

QUARTERLY FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT

(Company Registration number: 198303419G)

The Board of Directors of Informatics Education Ltd is pleased to announce the
unaudited consolidated results for the financial period ended 30 September 2012:-

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Q2 FY2013	Q2 FY2012	% Change	1H FY2013	1H FY2012	% Change
Revenue	8,165	8,714	-6%	13,613	15,599	-13%
Employee benefits expense	(2,381)	(3,064)	-22%	(5,467)	(6,773)	-19%
Depreciation of property, plant and equipment	(266)	(236)	13%	(529)	(390)	36%
Other operating expenses	(4,918)	(4,590)	7%	(8,177)	(8,925)	-8%
Profit / (loss) from operations	<u>600</u>	<u>824</u>	-27%	<u>(560)</u>	<u>(489)</u>	15%
Interest income	51	46	11%	108	78	38%
Profit / (loss) before taxation	<u>651</u>	<u>870</u>	-25%	<u>(452)</u>	<u>(411)</u>	10%
Taxation	(13)	609	N/M	(39)	605	N/M
Profit / (loss) after tax	<u>638</u>	<u>1,479</u>	-57%	<u>(491)</u>	<u>194</u>	N/M
Profit / (loss) attributable to :						
Equity holders of the Company	<u>638</u>	<u>1,479</u>	-57%	<u>(491)</u>	<u>194</u>	N/M
	<u>638</u>	<u>1,479</u>	-57%	<u>(491)</u>	<u>194</u>	N/M

Consolidated Statement of Comprehensive income

	Group			Group		
	Q2 FY2013	Q2 FY2012	% Change	1H FY2013	1H FY2012	% Change
Profit / (loss) after tax	638	1,479	-57%	(491)	194	N/M
Other comprehensive income :						
- Foreign currency translation	<u>290</u>	<u>(440)</u>	N/M	<u>264</u>	<u>(585)</u>	N/M
Other comprehensive income for the financial period, net of tax	<u>290</u>	<u>(440)</u>	N/M	<u>264</u>	<u>(585)</u>	N/M
Total comprehensive income for the financial period	<u>928</u>	<u>1,039</u>	-11%	<u>(227)</u>	<u>(391)</u>	-42%
Total comprehensive income attributable to :						
Equity holders of the Company	<u>928</u>	<u>1,039</u>	-11%	<u>(227)</u>	<u>(391)</u>	-42%
	<u>928</u>	<u>1,039</u>	-11%	<u>(227)</u>	<u>(391)</u>	-42%

Group			Group		
S\$'000			S\$'000		
Q2 FY2013	Q2 FY2012	Change	1H FY2013	1H FY2012	Change

(a)(i) Notes to income statement

Profit / loss from operations is stated after charging / (crediting) :

Allowance / (Write-back) for doubtful debts	393	156	N/M	371	(31)	N/M
Impairment of property, plant and equipment	-	-	N/M	-	37	-100%
Bad debts written-off	1	22	-95%	1	92	-99%
Net loss / (gain) on disposal of property, plant and equipment	33	2	N/M	20	(38)	N/M
Sundry income	(111)	(11)	N/M	(180)	(21)	N/M
Foreign exchange loss / (gain), net	331	(279)	N/M	312	(148)	N/M
Operating lease expenses	839	969	-13%	1,681	2,206	-24%
Under provision of tax in respect of prior years	-	-	N/M	8	-	N/M

(a)(ii) The other operating expenses increased by \$0.3 million or 7% to \$4.9 million from \$4.6 million as compared with previous corresponding period. The increase was mainly due to higher doubtful debt provision and exchange losses, partially offset by lower property tax, utility charges, maintenance costs and absence of overlapping rent.

(a)(iii) Sundry income increased by \$0.1m to \$111k from \$11k, mainly due to write-backs.

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group	Group	Change	Company	Company	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	30.09.12	31.03.12		30.09.12	31.03.12	
NON-CURRENT ASSETS						
Property, plant and equipment	2,052	1,849	11%	916	587	56%
Investment in subsidiaries	-	-	-	22,717	22,717	-
Intangible assets	64	63	2%	-	-	-
Deferred tax assets	37	37	-	-	-	-
	<u>2,153</u>	<u>1,949</u>	10%	<u>23,633</u>	<u>23,304</u>	1%
CURRENT ASSETS						
Prepayments	913	1,086	-16%	88	398	-78%
Trade and other receivables	3,528	3,330	6%	4,388	3,383	30%
Cash and cash equivalents	30,346	31,309	-3%	3,418	4,134	-17%
Restricted cash at bank	170	211	-19%	-	-	-
	<u>34,957</u>	<u>35,936</u>	-3%	<u>7,894</u>	<u>7,915</u>	0%
CURRENT LIABILITIES						
Fees received in advance	9,244	8,467	9%	21	50	-58%
Deferred income and fees	265	363	-27%	216	303	-29%
Trade and other payables	7,321	8,562	-14%	5,255	5,430	-3%
Provision	270	270	-	148	148	-
Accruals for withholding tax	214	188	14%	212	185	15%
Income tax payable	15	16	-6%	-	-	-
	<u>17,329</u>	<u>17,866</u>	-3%	<u>5,852</u>	<u>6,116</u>	-4%
NET CURRENT ASSETS	<u>17,628</u>	<u>18,070</u>	-2%	<u>2,042</u>	<u>1,799</u>	14%
TOTAL NET ASSETS	<u>19,781</u>	<u>20,019</u>	-1%	<u>25,675</u>	<u>25,103</u>	2%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,610	29,566	0%	29,610	29,566	0%
Reserves	(9,829)	(9,547)	3%	(3,935)	(4,463)	-12%
TOTAL EQUITY	<u>19,781</u>	<u>20,019</u>	-1%	<u>25,675</u>	<u>25,103</u>	2%

1 (b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

NIL

1 (c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group S\$'000	Group S\$'000	Group S\$'000	Group S\$'000
	Q2 FY2013	Q2 FY2012	1H FY2013	1H FY2012
Cash flow from operating activities				
Profit / (loss) before taxation	651	870	(452)	(411)
Adjustments for :				
Amortisation of intangible assets	14	17	26	26
Depreciation of property, plant and equipment	266	236	529	390
Net loss / (gain) on disposal of property, plant and equipment	33	2	20	(38)
Impairment of property, plant and equipment	-	-	-	37
Bad debts written-off	1	22	1	92
Intangible assets written-off	(16)	-	-	-
Allowance / (Write-back) for doubtful debts	393	156	371	(31)
Employee share option expense / (write-back)	6	131	(38)	186
Interest income	(51)	(46)	(108)	(78)
Unrealised exchange (gain) / loss	390	(668)	347	(617)
Operating profit / (loss) before working capital changes	1,687	720	696	(444)
Decrease in cash held in escrow account	12	62	41	120
Increase in trade and other receivables	(982)	(440)	(777)	(36)
(Decrease) / increase in fees received in advance	(862)	(377)	778	374
Decrease in trade and other payables	(268)	(915)	(1,442)	(485)
Cash used in operations	(413)	(950)	(704)	(471)
Interest received	191	46	192	78
Tax (paid) / refund	(9)	577	(13)	573
Net cash (used in) / generated from operating activities	(231)	(327)	(525)	180
Cash flow from investing activities				
Acquisition of property, plant and equipment	(291)	(326)	(422)	(1,631)
Expenditure on intangible fixed assets	(22)	(69)	(28)	(69)
Proceeds from disposal of property, plant and equipment	7	1	65	240
Net cash used in investing activities	(306)	(394)	(385)	(1,460)
Cash flow from financing activity				
Proceeds from exercise of employee share options	-	-	27	9
Capital refund to non-controlling interest	-	(11)	-	(11)
Net cash (used in) / generated from financing activity	-	(11)	27	(2)
Net decrease in cash and cash equivalents	(537)	(732)	(883)	(1,282)
Cash and cash equivalents at the beginning of the financial period	30,985	30,816	31,309	31,432
Effect of exchange rate changes on opening cash and cash equivalents	(102)	110	(80)	44
Cash and cash equivalents at the end of the financial period	30,346	30,194	30,346	30,194
Short-term deposits	19,133	18,936	19,133	18,936
Cash at bank and on hand*	11,213	11,258	11,213	11,258
	<u>30,346</u>	<u>30,194</u>	<u>30,346</u>	<u>30,194</u>

Notes to Cash Flow Statement

* Cash at bank and on hand exclude \$170,323 (Q2 FY2012: \$402,076) held in trust for international students of a subsidiary in Singapore, which is required under Student Fee Protection Scheme.

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share Capital	Accumulated Losses	Employee Share Option Reserve	Translation Reserve	Total Reserves	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group							
Balance at 01.04.12	29,566	(8,517)	394	(1,424)	(9,547)	-	20,019
Loss for the financial period	-	(1,129)	-	-	(1,129)	-	(1,129)
Other comprehensive income for the financial period	-	-	-	(26)	(26)	-	(26)
Total comprehensive income for the financial period	-	(1,129)	-	(26)	(1,155)	-	(1,155)
Exercise of employee share options	44	-	(17)	-	(17)	-	27
Grant of employee share options	-	-	(44)	-	(44)	-	(44)
Expiry of employee share options	-	33	(33)	-	-	-	-
Balance at 30.06.12	29,610	(9,613)	300	(1,450)	(10,763)	-	18,847
Profit for the financial period	-	638	-	-	638	-	638
Other comprehensive income for the financial period	-	-	-	290	290	-	290
Total comprehensive income for the financial period	-	638	-	290	928	-	928
Grant of employee share options	-	-	6	-	6	-	6
Balance at 30.09.12	29,610	(8,975)	306	(1,160)	(9,829)	-	19,781
Balance at 01.04.11	29,368	(11,559)	377	(2,097)	(13,279)	11	16,100
Loss for the financial period	-	(1,285)	-	-	(1,285)	-	(1,285)
Other comprehensive income for the financial period	-	-	-	(145)	(145)	-	(145)
Total comprehensive income for the financial period	-	(1,285)	-	(145)	(1,430)	-	(1,430)
Exercise of employee share options	9	-	-	-	-	-	9
Grant of employee share options	-	-	55	-	55	-	55
Balance at 30.06.11	29,377	(12,844)	432	(2,242)	(14,654)	11	14,734
Profit for the financial period	-	1,479	-	-	1,479	-	1,479
Other comprehensive income for the financial period	-	-	-	(440)	(440)	-	(440)
Total comprehensive income for the financial period	-	1,479	-	(440)	1,039	-	1,039
Exercise of employee share options	-	-	-	-	-	-	-
Grant of employee share options	-	-	131	-	131	-	131
Capital refund to non-controlling interest	-	-	-	-	-	(11)	(11)
Balance at 30.09.11	29,377	(11,365)	563	(2,682)	(13,484)	-	15,893

- 1 (d)(i)

	Share Capital	Accumulated Losses	Employee Share Option Reserve	Total Reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	Company				
Balance at 01.04.12	29,566	(4,857)	394	(4,463)	25,103
Profit for the financial period	-	116	-	116	116
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	116	-	116	116
Exercise of employee share options	44	-	(17)	(17)	27
Grant of employee share options	-	-	(44)	(44)	(44)
Expiry of employee share options	-	33	(33)	-	-
Balance at 30.06.12	29,610	(4,708)	300	(4,408)	25,202
Profit for the financial period	-	467	-	467	467
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	467	-	467	467
Grant of employee share options	-	-	6	6	6
Balance at 30.09.12	29,610	(4,241)	306	(3,935)	25,675
Balance at 01.04.11	29,368	(7,316)	377	(6,939)	22,429
Profit for the financial period	-	97	-	97	97
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	97	-	97	97
Exercise of employee share options	9	-	-	-	9
Grant of employee share options	-	-	55	55	55
Balance at 30.06.11	29,377	(7,219)	432	(6,787)	22,590
Profit for the financial period	-	899	-	899	899
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	899	-	899	899
Grant of employee share options	-	-	131	131	131
Balance at 30.09.11	29,377	(6,320)	563	(5,757)	23,620

- 1 (d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the 6 months ended 30 September 2012, the Company issued:-

(i) 73,846 new shares at \$0.065 each amounting to \$4,800 due to the exercise of 73,846 share options under the employee share option scheme of the Company and

(ii) 836,500 new shares at \$0.023 each amounting to \$19,240 due to the exercise of 836,500 share options under the employee share option scheme of the Company and

(iii) 70,000 new shares at \$0.045 each amounting to \$3,150 due to the exercise of 70,000 share options under the employee share option scheme of the Company and

Hence, as at 30 September 2012, the number of ordinary shares of the Company was 1,440,250,908 (30.09.2011 : 1,435,619,312)

As at 30 September 2012, the outstanding options were as follows:

- 8,727,154 (30.09.2011 : 18,058,000) share options.

- (d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at end of current financial period ended 30 September 2012	As at end of financial year ended 31 March 2012
Total number of ordinary shares issued	1,440,250,908	1,439,270,562

Note : The Company did not have any treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

- (d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not Applicable

- 2 **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not Applicable

- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements as at 31 March 2012, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2012.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised FRS, which are effective for its financial year beginning 1 April 2012. The adoption of the new and revised FRS did not result in any material impact on the Group's financial statements.

6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends :-**

	Group Q2 FY2013	Group Q2 FY2012	Change %	Group 1H FY2013	Group 1H FY2012	Change %
Earnings / (loss) per ordinary share						
(a) Based on weighted average number of ordinary shares on issue (cents)	0.04	0.10	-60%	(0.03)	0.01	N/M
(b) On a fully diluted basis (cents)	0.04	0.10	-60%	(0.03)	0.01	N/M

Earnings per share for the financial period ended 30 September 2012 was calculated based on weighted average number of 1,439,545,921 (30 September 2011: 1,435,542,345) ordinary shares.

Earnings per share for the financial period ended 30 September 2012 computed on a fully dilutive basis is calculated based on the weighted average number of 1,443,014,679 (30 September 2011: 1,441,775,393) ordinary shares adjusted for the dilutive effect of share options.

7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-**

(a) current period reported on and (b) immediately preceding financial year

	Group 30.09.12	Group 31.03.12	Change %	Company 30.09.12	Company 31.03.12	Change %
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period / year	1.37	1.39	-1%	1.78	1.74	2%

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

- (a)(i) The Group recorded a revenue of \$8.2 million, a decline of \$0.5 million or 6% compared with \$8.7 million in prior corresponding period. The decrease was mainly due to lower students recruitment from some countries into Singapore. The decline is also contributed by the downsizing of Hong Kong operations.
- (a)(ii) The Group recorded a profit before tax of \$0.7 million, a decline of \$0.2 million compared with \$0.9 million in prior corresponding period. The decline was mainly due to lower revenue, exchange losses and higher doubtful debt provision, partially offset by interim savings in unfilled employees position and lower other operating costs recorded in the quarter as explained in para 1(a)(ii).
- (b)(i) The Group's fixed assets increased by \$0.2 million or 11% to \$2.0 million as of 30 September 2012, mainly due to capitalization of the new IT system and purchase of other fixed assets for the Singapore operations (\$0.7m), which was partially offset by depreciation for the financial period (\$0.5 million). The Company's fixed assets increased by \$0.3 million or 56% to \$0.9 million as of 30 September 2012, mainly due to the capitalization of the new IT system, which was partially offset by depreciation for the financial period.
- (b)(ii) Prepayments decreased by \$0.2 million or 16% to \$0.9 million and \$0.3 million or 78% to \$0.1 million as of 30 September 2012 for the Group and Company respectively, mainly due to the capitalization of prepayment for new IT system (\$0.3 million). The decline for the Group's was due to utilisation of prepaid University fees (\$0.1 million) during the financial period.
- (b)(iii) Trade and other receivables increased by \$0.2 million or 6% to \$3.5 million and \$1.0 million or 30% to \$4.4 million as of 30 September 2012 for the Group and Company respectively, mainly due to billings during the quarter. In addition, intercompany debts further contributed to the increase of receivables for the Company.
- (b)(iv) The restricted cash at bank decreased by \$41,000 to \$170,000 as of 30 September 2012, due to utilisation. The current student fee protection scheme in Singapore utilises insurance coverage instead of the escrow bank account.
- (b)(v) Cash and cash equivalent declined by \$1.0 million or 3% to \$30.3 million and \$0.7 million or 17% to \$3.4 million as of 30 September 2012 for the Group and Company respectively, mainly due to the purchase of fixed assets and payment to vendors.
- (b)(vi) The Group's fees received in advance increased by \$0.7 million to \$9.2 million as of September 2012 from \$8.5 million as of 31 March 2012, mainly due to the increase in course fee collection by the Singapore school operations.
- (b)(vii) Deferred income and fees as of 30 September 2012 for both the Group and the Company decreased by \$0.1 million, mainly due to utilisation during the financial period.
- (b)(viii) Trade and other payable balances declined by \$1.2 million or 14% to \$7.3 million and \$0.1 million or 3% to \$5.3 million for the Group and Company respectively, mainly due to lower payables during the financial period.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group continues its efforts to upgrade course program and content to meet changing market demands and to strengthen its sales force to recruit new students.

11 If a decision regarding dividend has been made :-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No

(b) (i) Amount per share (cents) Not Applicable
(ii) Previous corresponding period (cents) Not Applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not Applicable

(d) The date the dividend is payable.

Not Applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not Applicable

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained and there was no material IPTs during the financial period.

14 Negative Confirmation pursuant to Rule 705 (5)

The Board hereby confirmed that, to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial results to be false or misleading.

BY ORDER OF THE BOARD

Wong Wee Woon
Chief Executive Officer

14th November 2012
SINGAPORE