

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 June 2013:-

- 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 S\$'000		%
	Q1 FY2014	Q1 FY2013	Change
Revenue	6,080	5,448	12%
Employee benefits expense	(2,689)	(3,086)	-13%
Depreciation of property, plant and equipment	(270)	(263)	3%
Other operating expenses	(2,541)	(3,259)	-22%
Profit / (loss) from operations	<u>580</u>	<u>(1,160)</u>	N/M
Interest income	54	57	-5%
Profit / (loss) before taxation	<u>634</u>	<u>(1,103)</u>	N/M
Taxation	(16)	(26)	-38%
Profit / (loss) after tax	<u>618</u>	<u>(1,129)</u>	N/M
Profit / (loss) attributable to :			
Equity holders of the Company	<u>618</u>	<u>(1,129)</u>	N/M
	<u>618</u>	<u>(1,129)</u>	N/M

Consolidated Statement of Comprehensive income

	Group S\$'000		%
	Q1 FY2014	Q1 FY2013	Change
Profit / (loss) after tax	618	(1,129)	N/M
Other comprehensive income :			
Foreign currency translation	<u>(84)</u>	<u>(26)</u>	N/M
Other comprehensive income for the financial period, net of tax	<u>(84)</u>	<u>(26)</u>	N/M
Total comprehensive income for the financial period	<u>534</u>	<u>(1,155)</u>	N/M
Total comprehensive income attributable to :			
Equity holders of the Company	<u>534</u>	<u>(1,155)</u>	N/M
	<u>534</u>	<u>(1,155)</u>	N/M

Group		%
S\$'000		
Q1 FY2014	Q1 FY2013	Change

1 (a)(i) Notes to income statement

Profit is stated after charging / (crediting) :

Allowance / (write-back) for doubtful receivables	43	(22)	N/M
Bad debts written-off	50	-	N/M
Net gain on disposal of property, plant and equipment	-	(13)	-100%
Intangible assets written-off	-	16	-100%
Sundry income	(517)	(69)	N/M
Foreign exchange gain, net	(143)	(19)	N/M
Operating lease expenses	710	842	-16%
Under provision of tax in respect of prior years	-	8	-100%

(a)(ii) Other operating expenses declined by \$0.7million (22%) to \$2.5 million as compared with prior corresponding period. The decline can be attributed to the lower operating costs, advertising & promotion expenses and higher sundry income, partially offset by higher bad debts and allowance for doubtful receivables.

(a)(iii) Sundry income increased by \$0.4 million to \$0.5 million, mainly due to write-back of deposit received and Productivity and Innovation Credits (PIC) received by subsidiaries in Singapore.

(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 S\$'000 30.06.13	Group S\$'000 31.03.13	Change %	Company S\$'000 30.06.13	Company S\$'000 31.03.13	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	1,688	1,822	-7%	680	691	-2%
Intangible assets	42	45	-7%	-	-	-
Investment in subsidiaries	-	-	-	22,359	22,359	-
	1,730	1,867	-7%	23,039	23,050	0%
CURRENT ASSETS						
Prepayments	980	791	24%	83	163	-49%
Trade and other receivables	4,211	3,407	24%	1,464	2,236	-35%
Cash and cash equivalents	30,343	32,119	-6%	3,990	3,240	23%
Restricted cash at bank	159	160	-1%	-	-	-
	35,693	36,477	-2%	5,537	5,639	-2%
CURRENT LIABILITIES						
Deferred income and fees	6,898	6,968	-1%	216	370	-42%
Trade and other payables	6,532	7,882	-17%	4,075	4,509	-10%
Provision	270	270	-	148	148	-
Accruals for withholding tax	256	243	5%	254	241	5%
Income tax payable	15	16	-6%	-	-	-
	13,971	15,379	-9%	4,693	5,268	-11%
NET CURRENT ASSETS	21,722	21,098	3%	844	371	N/M
TOTAL NET ASSETS	23,452	22,965	2%	23,883	23,421	2%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,902	29,902	-	29,902	29,902	-
Reserves	(6,450)	(6,937)	-7%	(6,019)	(6,481)	-7%
TOTAL EQUITY	23,452	22,965	2%	23,883	23,421	2%

(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	S\$'000
	Q1 FY2014	Q1 FY2013
Cash flow from operating activities		
Profit / (loss) before taxation	634	(1,103)
Adjustments for :		
Depreciation of property, plant and equipment	270	263
Amortisation of intangible assets	8	12
Net gain on disposal of property, plant and equipment	-	(13)
Intangible assets written-off	-	16
Allowance / (write-back) for doubtful receivables	43	(22)
Bad debts written-off	50	-
Write-back of deposit received	(500)	-
Employee share option write-back	(47)	(44)
Interest income	(54)	(57)
Unrealised exchange loss	(193)	(43)
Operating profit / (loss) before working capital changes	211	(991)
(Increase) / decrease in prepayments, trade and other receivables	(1,077)	205
Decrease in cash held in escrow account	1	29
(Decrease) / increase in deferred income and fees	(70)	1,640
Decrease in trade and other payables and accruals for withholding tax	(850)	(1,174)
Cash generated from operations	(1,785)	(291)
Interest received	45	1
Tax paid	(4)	(4)
Net cash generated from operating activities	(1,744)	(294)
Cash flow from investing activities		
Purchase of property, plant and equipment	(131)	(131)
Expenditure on intangible assets	-	(6)
Proceeds from disposal of property, plant and equipment	-	58
Net cash used in investing activities	(131)	(79)
Cash flow from financing activity		
Proceeds from exercise of employee share options	-	27
Net cash generated from financing activity	-	27
Net decrease in cash and cash equivalents	(1,875)	(346)
Cash and cash equivalents at the beginning of the financial period	32,119	31,309
Effects of exchange rate changes on opening cash and cash equivalents	99	22
Cash and cash equivalents at the end of the financial period	30,343	30,985
Short-term deposits	19,170	18,943
Cash at bank and on hand*	11,173	12,042
	30,343	30,985

Notes to Cash Flow Statement

* Cash at bank and on hand exclude \$159,289 (FY2013: \$182,411) held in trust for international students of a subsidiary in Singapore, which is required under Student Fee Protection Scheme.

- (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	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
Balance at 01.04.13	29,902	(5,577)	124	(1,484)	(6,937)	22,965
Profit for the financial period	-	618	-	-	618	618
Other comprehensive income for the financial period	-	-	-	(84)	(84)	(84)
Total comprehensive income for the financial period	-	618	-	(84)	534	534
Write-back of equity-settled share options	-	-	(47)	-	(47)	(47)
Balance at 30.06.13	29,902	(4,959)	77	(1,568)	(6,450)	23,452
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)
Shares issued due to exercise of employee share options	44	-	(17)	-	(17)	27
Write-back of equity-settled 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

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 01.04.13	29,902	(6,605)	124	(6,481)	23,421
Profit for the financial period	-	509	-	509	509
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	509	-	509	509
Write-back of equity-settled share options	-	-	(47)	(47)	(47)
Balance at 30.06.13	29,902	(6,096)	77	(6,019)	23,883
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
Shares issued due to exercise of employee share options	44	-	(17)	(17)	27
Write-back of equity-settled 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

(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.

There was no change to the number of ordinary shares since the preceding financial year ended 31 March 2013.

Hence, as at 30 June 2013, the number of ordinary shares of the Company was 1,444,220,158 (30.06.2012 : 1,440,250,908)

As at 30 June 2013, the outstanding options were as follows:

- 1,419,000 (30.06.2012 : 8,829,654) 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 June 2013	As at end of financial year ended 31 March 2013
Total number of ordinary shares issued	1,444,220,158	1,444,220,158

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 2013, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2013.

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 2013. 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 Q1 FY2014	Group Q1 FY2013	Change %
Earnings / (loss) per ordinary share			
(a) Based on weighted average number of ordinary shares on issue (cents)	0.04	(0.08)	N/M
(b) On a fully diluted basis (cents)	0.04	(0.08)	N/M

Earnings per share for the financial period ended 30 June 2013 was calculated based on weighted average number of 1,444,220,158 (30 June 2012: 1,439,298,820) ordinary shares.

Earnings per share for the financial period ended 30 June 2013 computed on a fully dilutive basis is calculated based on the weighted average number of 1,444,575,749 (30 June 2012: 1,445,743,620) 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		Change	Company		Change
	30.06.13	31.03.13	%	30.06.13	31.03.13	%
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period / year	1.62	1.59	2%	1.65	1.62	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 \$6.1 million, an increase of \$0.7 million or 12% compared with \$5.4 million in prior corresponding period, mainly due to higher students enrolled in Singapore school operations. The increase is however partially offset by lower students enrolled in UK, Hong Kong and Sri Lanka operations. The decline in UK and Asia Pacific revenue can be attributed to a shift in UK's exam registration deadlines as well as the depreciating British Pound and the re-strategising of Hong Kong operations respectively.
- (a)(ii) The Group recorded a profit before tax of \$0.6 million, an improvement of \$1.7 million compared with a loss of \$1.1 million in prior corresponding period. The increase was mainly due to higher revenue, streamlining of operations which resulted in lower employee benefit expenses and lower other operating expenses incurred and higher sundry income as explained in para 1(a)(ii), partially offset by higher bad and doubtful debts.
- (b)(i) The Group's fixed assets decreased to \$1.7 million as at 30 June 2013 from \$1.8 million as at 31 March 2013 was mainly due to depreciation during the period, partially offset by investment in new IT system of \$0.1 million.
- (b)(ii) The Group's prepayment increased by \$0.2 million or 24% to \$1.0 million, mainly due to prepayment of fees to university partners during the quarter. The Company's prepayment declined by \$0.1 million or 49% to \$0.1 million as of 30 June 2013, due to the capitalisation of prepayment for new IT system.
- (b)(iii) The Group's trade and other receivables increased by \$0.8 million or 24% to \$4.2 million as at 30 June 2013, mainly due to billings during the quarter. The Company's trade and other receivables decreased by \$0.8 million or 35% to \$1.5 million as at 30 June 2013, mainly due to settlement of intercompany receivables.
- (b)(iv) The Group's cash and cash equivalent declined by \$1.8 million or 6% to \$30.3 million as at 30 June 2013, mainly due to the purchase of fixed assets and payments to vendors. The Company's cash and cash equivalent increased by \$0.8 million or 23% to \$4.0 million, mainly due to receipts from subsidiaries.
- (b)(v) The Company's deferred income and fees decreased by \$0.2 million or 42% to \$0.2 million as of 30 June 2013, mainly due to utilisation.
- (b)(vi) The Group's trade and other payables decreased by \$1.4 million or 17% to \$6.5 million, mainly due to payment for university fees, suppliers, lower accruals and write-back of deposit received during the quarter. The Company's trade and other payables decreased by \$0.4 million or 10% to \$4.1 million as of 30 June 2013, mainly due to a write-back of deposit received.

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.

As a result of the ongoing review of programs and course structure, the Group has introduced a variety of short courses delivered through technology driven, multi channelled blended mode to meet market demand. The Group will continue to focus on the key elements of our business model, academic quality and strengthening our university partnerships.

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 confirms 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

Loi Hai Poh
Chief Executive Officer

12th August 2013
SINGAPORE