Audit Committee convened three meetings during the year with full attendance from all members and has also met with internal and independent auditors, without presence of the Company's management, at least once a year.

Following discussions with the management of the Company, the Audit Committee has recommended to the Board of Directors a change in the external auditors of the Company from Horwath First Trust LLP to KPMG LLP. The Board has accepted this recommendation on the basis that the relevant authorities regulating private education providers in Singapore are revamping the rules and regulations pertaining to private education providers and introducing major changes to the private education industry. In the Board's opinion, KPMG LLP would be in a good position to assist the Group in meeting these new changes.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

On behalf of the Board of Directors

DR CHIN KON YUEN	**YEOW CHENG KHIM**
Director	Director

Singapore
2 June 2009

Statement by Directors

In the opinion of the directors, the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 36 to 87 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the results, changes in equity and cash flows of the Group for the financial year then ended, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

DR CHIN KON YUEN
Director

YEOW CHENG KHIM
Director

Singapore
2 June 2009

Independent Auditors' Report

TO THE MEMBERS OF TMC EDUCATION CORPORATION LTD

We have audited the accompanying financial statements of TMC Education Corporation Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 36 to 87, which comprise the balance sheets of the Company and of the Group as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap, 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' 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 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 judgment, 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 and fair presentation of the financial statements 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:

(a) the balance sheet of the Company and the consolidated financial statements of the Group 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 state of affairs of the Company and of the Group as at 31 December 2008, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Horwath First Trust LLP
Public Accountants and
Certified Public Accountants

Singapore

2 June 2009

Balance Sheets

AS AT 31 DECEMBER 2008

(Amounts in Singapore dollars)

	Note	Group		Company	
		2008	2007	2008	2007
		$	$	$	$
EQUITY			(Note 32)		
Share capital and reserves attributable to the Company's equity holders					
Share capital	4	11,466,382	11,424,200	11,466,382	11,424,200
Reserves	5	582,335	797,932	2,278,526	1,409,093
		12,048,717	12,222,132	13,744,908	12,833,293
Minority interests		(198,271)	(227,186)	-	-
TOTAL EQUITY		11,850,446	11,994,946	13,744,908	12,833,293
Non-current assets					
Property, plant and equipment	6	13,367,663	13,717,379	13,318,053	13,704,347
Subsidiaries	7	-	-	14	14
Intangible assets					
- Development expenditure	8	179,465	202,404	179,465	202,404
- Trademarks	9	74,688	-	74,688	-
- Franchise development costs	10	-	-	-	-
		13,621,816	13,919,783	13,572,220	13,906,765
Current assets					
Trade receivables	11	93,319	42,313	93,319	41,143
Other receivables, deposits and prepayments	12	344,341	629,386	295,538	488,164
Due from subsidiaries	13	-	-	1,037,816	1,540,405
Fixed deposits	14	4,905,461	3,248,000	4,905,461	3,248,000
Cash and bank balances		991,244	991,079	524,387	249,168
		6,334,365	4,910,778	6,856,521	5,566,880
TOTAL ASSETS		19,956,181	18,830,561	20,428,741	19,473,645
Current liabilities					
Trade payables		1,202,122	1,524,690	1,202,122	1,524,690
Other payables and accruals	15	5,623,038	3,863,198	65,695	57,585
Borrowing	16	420,000	420,000	420,000	420,000
Due to subsidiaries	13	-	-	4,172,040	3,606,962
Provision for tax		677,289	439,727	640,690	443,115
		7,922,449	6,247,615	6,500,547	6,052,352
Non-current liabilities					
Borrowing	16	70,000	490,000	70,000	490,000
Deferred tax liabilities	17	113,286	98,000	113,286	98,000
		183,286	588,000	183,286	588,000
TOTAL LIABILITIES		8,105,735	6,835,615	6,683,833	6,640,352
NET ASSETS		11,850,446	11,994,946	13,744,908	12,833,293

The accompanying notes are an integral part of the financial statements.

Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2008

(Amounts in Singapore dollars)

	Note	Group 2008 $	Group 2007 $ (Note 32)
Revenue			
Course and examination fees	18	12,033,365	11,169,899
Other revenue	19	249,816	182,048
		12,283,181	11,351,947
Less: Operating expenses			
Course materials and subscriptions		(926,077)	(727,467)
Personnel expenses	20	(6,130,436)	(5,991,597)
Property, plant and equipment related expenses		(2,574,041)	(2,636,978)
Advertising and promotion		(959,350)	(729,542)
Financial expenses	21	(94,478)	(82,362)
Other operating expenses		(1,823,301)	(951,515)
(Loss) Profit before tax	22	(224,502)	232,486
Income tax	23	(159,481)	(93,776)
(Loss) Profit for the financial year		(383,983)	138,710
Attributable to:			
Equity holders of the Company		(271,602)	459,697
Minority interests		(112,381)	(320,987)
		(383,983)	138,710
(Loss) Earnings per share (cents)	24		
Basic		(0.16)	0.37
Diluted		(0.16)	0.36

The accompanying notes are an integral part of the financial statements.

Consolidated Statement Of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

(Amounts in Singapore dollars)

	Total attributable to equity holders of the Company					
	Share capital	Translation reserve	Revenue reserve	Employees' share option reserve	**Minority interests**	**Total Equity**
	$	$	$	$	$	$
Balance at 1 January 2007	8,731,386	136,436	2,708,396	104,433	93,801	11,774,452
Recognition of employees' share option value	-	-	-	144,778	-	144,778
Currency translation difference	-	54,949	-	-	-	54,949
Net income recognised directly to equity	-	54,949	-	144,778	-	199,727
Profit (Loss) for the financial year	-	-	459,697	-	(320,987)	138,710
Total recognised income (expense) for the financial year	-	54,949	459,697	144,778	(320,987)	338,437
Issue of shares upon exercising share options (Note 4)	228,712	-	-	-	-	228,712
Issue of rights shares (Note 4)	2,464,102	-	-	-	-	2,464,102
Dividends (Note 25)	-	-	(2,810,757)	-	-	(2,810,757)
Balance at 31 December 2007, as restated	11,424,200	191,385	357,336	249,211	(227,186)	11,994,946
Balance at 1 January 2008, as previously reported	11,424,200	191,385	174,831	249,211	(227,186)	11,812,441
Prior year adjustment (Note 32)	-	-	182,505	-	-	182,505
Balance at 1 January 2008, as restated	11,424,200	191,385	357,336	249,211	(227,186)	11,994,946
Recognition of employees' share option value	-	-	-	156,594	-	156,594
Realisation upon winding up of a subsidiary	-	5,005	(5,005)	-	-	-
Currency translation difference	-	(100,589)	-	-	(36,677)	(137,266)
Net income (expense) recognised directly to equity	-	(95,584)	(5,005)	156,594	(36,677)	19,328
Loss for the financial year	-	-	(271,602)	-	(112,381)	(383,983)
Total recognised income (expense) for the financial year	-	(95,584)	(276,607)	156,594	(149,058)	(364,655)
Issue of shares upon exercising share options (Note 4)	42,182	-	-	-	-	42,182
Capital contribution from minority interests	-	-	-	-	179,011	179,011
Winding-up of a subsidiary	-	-	-	-	(1,038)	(1,038)
Balance at 31 December 2008	11,466,382	95,801	80,729	405,805	(198,271)	11,850,446

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Note	Group	
		2008	2007
		$	$
			(Note 32)
Cash flows from operating activities			
(Loss) Profit before tax		(224,502)	232,486
Adjustments:			
Depreciation of property, plant and equipment		586,438	670,665
Amortisation of development expenditure		142,454	110,098
Development expenditure written off		70,985	48,785
Interest expense		26,695	54,632
Interest income		(55,577)	(156,567)
(Gain) Loss on disposal of property, plant and equipment		(9,060)	10,623
Impairment loss on property, plant and equipment		-	98,154
Goodwill on consolidation written off	A	-	1,189
Surplus on winding up of a subsidiary	B	(609)	-
Translation difference		(139,276)	54,124
Employees' share option value		156,594	144,778
Operating cash inflow before working capital changes		554,142	1,268,967
Trade receivables		(51,006)	194,138
Other receivables, deposits and prepayments		285,045	(235,076)
Trade payables		(322,568)	516,907
Other payables		1,760,379	451,171
Cash generated from operations		2,225,992	2,196,107
Interest received		55,577	156,567
Income tax refund		117,082	-
Income tax paid		(23,715)	(300,545)
Cash flows from operating activities		2,374,936	2,052,129
Cash flows from investing activities			
Development expenditure incurred		(190,500)	(107,700)
Purchase of trademarks		(74,688)	-
Proceeds from disposal of property, plant and equipment		22,977	350
Purchase of property, plant and equipment		(252,671)	(257,927)
Acquisition of a subsidiary	A	-	(1,191)
Net cash outflow from winding up of a subsidiary	B	(968)	-
Capital contribution from minority interests		179,011	-
Cash flows used in investing activities		(316,839)	(366,468)

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

(Amounts in Singapore dollars unless otherwise stated)

	Note	Group	
		2008	2007
		$	$
Cash flows from financing activities			
Proceeds from issuance of shares		42,182	2,692,814
Repayments of borrowing		(420,000)	(380,000)
Dividend paid		-	(2,810,757)
Interest paid		(26,695)	(54,632)
Cash flows used in financing activities		(404,513)	(552,575)
Net increase in cash and cash equivalents		1,653,584	1,133,086
Cash and cash equivalents at beginning of the year		4,239,079	3,104,144
Effect of foreign currency translation		4,042	1,849
Cash and cash equivalents at end of the year	26	5,896,705	4,239,079

Note A

On 17 May 2007, the Group acquired 100% of a company incorporated in British Virgin Islands, Concept Innovation Investments Limited ("CIIL"), at a consideration of $1,191. With CIIL's net assets at $2, goodwill on consolidation amounting to $1,189 was written off.

Note B

The Group has officially ceased one of its subsidiaries' operation, Xian TMC International College after it has obtained the approval from The People's Government of Shaanxi Province on the 14 November 2008 on its liquidation application on 3 July 2008.

The effect from the winding up of the subsidiary is as follows:-

	2008
	$
Cash and bank balances	968
Other payables	(539)
Minority interests	(1,038)
Surplus on winding up of a subsidiary	609
Proceed from winding up of a subsidiary	-
Less: Cash and bank balances	(968)
Net cash outflow from winding up of a subsidiary	(968)

(Amounts in Singapore dollars unless otherwise stated)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

TMC Education Corporation Ltd (the "Company") is a limited company domiciled and incorporated in the Republic of Singapore. The address of the Company's registered office and principal place of business is at 111 North Bridge Road, #17-06 Peninsula Plaza, Singapore 179098.

The principal activities of the Company are to operate a school to provide commercial, academic and technical education relating to electronic data processing, computers, languages, financial and business management courses and investment holding. The principal activities of the subsidiaries are shown in Note 7.

Current global economic slowdown has significantly affected and may continue to affect the Group operations (present and future), financial conditions and cash flows. The ability to sustain its operations and pay its debts as and when they fall due are dependent on the recovery of the global as well as the domestic economies which are currently uncertain. The ultimate outcome of this matter cannot be presently determined. The financial statements do not include any adjustments that might result from such uncertainties. Related effects will be reported in the financial statements as and when they become known and can be reasonably estimated.

As at 31 December 2008, the Group has a net asset of $11.85 million and an improved cashflow position at $5.90 million as compared to financial year 2007 of $4.24 million. As at the date of the released of the Group's financial results, the Group has continued to reduce her bank borrowings to $ 315,000 and is able to fulfil all the Group's financial obligations.

The financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2008 were authorised for issue by the Board of Directors on 2 June 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act, Cap 50 and the Singapore Financial Reporting Standards ("FRS").

The financial statements are presented in Singapore dollars unless otherwise indicated.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting 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 ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of a subsidiary is accounted for using the purchase method. Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets, liabilities and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

Where more than one exchange transactions are involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

The results of subsidiaries acquired or disposed during the year are consolidated for the periods from or to the effective date of acquisition or disposal. All intercompany balances, transactions and unrealised profit or loss on intercompany transactions are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange difference that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are attributed to the equity holders of the Company, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are attributed to the equity holders of the Company until the minority's share of losses is fully recovered by the equity holders of the Company.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in the income statement. On disposal of investments in subsidiaries, the differences between net disposal proceeds and the carrying amount of the investments is taken to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries

A subsidiary is an entity over which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Intangible assets

(i) Goodwill on consolidation

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of an intangible asset with a finite useful life are reviewed at least at each financial year-end.

(a) Development expenditure

Development costs arising from development expenditure on an individual project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

The development costs are amortised over the finite useful life of 5 years.

(b) Trademarks

Trademarks acquired are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised through the income statement over estimated useful lives of 5 years using the straight-line method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

(c) Franchise development costs

Franchise development costs comprise expenses incurred in the development of franchise products. These costs are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised on a straight-line basis over the life of the franchise, which is estimated to be 5 years, commencing with the period in which related sales are first made, or written off immediately if there are no future economic benefits to be derived from the franchise development costs.

At each balance sheet date, the Group or the Company assesses whether there is any indication of impairment for development expenditure, trademarks and franchise development costs. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount exceeds its recoverable amount. The impairment loss is charged to the income statement.

Share capital

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

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of the asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Property, plant and equipment are depreciated using the straight-line method to write-off the cost of each asset over their estimated useful lives. The estimated useful lives have been taken as follows:

	Useful lives
Land and building	50 years
Renovation	3 years or lease period
Furniture and fittings	10 years
Training equipment	10 years
Office equipment	10 years
Computers	3 – 5 years
Computer software	3 years
Software development	3 years
Motor vehicles	5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

Impairment of non-financial assets, excluding goodwill

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its fair value less costs to sell. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the income statement in the period in which it arises, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the income statement in the period in which it arises, unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial assets

Financial assets are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

All regular way purchases and sales of financial assets are recognised and derecognised on trade date basis where the purchase or sale of assets are under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

The Group classifies its investments in financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

Loan and receivables

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 receivable. They are included in current assets, except those maturing more than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as trade and other receivables, including amount due from subsidiaries and cash and cash equivalents on the balance sheet.

At subsequent reporting dates, loan and receivables are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

The Group assess at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired and recognised the impairment loss when such evidence exists.

Financial assets carried at amortised cost

An impairment loss is recognised in the income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The carrying amount of the asset is reduced through the use of an allowance account.

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 to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

Related parties

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

Trade and other payables

Trade and other payables, which generally are on normal credit terms, and payables to subsidiaries are carried at fair value, and subsequently measured at amortised cost, using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised when there is a present obligation, legal or constructive, as a result of a past event and 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. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditures expected to be required to settle the obligation.

Borrowings

Borrowings are initially recorded at fair value, net of transaction costs incurred and subsequently accounted for at amortised cost using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term 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 balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalent comprises cash on hand and deposits with financial institutions and short term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired.

Revenue recognition

Course fee is generally recognised over the period in which the course is run. Examination fee is generally recognised over the course assessment period. Course and examination fees relating to the future periods are included in course and examination fees received in advance.

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

Borrowing costs

Borrowing costs are recognised on a time-proportion basis in the income statement using the effective interest method.

Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

(a) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the balance sheet date.

(c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the income statement 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, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets), on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Functional and foreign currencies

<u>Functional currency and presentation currency</u>

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the balance sheet of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

<u>Foreign currency transactions</u>

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional and foreign currencies (Continued)

Translation of the Group's financial statements

For the purpose of presenting the consolidated financial statements of the Group, the results and financial position of the Group's foreign operations (including comparative) are translated into Singapore dollars, being the presentation currency, using the following procedures:

- Assets and liabilities for each balance sheet presented (including comparative) are translated at the closing rate ruling at the balance sheet date;

- Income and expenses for each income statement (including comparative) are translated at average rates for the year, which approximates the exchange rates at the dates of transactions; and

- Share capital is translated at historical rates.

All resulting exchange differences are recognised in a separate component of equity as translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entity (including monetary items that, in substance, form part of the net investment in foreign entity), are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Dividend

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting standards and FRS interpretations

Certain new standards, amendments and interpretations to existing standards have been published as of the balance sheet date but are not yet effective and which the Group has not early adopted.

		Effective for annual periods beginning on or after
FRS 1(Revised 2008)	Presentation of financial statements	1 January 2009
FRS 1	Presentation of Financial Statements – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and Current / Non-current Classification of Derivatives	1 January 2009
FRS 23	Borrowing Costs	1 January 2009
FRS 27	Consolidated and Separate Financial Statements: – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 32	Financial Instruments: Presentation – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and Current / Non-current Classification of Derivatives	1 January 2009
FRS 39	Financial Instruments: Recognition and Measurement - Amendments relating to Eligible Hedged Items	1 July 2009
FRS 101	First Time Adoption of Financial Reporting Standards – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 102	Share-based Payment – Vesting Conditions and Cancellations	1 January 2009
FRS 108	Operating Segments	1 January 2009
Improvements to FRSs 2008		1 January 2009
INT FRS 113	Customer Loyalty Programmes	1 July 2008
INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1 October 2008

The Group's assessment of the impact of adopting these standards, amendments and interpretations that are relevant to the Group is set out below:

FRS 1 (revised 2008) will become effective for the Group's financial statements for the year ending 31 December 2009. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Group's financial position or results.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting standards and FRS interpretations (Continued)

Amendments to FRS 102 will become effective for the Group's financial statements for the year ending 31 December 2009. These amendments clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because of non-vesting condition is not satisfied. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

FRS 108 will become effective for the Group's financial statements for the year ending 31 December 2009. FRS 108 supersedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources. Such information may be different from the information included in the financial statements, and the basis of its preparation and reconciliation to the amounts recognised in the financial statements shall be disclosed. The Group will apply FRS 108 from 1 January 2009 and provide comparative information that conforms to the requirements of FRS 108. The Group expects more information to be disclosed under FRS 108.

Improvements to FRSs 2008 will become effective for the Group's financial statements for the year ending 31 December 2009, except for the amendment to FRS 105 Non-current Assets Held for Sale and Discontinued Operations which will become effective for the year ending 31 December 2010. Improvements to FRSs 2008 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The Group is in the process of assessing the impact of these amendments.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Property, plant & equipment – land and building

Based on indicative current market values with reference to recent property transactions prices close to the balance sheet date, no impairment loss is needed during the year. The carrying amount of the Group's land and building as at 31 December 2008 was $12,836,656 (2007: $13,149,577). Any material changes in the market value of the land and property would affect its carrying amounts within the next financial year.

(ii) Intangible assets – development expenditure

The cost of development expenditure (less impairment loss) of the Group and the Company is depreciated on a straight-line basis over its remaining estimated useful life. Management estimates the useful life of the development expenditure to be 5 years based on expected pattern of economic benefits from this intangible asset. The carrying amount of the Group's and Company's development expenditure as at 31 December 2008 was $179,465 (2007: $202,404). Changes in the expected level of usage and the estimates of anticipated revenue could impact the carrying amount of the development expenditures hence further adjustment for impairment loss may be necessary in the future.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(iii) Income taxes

The Group has exposure to income taxes in Singapore and People's Republic of China ("PRC"). Significant judgment is involved in determining the Group's 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 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 amount of the Group's income tax provisions and deferred tax provisions at 31 December 2008 were $677,289 (2007: $439,727) and $113,286 (2007: $98,000) respectively. The Company's income tax provisions and deferred tax provisions at 31 December 2008 were $640,690 (2007: $443,115) and $113,286 (2007: $98,000) respectively.

(iv) Fair value of bank borrowing

The fair value of long term bank borrowing for disclosure purposes is estimated by discounting the future contractual cash flows at the estimated effective interest rate throughout the term of repayments for similar financial instruments. Any significant difference between the estimated interest rate and the actual interest rate for the duration of the borrowing period may result in material difference in fair value as disclosed in Note 16.

4. SHARE CAPITAL

	Group and Company	
	2008	2007
	$	$
Issued and fully paid		
At beginning of year		
166,703,600 (2007: 116,100,000) ordinary shares	11,424,200	8,731,386
Issue of ordinary shares	42,182	228,712
Issue of rights shares	-	2,464,102
At end of year		
167,256,613 (2007: 166,703,600) ordinary shares	11,466,382	11,424,200

During the financial year, 553,013 ordinary shares were issued upon the exercise of 553,013 share options granted under the TMC Share Option Scheme at the exercise price of between $0.0612 and $0.1248 per share, amounting to $42,182. The newly issued shares rank pari pasu in all respect with the previously issued shares.

TMC Share Option Scheme

Share options are granted to employees and non-executive directors with more than 12 months of service under the TMC Share Option Scheme ("the Scheme") which was approved by shareholders on 25 May 2001.

On 25 November 2005, the scheme was amended to allow the Company to grant options to a new category of participants known as Academic Advisers and to allow the Company to grant options to eligible employees once the employees are confirmed in their positions (as opposed to the employees having to wait 12 months before they are eligible to be granted options).

4. **SHARE CAPITAL (CONTINUED)**

TMC Share Option Scheme (Continued)

Under the Scheme all options to be issued will have a term no longer than 10 years commencing on the date upon which the Scheme is adopted by the Company. The exercise price of the option may be based on the market price or at a discount to the market price at the date of the grant.

The vesting of the granted options is conditional on the employees after the first anniversary of the date of grant in the case of an option set at the market price or the second anniversary of the date of grant in case of an option set at a discount to the market price.

The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of ordinary shares outstanding under the options at the end of the financial year and their exercise prices are as follows:

2008

Date of grant	Balance at 1.1.2008	Granted during the year	Exercised during the year	Forfeited during the year	Balance at 31.12.2008	Exercise price	Expiry date
07.12.2001	16,354	-	-	-	16,354	$0.1192	06.12.2011
02.12.2002	98,128	-	-	-	98,128	$0.1043	01.12.2012
30.06.2003	50,320	-	-	-	50,320	$0.1291	29.06.2013
01.12.2003	35,224	-	-	-	35,224	$0.1037	30.11.2008
28.06.2004	51,578	-	-	(6,290)	45,288	$0.0994	27.06.2014
13.12.2004	38,998	-	(7,000)	(2,516)	29,482	$0.0612	12.12.2014
07.03.2006	89,320	-	-	(3,774)	85,546	$0.0453	06.03.2016
26.06.2006	45,288	-	-	(2,516)	42,772	$0.0429	25.06.2016
11.12.2006	629,050	-	(251,620)	-	377,430	$0.0620	10.12.2011
11.12.2006	319,544	-	(168,583)	(33,966)	116,995	$0.0620	10.12.2016
18.06.2007	754,860	-	(125,810)	-	629,050	$0.1248	17.06.2012
18.06.2007	367,349	-	-	(93,096)	274,253	$0.1248	17.06.2017
10.12.2007	600,000	-	-	-	600,000	$0.1370	09.12.2012
10.12.2007	582,000	-	-	(99,000)	483,000	$0.1370	09.12.2017
16.06.2008	-	600,000	-	-	600,000	$0.1050	15.06.2013
16.06.2008	-	489,000	-	(14,000)	475,000	$0.1050	15.06.2018
16.12.2008	-	600,000	-	-	600,000	$0.0610	15.12.2013
16.12.2008	-	452,000	-	-	452,000	$0.0610	15.12.2018
Total	3,678,013	2,141,000	(553,013)	(255,158)	5,010,842		

4. SHARE CAPITAL (CONTINUED)

2007

Date of grant	Balance at 1.1.2007	Granted during the year	Share option adjustment	Exercised	Forfeited during the year	Balance at 31.12.2007	Exercise price	Expiry date
07.12.2001	52,000	-	3,354	(39,000)	-	16,354	$0.1192	06.12.2011
02.12.2002	283,000	-	20,128	(155,000)	(50,000)	98,128	$0.1043	01.12.2012
30.06.2003	80,000	-	-	(80,000)	-	-	$0.1291	29.06.2008
30.06.2003	152,000	-	10,320	(80,000)	(32,000)	50,320	$0.1291	29.06.2013
01.12.2003	80,000	-	-	(80,000)	-	-	$0.1037	30.11.2008
01.12.2003	157,000	-	7,224	(93,000)	(36,000)	35,224	$0.1037	30.11.2013
28.06.2004	80,000	-	-	(80,000)	-	-	$0.0994	27.06.2009
28.06.2004	152,000	-	10,578	(105,000)	(6,000)	51,578	$0.0994	27.06.2014
13.12.2004	80,000	-	-	(80,000)	-	-	$0.0612	12.12.2009
13.12.2004	159,000	-	7,998	(120,000)	(8,000)	38,998	$0.0612	12.12.2014
07.03.2006	889,000	-	-	(889,000)	-	-	$0.0453	06.03.2011
07.03.2006	664,000	-	18,320	(481,000)	(112,000)	89,320	$0.0453	06.03.2016
26.06.2006	500,000	-	-	(500,000)	-	-	$0.0429	25.06.2011
26.06.2006	322,000	-	9,288	(192,000)	(94,000)	45,288	$0.0429	25.06.2016
11.12.2006	500,000	-	129,050	-	-	629,050	$0.0620	10.12.2011
11.12.2006	352,000	-	65,544	-	(98,000)	319,544	$0.0620	10.12.2016
18.06.2007	-	600,000	154,860	-	-	754,860	$0.1248	17.06.2012
18.06.2007	-	304,000	76,123	-	(12,774)	367,349	$0.1248	17.06.2017
10.12.2007	-	600,000	-	-	-	600,000	$0.1370	09.12.2012
10.12.2007	-	582,000	-	-	-	582,000	$0.1370	09.12.2017
Total	4,502,000	2,086,000	512,787	(2,974,000)	(448,774)	3,678,013		

Out of the outstanding options for 5,010,842 shares (2007: 3,678,013 shares), 2,883,842 shares (2007: 1,373,804 shares) are exercisable at the balance sheet date. There are 553,013 (2007: 2,974,000) options exercised during the financial year at the exercise price between $0.0612 and $0.1248 per share (2007: $0.0429 and $0.1192 per share). 2,141,000 (2007: 2,086,000) options were granted during the financial year at an exercise price of $0.0610 or $0.1050 per share (2007: $0.1248 or $0.1370 per share).

The total fair value of options granted during the current financial year determined using the Black-Scholes model was $96,772 (2007: $208,089) of which $29,228 (2007: $68,826) was included in the total expenses of $156,594 (2007: $144,778) in the Group's current income statement with a corresponding increase in the share option reserve.

The significant inputs into the model were share price range from $0.0610 to $0.1050 (2007: $0.0500 to $0.1950) at the grant date, exercise price shown above, standard deviation of expected returns range from 62% to 102% (2007: 50% to 128%), annual risk free rate range from 0.74% to 2.64% (2007: 1.01% to 3.04%) and option life shown above. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over three years. Expected dividend yield is assumed to be Nil (2007: Nil).

5. RESERVES

	Company	
	2008	2007
	$	$
Revenue reserve		
Balance as at beginning of the year	1,159,882	2,725,604
Profit for the financial year	712,839	1,245,035
Dividend paid	-	(2,810,757)
At the end of the year	1,872,721	1,159,882
Employees' share option reserve		
Balance as at beginning of the year	249,211	104,433
Value of employees' services	156,594	144,778
At the end of the year	405,805	249,211
Total reserves	2,278,526	1,409,093

6. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and building	Renovation	Furniture and fittings	Training equipment	Office equipment	Computers	Computer software	Software development	Motor vehicles	Total
	$	$	$	$	$	$	$	$	$	$
Cost										
At 1 January 2007	15,646,027	1,337,066	404,386	301,471	283,896	714,631	333,925	446,305	488,075	19,955,782
Additions	-	61,518	16,035	12,674	12,246	62,601	74,440	-	18,413	257,927
Disposals	-	-	-	(34,491)	(25,108)	(105,547)	-	-	-	(165,146)
Currency realignment	-	861	223	21	167	283	5	-	-	1,560
At 31 December 2007	15,646,027	1,399,445	420,644	279,675	271,201	671,968	408,370	446,305	506,488	20,050,123
At 1 January 2008	15,646,027	1,399,445	420,644	279,675	271,201	671,968	408,370	446,305	506,488	20,050,123
Additions	-	12,600	8,038	9,240	10,001	87,732	125,060	-	-	252,671
Disposals	-	-	(1,461)	(55,804)	(15,896)	(5,784)	-	-	(185,062)	(264,007)
Currency realignment	-	10,819	2,090	185	1,186	2,290	41	-	-	16,611
At 31 December 2008	15,646,027	1,422,864	429,311	233,296	266,492	756,206	533,471	446,305	321,426	20,055,398
Accumulated depreciation										
At 1 January 2007	2,183,529	1,157,218	283,896	218,964	156,571	568,627	224,318	446,305	476,088	5,715,516
Charge for the year	312,921	104,888	35,684	20,177	22,785	92,159	78,241	-	3,810	670,665
Disposals	-	-	-	(29,136)	(19,490)	(105,547)	-	-	-	(154,173)
Currency realignment	-	383	56	14	107	2,022	-	-	-	2,582
At 31 December 2007	2,496,450	1,262,489	319,636	210,019	159,973	557,261	302,559	446,305	479,898	6,234,590
At 1 January 2008	2,496,450	1,262,489	319,636	210,019	159,973	557,261	302,559	446,305	479,898	6,234,590
Charge for the year	312,921	40,623	34,795	13,187	21,225	70,728	88,987	-	3,972	586,438
Disposals	-	-	(1,349)	(50,765)	(14,049)	(5,524)	-	-	(178,403)	(250,090)
Currency realignment	-	6,299	1,253	174	1,161	3,553	11	-	-	12,451
At 31 December 2008	2,809,371	1,309,411	354,335	172,615	168,310	626,018	391,557	446,305	305,467	6,583,389

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Land and building	Renovation	Furniture and fittings	Training equipment	Office equipment	Computers	Computer software	Software development	Motor vehicles	Total
	$	$	$	$	$	$	$	$	$	$
Accumulated impairment loss										
At 1 January 2007										
Charge for the year	-	78,884	7,009	-	4,125	8,223	-	-	-	98,241
Currency realignment	-	(94)	1	-	-	6	-	-	-	(87)
At 31 December 2007	-	78,790	7,010	-	4,125	8,229	-	-	-	98,154
At 1 January 2008	-	78,790	7,010	-	4,125	8,229	-	-	-	98,154
Currency realignment	-	4,900	467	-	274	551	-	-	-	6,192
At 31 December 2008	-	83,690	7,477	-	4,399	8,780	-	-	-	104,346
Net book value										
At 1 January 2007	13,462,498	179,848	120,490	82,507	127,325	146,004	109,607	-	11,987	14,240,266
At 31 December 2007 and 1 January 2008	13,149,577	58,166	93,998	69,656	107,103	106,478	105,811	-	26,590	13,717,379
At 31 December 2008	12,836,656	29,763	67,499	60,681	93,783	121,408	141,914	-	15,959	13,367,663

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Land and building	Renovation	Furniture and fittings	Training equipment	Office equipment	Computers	Computer software	Software development	Motor vehicles	Total
	$	$	$	$	$	$	$	$	$	$
Cost										
At 1 January 2007	15,646,027	1,218,270	373,586	298,511	260,757	675,622	333,274	446,305	488,075	19,740,427
Additions	-	61,518	13,368	12,674	9,940	60,822	74,440	-	18,413	251,175
Disposals	-	-	-	(34,490)	(25,108)	(101,390)	-	-	-	(160,988)
At 31 December 2007	15,646,027	1,279,788	386,954	276,695	245,589	635,054	407,714	446,305	506,488	19,830,614
At 1 January 2008	15,646,027	1,279,788	386,954	276,695	245,589	635,054	407,714	446,305	506,488	19,830,614
Additions	-	12,600	4,480	9,240	2,866	46,100	125,060	-	-	200,346
Disposals	-	-	(785)	(55,804)	-	-	-	-	(185,062)	(241,651)
At 31 December 2008	15,646,027	1,292,388	390,649	230,131	248,455	681,154	532,774	446,305	321,426	19,789,309
Accumulated depreciation										
At 1 January 2007	2,183,529	1,118,358	263,460	217,010	141,854	544,993	224,205	446,305	476,088	5,615,802
Charge for the year	312,921	103,585	33,224	19,640	20,720	88,371	78,210	-	3,810	660,481
Disposals	-	-	-	(29,136)	(19,490)	(101,390)	-	-	-	(150,016)
At 31 December 2007	2,496,450	1,221,943	296,684	207,514	143,084	531,974	302,415	446,305	479,898	6,126,267
At 1 January 2008	2,496,450	1,221,943	296,684	207,514	143,084	531,974	302,415	446,305	479,898	6,126,267
Charge for the year	312,921	40,864	30,504	12,698	17,414	67,560	88,956	-	3,972	574,889
Disposals	-	-	(733)	(50,764)	-	-	-	-	(178,403)	(229,900)
At 31 December 2008	2,809,371	1,262,807	326,455	169,448	160,498	599,534	391,371	446,305	305,467	6,471,256
Net book value										
At 1 January 2007	13,462,498	99,912	110,126	81,501	118,903	130,629	109,069	-	11,987	14,124,625
At 31 December 2007 and 1 January 2008	13,149,577	57,845	90,270	69,181	102,505	103,080	105,299	-	26,590	13,704,347
At 31 December 2008	12,836,656	29,581	64,194	60,683	87,957	81,620	141,403	-	15,959	13,318,053

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and building consist of 999-year leasehold properties located at 111 North Bridge Road, units #06-01 to #06-35, #17-01 to #17-03 and #17-06, Singapore 179098. These properties have a total floor area of 1,670 square metres and are used as education centres and administrative offices. The unexpired lease term of these properties is 971 years (2007: 972 years).

Certain land and building of the Group and the Company with net book value of $2,292,011 (2007: $2,344,803) are mortgaged to banks to obtain bank facilities (Note 16).

7. SUBSIDIARIES

	Company	
	2008	2007
	$	$
Unquoted equity shares, at cost	931,278	1,826,019
Disposal of equity interest held	-	(894,741)
	931,278	931,278
Impairment losses	(931,264)	(931,264)
	14	14

Details of subsidiaries are as follows:

Name of companies (Country of incorporation)	Principal activities (Place of business)	Cost of investment by the Company		Effective equity held by the Group	
		2008	2007	2008	2007
		$	$	%	%
~ Asia Pacific College Int'l Pte Ltd (Singapore)	Dormant	2	2	100	100
~ Boston East Int'l Pte Ltd (Singapore)	Investment holding, to provide educational courses and conducting examinations (Singapore)	2	2	100	100
# Technology Management Centre (HK) Limited (Hong Kong)	Dormant	1	1	100	100
~ TMC (China) Holdings Pte Ltd (Singapore)	Investment holding (Singapore)	931,261	931,261	51	51
~ TMC Educational Group Pte Ltd (Singapore)	To provide educational courses and conducting examinations (Singapore)	2	2	100	100
~ TMC Franchise Int'l Pte Ltd (Singapore)	To provide expertise in setting up and administering schools including the provision of course materials and training of staff (Singapore)	2	2	100	100
~ TMC (Malaysia) Holdings Pte Ltd (Singapore)	Dormant	2	2	100	100

7. SUBSIDIARIES (CONTINUED)

	Name of companies (Country of incorporation)	Principal activities (Place of business)	Cost of investment by the Company 2008	Cost of investment by the Company 2007	Effective equity held by the Group 2008	Effective equity held by the Group 2007
			$	$	%	%
~	TMC Pte Ltd (Singapore)	Dormant	2	2	100	100
~	TMC (Western China) Pte Ltd (Singapore)	Dormant	2	2	100	100
~	Creative Education Development Pte Ltd (Singapore)	Dormant	2	2	100	100
			931,278	931,278		
	Subsidiary of Asia Pacific College Int'l Pte Ltd					
	Xian TMC International College ("Xian") (People's Republic of China)	To provide diploma and higher diploma courses in China (People's Republic of China)			- (Note A)	51.2
	Subsidiary of TMC (China) Holdings Pte Ltd					
+	Creative Education Development (Shenyang) Ltd (People's Republic of China)	To engage in kindergarten and early childhood education in Shenyang City and other parts of China (People's Republic of China)			51	51
	Subsidiary of TMC Pte Ltd					
*	Concept Innovation Investments Limited (British Virgin Island)	Investment holding			100	100
	Subsidiary of Boston East Int'l Pte Ltd					
+	TMC – Cambridge Education (Beijing) Ltd (People's Republic of China)	To collaborate with local partners to establish GCE "O" Levels centres in China (People's Republic of China)			100	100

* Not required to be audited under the relevant laws and regulations of their countries of incorporation.
~ Audited by Horwath First Trust LLP, Certified Public Accountants, Singapore.
\+ Audited by Baker Tilly China Ltd, People's Republic of China.
\# Audited by Shu Lun Pan Horwath Hong Kong CPA Limited, Hong Kong.

Note A

Xian has officially ceased its operation after it has obtained the approval from The People's Government of Shaanxi Province on the 14 November 2008 on its liquidation application on 3 July 2008.

8. DEVELOPMENT EXPENDITURE

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Cost				
At beginning of the year	2,573,545	3,339,549	2,550,104	3,316,108
Additions	190,500	107,700	190,500	107,700
Written off	(1,086,155)	(873,704)	(1,062,714)	(873,704)
At end of the year	1,677,890	2,573,545	1,677,890	2,550,104
Accumulated amortisation				
At beginning of the year	1,714,554	2,429,375	1,714,554	2,429,375
Charge for the year	142,454	110,098	142,454	110,098
Written off	(358,583)	(824,919)	(358,583)	(824,919)
At end of the year	1,498,425	1,714,554	1,498,425	1,714,554
Accumulated impairment loss				
At beginning of the year	656,587	656,587	633,146	633,146
Written off	(656,587)	-	(633,146)	-
At end of the year	-	656,587	-	633,146
Net carrying value at end of year	179,465	202,404	179,465	202,404

The amortisation of development expenditure is included in the "Course materials and subscriptions" in the income statement.

9. TRADEMARKS

	Group and Company	
	2008	2007
Cost		
At beginning of the year	-	-
Additions	74,688	-
At end of the year	74,688	-
Net carrying value at end of year	74,688	-

Trademarks relate to business names, namely "Hawthorn Singapore" and/or "Hawthorn English Language Centre, Singapore" and Singapore mark relates to trademark and logo of the namely "Hawthorn Singapore" and "Hawthorn English Language Centre, Singapore", acquired from a third party during the financial year.

There is no amortisation provided as at year end because the whole acquisition process was only completed toward the end of December 2008.

10. FRANCHISE DEVELOPMENT COSTS

	Group	
	2008	2007
	$	$
Cost		
At beginning of the year	71,383	71,383
Written off	(71,383)	-
At end of the year	-	71,383
Accumulated amortisation		
At beginning of the year	71,383	71,383
Written off	(71,383)	-
At end of the year	-	71,383
Net carrying value at end of year	-	-

11. TRADE RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Trade receivables	113,488	84,392	113,488	74,116
Allowance for impairment of trade receivables (Note 33)	(20,169)	(42,079)	(20,169)	(32,973)
	93,319	42,313	93,319	41,143

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Other receivables	56,862	323,142	50,230	219,794
Allowance for impairment of other receivables	(9,722)	(9,722)	(9,722)	(9,722)
	-		-	
	47,140	313,420	40,508	210,072
Deposits	32,884	57,343	22,884	23,344
Prepayments	264,317	258,623	232,146	254,748
	344,341	629,386	295,538	488,164

The movement in allowance for impairment loss for other receivables is as follows:

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Balance at beginning of the year	9,722	103,797	9,722	103,797
Allowance reversed during the year	-	(103,797)	-	(103,797)
Allowance made during the year	-	9,722	-	9,722
At end of the year	9,722	9,722	9,722	9,722

13. DUE FROM/TO SUBSIDIARIES

	Company	
	2008	2007
	$	$
Due from subsidiaries		
– Trade	1,684,612	3,014,755
– Non-trade	2,786,121	1,866,044
	4,470,733	4,880,799
Allowance for impairment of doubtful debts	(3,432,917)	(3,340,394)
Due from subsidiaries	1,037,816	1,540,405
Due to subsidiaries (Non-trade)	4,172,040	3,606,962

13. DUE FROM/TO SUBSIDIARIES (CONTINUED)

The movement in allowance for impairment of doubtful debts is as follows:

	Company	
	2008	2007
	$	$
Balance at beginning of the year	3,340,394	2,990,424
Allowance reversed during the year	(9,724)	-
Allowance made during the year	102,247	349,970
At end of the year	3,432,917	3,340,394

Non-trade balances are unsecured, interest-free and are repayable on demand.

14. FIXED DEPOSITS

The Group and Company's fixed deposits are matured within one month (2007: between one to three months) from the financial year end. The effective interest rates of fixed deposits range from 0.325% to 0.650% (2007: 0.325% to 1.700%) per annum for the Group and Company.

15. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Course and examination fees received in advance	4,856,046	3,174,635	-	10,000
Other payables and accruals	766,992	688,563	65,695	47,585
	5,623,038	3,863,198	65,695	57,585

16. BORROWING

	Group and Company	
	2008	2007
	$	$
Bank loan, secured	490,000	910,000
Current		
Repayable within one year	420,000	420,000
Non-current		
Later than one year and not later than five years	70,000	490,000
Total borrowing	490,000	910,000

The bank loan is secured by legal mortgages on certain land and building (Note 6) of the Company at 111 North Bridge Road, units #17-01 to #17-02 of Peninsula Plaza, Singapore 179098. The effective interest rate of this borrowing is 3.68% (2007: 5.08%) per annum.

The carrying amount of the current portion of borrowing approximates its fair values. The carrying amount and fair value of the non-current portion of borrowing is as follows:

Group and Company	Carrying amount		Fair value	
	2008	2007	2008	2007
	$	$	$	$
Bank loan, secured	70,000	490,000	68,694	470,475

The fair value is determined from a discounted cash flow analysis using a discount rate based on the borrowing rate available on the balance sheet date.

17. DEFERRED TAX LIABILITIES

	Group and Company	
	2008	2007
	$	$
Balance at beginning of the year	98,000	98,000
Charged to income statement (Note 23)	15,286	-
At end of the year	113,286	98,000

The movement in deferred tax liabilities is as follows:

2008	Accelerated tax depreciation	Development expenditure	Other timing differences	Total
Balance at beginning of the year	95,072	36,433	(33,505)	98,000
Charged to income statement	(14,090)	(4,129)	33,505	15,286
At end of the year	80,982	32,304	-	113,286

2007	Accelerated tax depreciation	Development expenditure	Other timing differences	Total
Balance at beginning of the year	103,002	50,717	(55,719)	98,000
Charged to income statement	(7,930)	(14,284)	22,214	-
At end of the year	95,072	36,433	(33,505)	98,000

18. COURSE AND EXAMINATION FEES

Course and examination fees represent fees earned from providing education courses to students.

19. OTHER REVENUE

	Group	
	2008	2007
	$	$
Interest income from fixed deposits	55,577	156,567
Provision of book fund no longer required	160,403	-
Others	33,836	25,481
	249,816	182,048

20. PERSONNEL EXPENSES

	Group	
	2008	2007
	$	$
Wages and salaries	5,523,679	5,427,817
Pension contributions	450,163	419,002
Share-based payments	156,594	144,778
	6,130,436	5,991,597

Personnel expenses include directors' remuneration and directors' fee as disclosed in Note 22.

21. FINANCIAL EXPENSES

	Group	
	2008	2007
	$	$
Interest expense on bank loan	26,695	54,632
Bank charges	67,783	27,730
	94,478	82,362

22. (LOSS) PROFIT BEFORE TAX

This is arrived at after charging (crediting) the following:

	Group	
	2008	2007
	$	$
Allowance for impairment of trade receivables	27,824	-
Allowance for impairment of other receivables	-	9,722
Amortisation of development expenditure	142,454	110,098
Development expenditure written off	70,985	48,785
Depreciation of property, plant and equipment	586,438	670,665
Directors' remuneration (Directors of the Company):		
- Salaries, Central Provident Funds and bonuses	428,598	469,122
- Directors' fees	180,000	180,000
- Share-based payments	118,635	97,805
- Allowances and other benefits	24,000	18,729
Goodwill on consolidation written off	-	1,189
(Gain)Loss on disposal of property, plant and equipment	(9,060)	10,623
Impairment reversal of trade receivables	(35,518)	(90,341)
Impairment reversal of other receivables	-	(103,797)
Impairment loss on property, plant and equipment	-	98,241
Key executives remuneration (excluding directors' remuneration)		
- Salaries, Central Provident Funds and bonuses	1,580,259	1,146,118
- Share-based payments	30,365	27,743
Operating lease expenses	1,567,619	1,453,675

23. INCOME TAX

Major components of income tax expense are as follows:

	Group	
	2008	2007
	$	$
Current tax		
- current year	88,272	259,989
- under (over) provision in prior years	55,923	(166,213)
	144,195	93,776
Deferred tax (Note 17)		
- current year	(12,073)	(30,470)
- under provision in prior years	27,359	30,470
	15,286	-
	159,481	93,776

The reconciliation of the tax expense and the product of accounting (loss) profit multiplied by the applicable rate for the years ended 31 December was as follows:

	Group	
	2008	2007
	$	$
(Loss) Profit before tax	(224,502)	232,486
Tax at the applicable tax rate of 18% (2007: 18%)	(40,410)	41,847
Tax effect of:	-	
Expenses that are not deductible for tax purposes	113,144	33,421
Current year tax losses not allowed to be carried forward	74,243	265,573
Under (Over) provision of tax in prior years	55,923	(166,213)
Deferred tax liability under recognised in prior years	27,359	30,470
Effect of changes in tax rate	-	(12,847)
Tax exemptions	(46,294)	(54,900)
Others	(24,484)	(43,575)
	159,481	93,776

24. (LOSS) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's net earnings for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the Group's net earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue, adjusted for the effects of dilutive options, during the year.

	Group	
	2008	2007
	$	$
(Loss) Earnings attributable to ordinary shareholders for computation of basic and diluted earnings per share	(271,602)	459,697
	No. of shares	No. of shares
Weighted average number of ordinary shares in issue		
- for computation of basic earnings per share	167,088,866	125,236,517
- adjustment for assumed conversion of share options	319,921	2,453,833
- for computation of diluted earnings per share	167,408,787	127,690,350

4,358,637 (2007: Nil) of share options granted under existing scheme have not been included in the calculation of diluted earning per share because they are anti-dilutive for the current and previous financial periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

25. DIVIDENDS

	Group and Company	
	2008	2007
	$	$
Final dividends of $Nil (2007:0.2 cents) per share less tax at 18% in respect of prior year	-	191,129
Special dividends of $Nil (2007:2.7 cents) per share less tax at 18% in respect of current year	-	2,619,628
	-	2,810,757

26. CASH AND CASH EQUIVALENTS

	Group	
	2008	2007
	$	$
Fixed deposits (Note 14)	4,905,461	3,248,000
Cash and bank balances	991,244	991,079
	5,896,705	4,239,079

The cash and bank balances include funds in Student Tuition Fee Account (ESCROW) managed by designated banks as required by CaseTrust for Education amounting to $256,925 (2007: $185,732). As the principal values of these bank balances in ESCROW are readily convertible to cash, they form part of the cash and bank balances in the consolidated statements of cash flows.

As at 31 December 2008, the Group had cash and bank balances deposited with banks in the People's Republic of China denominated in Chinese Renminbi and United States dollars amounting to $53,086 (2007: $68,981) and $Nil (2007: $328) respectively. The RMB is not freely convertible into foreign currencies. Under the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

27. DIRECTORS' REMUNERATION

Number of directors of the Company in remuneration bands:

	Group	
	2008	2007
	$	$
$250,000 to below $500,000	1	2
Below $250,000	4	3

28. SEGMENT INFORMATION

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise of corporate assets and expenses.

The turnovers by geographical segments are based on the location of customers. The assets and capital expenditure are generally based on the location of those assets.

Segment accounting policies are the same as the policies of the Group as described in Note 2. The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

(a) Primary reporting format - Geographical segments

	Singapore	China	Elimination	Consolidated
	$	$	$	$
2008				
External revenue:				
Course and examination fees	11,741,311	292,054	-	12,033,365
Segment results	(209,959)	(169,881)	-	(379,840)
Financial expenses				(94,478)
Other revenue				249,816
Loss before tax				(224,502)
Income tax				(159,481)
Loss for the financial year				(383,983)
Segment assets	24,091,668	191,466	(4,326,953)	19,956,181
Segment liabilities	11,401,179	3,199,258	(7,775,277)	6,825,160
Unallocated liabilities				1,280,575
Total liabilities				8,105,735
Other segment informations:				
Capital expenditure	465,534	52,325	-	517,859
Depreciation of property, plant and equipment	561,996	24,442	-	586,438
Amortisation of development expenditure	142,254	-	-	142,454
Development expenditure written off	70,985	-	-	70,985

28. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Geographical segments (Continued)

	Singapore	China	Elimination	Consolidated
	$	$	$	$
2007				
External revenue:				
Course and examination fees	10,990,967	178,932	-	11,169,899
Segment results	622,101	(489,301)	-	132,800
Financial expenses				(82,362)
Other revenue				182,048
Profit before tax				232,486
Income tax				(93,776)
Profit for the financial year				138,710
Segment assets	23,646,898	1,356,204	(6,172,541)	18,830,561
Segment liabilities	12,148,721	2,601,204	(9,362,037)	5,387,888
Unallocated liabilities				1,447,727
Total liabilities				6,835,615
Other segment informations:				
Capital expenditure	358,875	6,752	-	365,627
Impairment loss on property, plant and equipment	-	98,154	-	98,154
Depreciation of property, plant and equipment	660,480	10,185	-	670,665
Amortisation of development expenditure	110,098	-	-	110,098
Development expenditure written off	48,785	-	-	48,785

28. SEGMENT INFORMATION (CONTINUED)

(b) Secondary reporting format – Business segments

	Business	Computing	Others	Elimination	Consolidated
	$	$	$	$	$
2008					
External revenue:					
Course and examination fees	9,108,844	2,591,955	332,566	-	12,033,365
Other segment information:					
Segment assets	18,632,511	5,302,145	348,478	(4,326,953)	19,956,181
Capital expenditure	363,758	101,067	53,034	-	517,859

	Business	Computing	Others	Elimination	Consolidated
	$	$	$	$	$
2007					
External revenue:					
Course and examination fees	8,498,056	2,493,153	178,690	-	11,169,899
Other segment information:					
Segment assets	16,464,811	4,936,448	3,601,843	(6,172,541)	18,830,561
Capital expenditure	273,830	82,099	9,698	-	365,627

29. RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in the financial statements, the following significant transactions entered into by the Group and the Company with the respective related parties at terms agreed between the parties during the financial year:

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Payments made on behalf of subsidiaries in the Group	-	-	706,158	786,823
Payments made on behalf by subsidiaries in the Group	-	-	129,120	67,519
Management and service fees charged	-	-	1,392,031	1,368,990
Reimbursement of expenses	-	-	11,157,088	10,500,408

30. COMMITMENTS

(a) Non-cancellable operating lease commitments

The Group and Company lease offices under non-cancellable lease arrangements. The leases, which do not have purchase or renewal options, expire at various dates till 2013 and contain provisions to restrict the Group and Company to further leasing and sub-leasing. Future minimum rentals under non-cancellable leases as of 31 December are as follows:

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Not later than 1 year	704,376	586,682	617,215	505,620
Between 1 to 5 years	320,801	280,266	9,731	38,966
Later than 5 years	-	12,423	-	-
	1,025,177	879,371	626,946	544,586

31. CONTINGENT LIABILITIES

(a) Beijing Justice Education Industries Co., Ltd, who was the partner in one of the education centres in Beijing, PRC made a claim against one of the subsidiaries, TMC-Cambridge Education (Beijing) Ltd (“TMC Beijing”) for a sum of RMB1,963,840 (approximately $414,558) arising from an alleged termination of an agreement relating to the establishment of a GCE O levels Centre in Beijing, PRC. TMC Beijing has procured legal advice, which indicates that it is unlikely that any significant liabilities would arise. TMC Beijing has disclaimed liability and would be defending any action that may be taken.

The Directors, based on latest legal advice, are of the opinion that any claim made is unlikely to succeed and accordingly, no provision is considered necessary.

(b) The Company’s wholly owned subsidiary, TMC (Western China) Pte Ltd (“TMCWC”) was involved in arbitration proceedings in the People’s Republic of China before the China International Economic and Trade Arbitration Commission (“CIETAC”) for the alleged breach of contract when TMCWC terminated the joint venture agreement with Northwest International Secondary School (“NWISS”) in August 2004. In March 2006 CIETAC has awarded a net amount of RMB203,140 (approximately $42,882) to be paid by TMCWC to NWISS. The amount has been provided for in the financial statements since the financial year ended 31 December 2005, but has yet to make payment.

The Directors, based on legal advice, are of the opinion that no further provision is considered necessary.

(c) The Company’s subsidiary, TMC (China) Holdings Pte Ltd (“TMCCH”) is the defendant in civil proceedings in the Magistrate’s Courts of Singapore. The plaintiff is Dr Li De Li, the former general manager of TMCCH. The claim against TMCCH is for a sum of $46,715 allegedly being damages for wrongful repudiation and/or breach of an employment contract between TMCCH and Dr Li De Li. The proceedings are on-going.

The Directors, based on latest legal advice, are of the opinion that any claim made is unlikely to succeed and accordingly, no provision is considered necessary.

32. PRIOR YEAR ADJUSTMENT

Certain figures for financial year ended 31 December 2007 have been adjusted, due to prior year adjustment arising from inaccurate allocation of the fees over the course period resulting in understatement of revenue by $182,505 in 2007.

The effect of the prior year adjustment on the various account captions of the Group are as follows:

	2007 As previously reported	2007 As restated
	$	$
Balance sheet		
Other payables	4,045,703	3,863,198
Reserves	615,427	797,932
Income statement		
Course and examination	10,987,394	11,169,899
Profit before tax	49,981	232,486
(Loss) Profit for the financial year	(43,795)	138,710
Profit attributable to equity holders of the Company	277,192	459,697
Statement of changes of equity		
Revenue reserve	174,831	357,336
Total recognised income for the financial year	155,932	338,437
Statement of cash flows		
Profit before tax	49,981	232,486
Operating cash inflow before working capital changes	1,060,068	1,268,967
Other payables	633,676	451,171

33. FINANCIAL RISK MANAGEMENT

The following table sets out the financial instruments as at the balance sheet date:

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Financial asset:				
Loans and receivables (including cash and cash equivalents)	6,070,048	4,652,155	6,624,374	5,312,132
Financial liability:				
Amortised cost	2,459,114	3,123,253	5,929,857	6,089,237

The main risks arising from the Group's financial instruments are foreign currency risk, liquidity risk, credit risk, interest rate risk and fair value and cash flow interest rate risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency risk

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from education services. The currencies which the Group has exposure to are shown below. Currently, the Group does not transact in any financial instruments to hedge foreign currency risks, the Group is exposed to the risk of fluctuation in these exchange rates.

However, the Group monitors these exchange rates closely and decide upon the appropriate course of actions to manage this risk. In 2008, the Group concluded that foreign currency risk is not significant, hence there were no hedging on the movements of these exchange rates.

Group 2008	Chinese Renminbi	United States Dollars	British Pounds	Hong Kong Dollars	Singapore Dollars	Australian Dollars	Indonesian Rupiah	Total
	$	$	$	$	$	$	$	$
Financial assets								
Cash and bank balances	53,086	158	-	93	454,648	483,259	-	991,244
Fixed deposits	-	-	-	-	4,042,699	862,762	-	4,905,461
Trade receivables	-	-	-	-	60,984	32,335	-	93,319
Other receivables	6,022	-	-	-	74,002	-	-	80,024
	59,108	158	-	93	4,632,333	1,378,356	-	6,070,048
Financial liabilities								
Trade payables	-	3,250	76,500	-	1,112,203	10,092	77	1,202,122
Other payables and accruals	287,848	-	-	3,087	189,260	286,797	-	766,992
Borrowing	-	-	-	-	490,000	-	-	490,000
	287,848	3,250	76,500	3,087	1,791,463	296,889	77	2,459,114
Net financial (liabilities) assets	(228,740)	(3,092)	(76,500)	(2,994)	2,840,870	1,081,467	(77)	3,610,934
Less: Net financial liabilities (assets) denominated in the respective entities functional currencies	228,740	-	-	-	(2,840,870)	-	-	(2,612,130)
Foreign currency exposure	-	(3,092)	(76,500)	(2,994)	-	1,081,467	(77)	998,804

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency risk (Continued)

Group 2007	Chinese Renminbi	United States Dollars	British Pounds	Hong Kong Dollars	Singapore Dollars	Australian Dollars	Indonesian Rupiah	Total
	$	$	$	$	$	$	$	$
Financial assets								
Cash and bank balances	70,237	487	-	93	715,005	205,257	-	991,079
Fixed deposits	-	-	-	-	3,248,000	-	-	3,248,000
Trade receivables	-	-	-	-	28,397	13,916	-	42,313
Other receivables	137,347	-	-	-	233,416	-	-	370,763
	207,584	487	-	93	4,224,818	219,173	-	4,652,155
Financial liabilities								
Trade payables	4,373	3,497	19,077	-	1,490,902	6,745	96	1,524,690
Other payables and accruals	213,913	-	-	-	253,380	221,270	-	688,563
Borrowing	-	-	-	-	910,000	-	-	910,000
	218,286	3,497	19,077	-	2,654,282	228,015	96	3,123,253
Net financial (liabilities) assets	(10,702)	(3,010)	(19,077)	93	1,570,536	(8,842)	(96)	1,528,902
Less: Net financial liabilities (assets) denominated in the respective entities functional currencies	7,586	-	-	-	(1,570,536)	-	-	(1,562,950)
Foreign currency exposure	(3,116)	(3,010)	(19,077)	93	-	(8,842)	(96)	(34,048)

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

Company 2008	Chinese Renminbi	United States Dollars	British Pounds	Hong Kong Dollars	Singapore Dollars	Australian Dollars	Indonesian Rupiah	Total
	$	$	$	$	$	$	$	$
Financial assets								
Cash and bank balances	-	158	-	93	187,124	337,012	-	524,387
Fixed deposits	-	-	-	-	4,042,699	862,762	-	4,905,461
Trade receivables	-	-	-	-	60,984	32,335	-	93,319
Due from subsidiaries	-	-	-	4,549	1,033,267	-	-	1,037,816
Other receivables	-	-	-	-	63,392	-	-	63,392
	-	158	-	4,642	5,387,466	1,232,109	-	6,624,375
	-							
	-							
Financial liabilities								
Trade payables	-	3,250	76,500	-	1,112,203	10,092	77	1,202,122
Other payables and accruals	-	-	-	-	65,695	-	-	65,695
Due to subsidiaries	-	-	-	-	4,172,040	-	-	4,172,040
Borrowing	-	-	-	-	490,000	-	-	490,000
	-	-	-			-	-	
	-	3,250	76,500	-	5,839,938	10,092	77	5,929,857
Net financial (liabilities) assets	-	(3,092)	(76,500)	4,642	(452,472)	1,222,017	(77)	694,518
Less: Net financial liabilities denominated in the respective entities functional currencies	-	-	-	-	452,472	-	-	452,472
Foreign currency exposure	-	(3,092)	(76,500)	4,642	-	1,222,017	(77)	1,146,990

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency risk (Continued)

Company 2007	Chinese Renminbi	United States Dollars	British Pounds	Hong Kong Dollars	Singapore Dollars	Australian Dollars	Indonesian Rupiah	Total
	$	$	$	$	$	$	$	$
Financial assets								
Cash and bank balances	1,257	159	-	93	234,347	13,312	-	249,168
Fixed deposits	-	-	-	-	3,248,000	-	-	3,248,000
Trade receivables	-	-	-	-	27,227	13,916	-	41,143
Due from subsidiaries	-	-	-	6,374	1,534,031	-	-	1,540,405
Other receivables	-	-	-	-	233,416	-	-	233,416
	1,257	159	-	6,467	5,277,021	27,228	-	5,312,132
Financial liabilities								
Trade payables	4,373	3,497	19,077	-	1,490,902	6,745	96	1,524,690
Other payables and accruals	-	-	-	-	47,585	-	-	47,585
Due to subsidiaries	-	-	-	-	3,606,962	-	-	3,606,962
Borrowing	-	-	-	-	910,000	-	-	910,000
	4,373	3,497	19,077	-	6,055,449	6,745	96	6,089,237
Net financial (liabilities) assets	(3,116)	(3,338)	(19,077)	6,467	(778,428)	20,483	(96)	(777,105)
Less: Net financial liabilities denominated in the respective entities functional currencies	-	-	-	-	778,428	-	-	778,428
Foreign currency exposure	(3,116)	(3,338)	(19,077)	6,467	-	20,483	(96)	1,323

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Foreign exchange risk sensitivity

The following table demonstrate the 10% strengthening of Singapore dollar against the following currencies at the reporting date would increase (decrease) profit and other equity by the amounts shown below. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

This analysis assumes that all other variables, in particular interest rates remain constant.

	Group	
	2008 Increase (Decrease) Loss	2007 Increase (Decrease) Profit
	$	$
Chinese Renminbi	-	312
United States Dollars	(309)	301
British Pounds	(7,650)	1,908
Hong Kong Dollars	(299)	(9)
Australian Dollars	108,147	884
Indonesian Rupiah	(8)	10

	Company	
	2008 Increase (Decrease) Loss	2007 Increase (Decrease) Profit
	$	$
Chinese Renminbi	-	312
United States Dollars	(309)	334
British Pounds	(7,650)	1,908
Hong Kong Dollars	464	(647)
Australian Dollars	122,202	(2,048)
Indonesian Rupiah	(8)	10

A 10% weakening of Singapore dollar against the above currencies at the reporting date would have had the equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations. Committed credit facilities will be obtained from local reputable banks in the event that funding is required.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay.

Group	2008			2007		
	On demand or within 1 year	Within 1 to 5 years	Total	On demand or within 1 year	Within 1 to 5 years	Total
	$	$	$	$	$	$
Trade payables	1,202,122	-	1,202,122	1,524,690	-	1,524,690
Other payables and accruals	766,992	-	766,992	688,563	-	688,563
Borrowings	420,000	70,000	490,000	420,000	490,000	910,000
	2,389,114	70,000	2,459,114	2,633,253	490,000	3,123,253

Company	2008			2007		
	On demand or within 1 year	Within 1 to 5 years	Total	On demand or within 1 year	Within 1 to 5 years	Total
	$	$	$	$	$	$
Trade payables	1,202,122	-	1,202,122	1,524,690	-	1,524,690
Other payables and accruals	65,695	-	65,695	47,585	-	47,585
Due to subsidiaries	4,172,040	-	4,172,040	3,606,962	-	3,606,962
Borrowings	420,000	70,000	490,000	420,000	490,000	910,000
	5,859,857	70,000	5,929,857	5,599,237	490,000	6,089,237

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. For trade receivables, the Group and the Company adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopts the policy of dealing only with high credit quality counterparties and ensure that services provided or agreements entered into are with parties with appropriate credit history. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by Chief Financial Officer.

As the Group and the Company does 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 balance sheet.

The Group's trade receivables comprise of 2 debtors (2007: 2 debtors) that represented 81% (2007: 40%) of trade receivables.

The Group's and the Company's major classes of financial assets are cash and cash equivalents and trade receivables. There is no significant concentration of credit risk in relation to other receivables.

The carrying amounts of cash and cash equivalents, trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Cash and cash equivalents are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of its customers to make payments when due. The amounts presented in the balance sheet are net of allowances for impairment of receivables, estimated by management based on prior experience and the current economic environment.

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

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
By geographical areas				
- Singapore	55,067	28,397	55,067	27,227
- Australia	38,252	13,916	38,252	13,916
	93,319	42,313	93,319	41,143
By types of customers				
Non-related parties				
- Singapore local companies	55,067	28,397	55,067	27,227
- Overseas companies	38,252	13,916	38,252	13,916
	93,319	42,313	93,319	41,143

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The age analysis of trade receivables is as follows:

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Not past due and not impaired	36,507	3,999	36,507	3,999
Past due but not impaired				
- Past due 0 to 3 months	24,710	23,758	24,710	23,758
- Past due 3 to 6 months	27,063	12,271	27,063	12,271
- Past due over 6 months	5,039	2,285	5,039	1,115
	56,812	38,314	56,812	37,144
Impaired trade receivables	20,169	42,079	20,169	32,973
Less: allowance for impairment loss	(20,169)	(42,079)	(20,169)	(32,973)
	93,319	42,313	93,319	41,143

The movement in allowance for impairment loss for trade receivables is as follows:

	Group		Company	
	2008	2007	2008	2007
	$	$	$	$
Balance at beginning of the year	42,079	132,420	32,973	123,314
Allowance reversed during the year	(35,518)	(90,341)	(26,412)	(90,341)
Allowance written off	(14,216)	-	(14,216)	-
Allowance made during the year	27,824	-	27,824	-
At end of the year	20,169	42,079	20,169	32,973

The Group and the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Group has obtained bank loan from a local reputable financial institution. The Group policy is to obtain the most favourable interest rates available.

The Group constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 31 December 2008, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

Surplus funds are placed with reputable banks that are approved by the Board of Directors.

Fair value and cash flow interest rate risks

Fair value interest rate risk is the risk that value of a financial instrument will fluctuate due to changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The carrying amount of the financial instrument that are subject to fair value or cash flow interest rate risks categorised by the earlier of contractual repricing or maturity date are as follows:

Group and Company	Within 1 year	More than 1 year
	$	$
2008		
Fixed rate		
Secured bank loan[1]	(420,000)	(70,000)
Floating rate		
Fixed deposits	4,905,461	-

Group and Company	Within 1 year	More than 1 year
	$	$
2007		
Fixed rate		
Secured bank loan[1]	(420,000)	(490,000)
Floating rate		
Fixed deposits	3,248,000	-

[1] Secured bank loan is arranged at fixed interest rate for the initial period of three years from March 2004 to February 2007. For the period falling after the expiry of the initial period of three years, the secured bank borrowing is arranged at floating rates that is contractually repriced at intervals of six months or such other period(s) as the bank may select from time to time.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair values

Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings approximate their carrying amounts in the financial statements due to the relatively short-term maturity of these financial instruments. The fair value of non-current portion of borrowing is disclosed in Note 16.

Capital risk management policies and objectives

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowing disclosed in Note 16, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, other reserves and retained earnings as disclosed in the financial statements.

The Board of Directors reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the committee, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debts.

Statistics of Shareholdings

AS AT 28 MAY 2009

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	5	0.22	1,795	0.00
1,000 - 10,000	1,793	77.69	5,032,300	3.01
10,001 - 1,000,000	498	21.57	32,615,432	19.50
1,000,001 and above	12	0.52	129,607,086	77.49
Total	**2,308**	**100.00**	**167,256,613**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 28 MAY 2009

(as recorded in the Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
Chin Kon Yuen	74,989,600	44.84	25,839,000	15.45
Yeow Cheng Khim	25,839,000	15.45	74,989,600	44.84

Note: Yeow Cheng Khim is the wife of Chin Kon Yuen

Note: Chin Kon Yuen's direct interest includes 128,800 shares held in the name of Standard Chartered Bank Nominees Account

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Chin Kon Yuen	74,860,800	44.76
2	Yeow Cheng Khim	25,839,000	15.45
3	Hong Leong Finance Nominees Pte Ltd	4,552,200	2.72
4	Royal Inst of Construction Economists Pte Ltd	4,300,000	2.57
5	Yeow Cheng Choo	4,072,600	2.43
6	DB Nominees (S) Pte Ltd	4,008,000	2.40
7	Boo Song Heng Peter	2,901,000	1.73
8	United Overseas Bank Nominees Pte Ltd	2,841,286	1.70
9	Lim Kok Yong	1,900,200	1.14
10	OCBC Securities Private Ltd	1,820,000	1.09
11	Ramesh s/o Pritamdas Chandiramani	1,500,000	0.90
12	Phillip Securities Pte Ltd	1,012,000	0.61
13	Lee Bee Lian	980,000	0.59
14	Woo Lee Yong	971,220	0.58
15	DBS Nominees Pte Ltd	910,200	0.54
16	Kim Eng Securities Pte. Ltd.	868,400	0.52
17	David Tan Chao Hsiung	845,410	0.51
18	UOB Kay Hian Pte Ltd	787,000	0.47
19	CIMB-GK Securities Pte. Ltd.	584,000	0.35
20	Tan Suan Yin	570,872	0.34
	Total	**136,124,188**	**81.40**

Based upon the information available to the Company, as at 28 May 2009, approximately 39% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual 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 141 North Bridge Road #03-01, Capitol Centre, Singapore 179099 on Tuesday, 30 June 2009 at 11.00 a.m., for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited accounts for the financial year ended 31 December 2008 and the reports of the Directors and Auditors thereon. (Resolution 1)

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

   (a) Mr David Tan Chao Hsiung; and (Resolution 2)

   (b) Ms Yeow Cheng Khim (Resolution 3)

   Notes:

   (i) Mr David Tan Chao Hsiung, if re-elected, will be considered an independent non-Executive Director. More details on Mr David Tan Chao Hsiung may be found in the Annual Report.

   (ii) Ms Yeow Cheng Khim, if re-elected, will be considered a non-independent executive Director of the Company. More details on Ms Yeow Cheng Khim may be found in the Annual Report.

3. To approve Directors' fees of S$180,000 for the financial year ending 31 December 2009 (2008 – S$180,000) and for payment of the Directors' fees to be made at the end of 2009. (Resolution 4)

4. To appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

5. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

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

   Authority to allot and issue shares up to 50 per cent of issued shares in the capital of the Company

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) 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) warrants, debentures or other instruments convertible into shares, 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

   (b) (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:

   (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (ii) below);

(ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (i) 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 this Resolution is passed, after adjusting for:

(A) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(B) any subsequent bonus issue, consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST 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

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 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 the earlier. **[See Explanatory Note 1]** (Resolution 6)

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

Authority to issue shares at a discount

"That subject to and pursuant to the share issue mandate in Resolution 6 above being obtained, authority be and is hereby granted to the Directors to issue new shares, other than on a pro-rata basis to shareholders of the Company, at an issue price per new share, which shall be determined by the Directors in their absolute discretion provided that such price shall not represent more than a 20% discount to the weighted average price per share determined in accordance with the requirements of the SGX-ST." **[See Explanatory Note 2]** (Resolution 7)

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

Authority to offer, accept, allot and issue shares under the TMC Share Option Scheme

"Pursuant to Section 161 of the Companies Act, Cap 50, that authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the provisions of the TMC Share Option Scheme (the "Scheme") and to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of the options under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the issued share capital of the Company (excluding treasury shares) from time to time." **[see Explanatory Note 3)** (Resolution 8)

By Order of the Board

Tan Soo Khoon Raymond
Company Secretary
Singapore, 15 June 2009

Explanatory Notes

1. Statement pursuant to Articles 8 and 52 of the Articles of Association of the Company.

   The ordinary resolution 6 proposed in item 6, if passed, is to empower the Directors of the Company to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20 per cent of the total number of issued shares (excluding treasury shares) may be issued other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, 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 that Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 6 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

2. The ordinary resolution 7 proposed in item 7, if passed, would authorize the Directors to issue new shares (other than on a pro-rata basis to shareholders of the Company, at an issue price of up to 20% discount to the weighted average price per share.

3. The ordinary resolution 8 proposed in item 8, if passed, will empower the Directors of the Company, from the date of the above Meeting, until the next Annual General Meeting, to allot and issue shares in the Company of up to a number not exceeding in total fifteen per cent (15%) of the issued share capital of the Company (excluding treasury shares) for the time being pursuant to the exercise of the options under the Scheme.

Notes

A member entitled to attend and vote at the annual general meeting may appoint not more than two proxies to attend and vote on his behalf and where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 111 North Bridge Road #17-06, Peninsula Plaza, Singapore 179098 not less than 48 hours before the time appointed for the annual general meeting.

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

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TMC EDUCATION CORPORATION LTD

Company Registration No. 198102945K
(Incorporated in the Republic of Singapore)

IMPORTANT

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

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

PROXY FORM

I/We ______________________________ NRIC/Passport No. ____________________

of ____

being a member/members of TMC EDUCATION CORPORATION LTD hereby appoint

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 141 North Bridge Road #03-01, Capitol Centre, Singapore 179099 on Tuesday, 30 June 2009 at 11.00 am, and at any adjournment thereof.

Note:

Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of General Meeting. 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 annual general meeting.

No.	Resolutions	For	Against
1	To adopt the Directors' Report and Accounts for the financial year ended 31 December 2008		
2	Re-election of Mr David Tan Chao Hsiung as Director		
3	Re-election of Ms Yeow Cheng Khim as Director		
4	Approval of Directors' fees amounting to S$180,000 for the financial year ending 31 December 2009		
5	Appointment of KPMG LLP as Auditors of the Company and to authorise Directors to fix their remuneration		
6	Authority to allot and issue new shares		
7	Authority to issue shares at a discount		
8	Authority to allot and issue shares under the TMC Share Option Scheme		

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

Dated this __________ day of ________________ 2009

Total Number of Shares Held

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

IMPORTANT
PLEASE READ NOTES OVERLEAF

NOTES

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

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need 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 111 North Bridge Road #17-06, Peninsula Plaza, Singapore 179098 not less than 48 hours before the time appointed for the meeting.

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

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized 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 authorized 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 authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

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

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TMC

Education Corporation Ltd

Every Step With You

Company Registration No.: 198102945K

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