

FULL YEAR FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT

INFORMATICS EDUCATION LTD

(Company Registration number: 198303419G)

The Board of Directors of Informatics Education Ltd is pleased to announce the
unaudited consolidated results for the financial year ended 31 March 2014:-

- 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		%
	FY2014	FY2013	Change
Revenue	23,811	28,730	-17%
Other operating income	745	411	81%
Employee benefits expense	(9,752)	(10,788)	-10%
Depreciation of property, plant and equipment	(1,053)	(1,064)	-1%
Other operating expenses	(13,758)	(14,517)	-5%
(Loss) / profit from operations	<u>(7)</u>	<u>2,772</u>	N/M
Interest income	235	212	11%
Profit before taxation	<u>228</u>	<u>2,984</u>	-92%
Taxation	(64)	(101)	-37%
Profit after tax	<u><u>164</u></u>	<u><u>2,883</u></u>	-94%
Profit attributable to :			
Equity holders of the Company	<u>164</u>	<u>2,883</u>	-94%
	<u><u>164</u></u>	<u><u>2,883</u></u>	-94%

Consolidated Statement of Comprehensive income

	Group S\$'000		%
	FY2014	FY2013	Change
Profit after tax	164	2,883	-94%
Other comprehensive income :			
Foreign currency translation	<u>71</u>	<u>(60)</u>	N/M
Other comprehensive income for the financial year, net of tax	<u>71</u>	<u>(60)</u>	N/M
Total comprehensive income for the financial year	<u><u>235</u></u>	<u><u>2,823</u></u>	-92%
Total comprehensive income attributable to :			
Equity holders of the Company	<u>235</u>	<u>2,823</u>	-92%
	<u><u>235</u></u>	<u><u>2,823</u></u>	-92%

Group		%
S\$'000		
FY2014	FY2013	Change

1 (a)(i) Notes to income statement

Profit is stated after charging / (crediting) :

Allowance for doubtful receivables	495	206	N/M
Bad debts written-off	81	184	-56%
Net loss on disposal of property, plant and equipment	1	17	-94%
Gain on liquidation of subsidiaries	-	(144)	N/M
Foreign exchange (gain) / loss, net	(57)	189	N/M
Operating lease expenses	2,919	3,227	-10%
Under provision of tax in respect of prior years	-	37	-100%

(a)(ii) Other operating expenses declined by \$0.7 million or 5% to \$13.8 million as compared with prior year. The decline can be attributed to lower lease and operating expenses, higher exchange gains, partially offset by higher allowance for doubtful receivables.

(a)(iii) Allowance for doubtful receivables increased by \$0.3 million to \$0.5 million as compared with prior year. The increase can be attributed to higher aged receivables for the Singapore and United Kingdom operations.

(a)(iv) Other operating income increased by \$0.3 million to \$0.7 million, mainly due to income recognition of deposit received in prior year.

(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 31.03.14	Group S\$'000 31.03.13	Change %	Company S\$'000 31.03.14	Company S\$'000 31.03.13	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	1,015	1,822	-44%	381	691	-45%
Intangible assets	39	45	-13%	-	-	-
Investment in subsidiaries	-	-	-	20,074	22,359	-10%
	1,054	1,867	-44%	20,455	23,050	-11%
CURRENT ASSETS						
Prepayments	640	791	-19%	124	163	-24%
Trade and other receivables	3,219	3,407	-6%	1,632	2,236	-27%
Cash and cash equivalents	29,707	32,119	-8%	1,521	3,240	-53%
Restricted cash at bank	138	160	-14%	-	-	-
	33,704	36,477	-8%	3,277	5,639	-42%
CURRENT LIABILITIES						
Deferred income and fees	4,872	6,968	-30%	336	370	-9%
Trade and other payables	6,172	7,882	-22%	1,361	4,509	-70%
Provision	270	270	-	148	148	-
Accruals for withholding tax	268	243	10%	266	241	10%
Income tax payable	26	16	63%	-	-	-
	11,608	15,379	-25%	2,111	5,268	-60%
NET CURRENT ASSETS	22,096	21,098	5%	1,166	371	N/M
TOTAL NET ASSETS	23,150	22,965	1%	21,621	23,421	-8%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,906	29,902	0%	29,906	29,902	0%
Reserves	(6,756)	(6,937)	-3%	(8,285)	(6,481)	28%
TOTAL EQUITY	23,150	22,965	1%	21,621	23,421	-8%

(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 FY2014	S\$'000 FY2013
Cash flow from operating activities		
Profit before taxation	228	2,984
Adjustments for :		
Depreciation of property, plant and equipment	1,053	1,064
Amortisation of intangible assets	37	42
Net loss on disposal of property, plant and equipment	1	17
Allowance for doubtful receivables	495	206
Bad debts written-off	81	184
Gain on liquidation of a subsidiary	-	(144)
Employee share option write-back	(52)	(82)
Interest income	(235)	(212)
Unrealised exchange (gain) / loss	(157)	186
Operating profit before working capital changes	1,451	4,245
Increase in prepayments, trade and other receivables	(228)	(273)
Decrease in cash held in escrow account	22	51
Decrease in deferred income and fees	(2,096)	(1,891)
Decrease in trade and other payables and accruals for withholding tax	(1,710)	(651)
Cash (used in) / generated from operations	(2,561)	1,481
Interest received	226	313
Tax paid	(29)	(9)
Net cash (used in) / generated from operating activities	(2,364)	1,785
Cash flow from investing activities		
Purchase of property, plant and equipment	(231)	(1,131)
Expenditure on intangible assets	(25)	(28)
Proceeds from disposal of property, plant and equipment	3	74
Net cash used in investing activities	(253)	(1,085)
Cash flow from financing activity		
Proceeds from exercise of employee share options	2	205
Net cash generated from financing activity	2	205
Net (decrease) / increase in cash and cash equivalents	(2,615)	905
Cash and cash equivalents at the beginning of the financial year	32,119	31,309
Effects of exchange rate changes on opening cash and cash equivalents	203	(95)
Cash and cash equivalents at the end of the financial year	29,707	32,119
Short-term deposits	20,207	19,170
Cash at bank and on hand*	9,500	12,949
	29,707	32,119

Notes to Cash Flow Statement

* Cash at bank and on hand exclude \$138,107 (FY2013: \$160,145) 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 year	-	164	-	-	164	164
Other comprehensive income for the financial year	-	-	-	71	71	71
Total comprehensive income for the financial year	-	164	-	71	235	235
Shares issued due to exercise of employee share options	4	-	(2)	-	(2)	2
Expiry of employee share options	-	3	(3)	-	-	-
Write-back of equity-settled share options	-	-	(52)	-	(52)	(52)
Balance at 31.03.14	29,906	(5,410)	67	(1,413)	(6,756)	23,150
Balance at 01.04.12	29,566	(8,517)	394	(1,424)	(9,547)	20,019
Profit for the financial year	-	2,883	-	-	2,883	2,883
Other comprehensive income for the financial year	-	-	-	(60)	(60)	(60)
Total comprehensive income for the financial year	-	2,883	-	(60)	2,823	2,823
Shares issued due to exercise of employee share options	336	-	(131)	-	(131)	205
Expiry of employee share options	-	57	(57)	-	-	-
Write-back of equity-settled share options	-	-	(82)	-	(82)	(82)
Balance at 31.03.13	29,902	(5,577)	124	(1,484)	(6,937)	22,965

	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
Loss for the financial year	-	(1,750)	-	(1,750)	(1,750)
Other comprehensive income for the financial year	-	-	-	-	-
Total comprehensive income for the financial year	-	(1,750)	-	(1,750)	(1,750)
Shares issued due to exercise of employee share options	4	-	(2)	(2)	2
Expiry of employee share options	-	3	(3)	-	-
Write-back of equity-settled share options	-	-	(52)	(52)	(52)
Balance at 31.03.14	29,906	(8,352)	67	(8,285)	21,621
Balance at 01.04.12	29,566	(4,857)	394	(4,463)	25,103
Loss for the financial year	-	(1,805)	-	(1,805)	(1,805)
Other comprehensive income for the financial year	-	-	-	-	-
Total comprehensive income for the financial year	-	(1,805)	-	(1,805)	(1,805)
Shares issued due to exercise of employee share options	336	-	(131)	(131)	205
Expiry of employee share options	-	57	(57)	-	-
Write-back of equity-settled share options	-	-	(82)	(82)	(82)
Balance at 31.03.13	29,902	(6,605)	124	(6,481)	23,421

- (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 financial year ended 31 March 2014, the Company issued:-

- (i) 42,500 new shares at \$0.023 each amounting to \$977.50 due to the exercise of 42,500 share options under the employee share option scheme of the company and
(ii) 30,000 new shares at \$0.045 each amounting to \$1,350.00 due to the exercise of 30,000 share options under the employee share option scheme of the Company.

Hence, as at 31 March 2014, the number of ordinary shares of the Company was 1,444,292,658 (31.03.2013 : 1,444,220,158).

As at 31 March 2014, the outstanding options were as follows:

- 990,000 (31.03.2013 : 2,289,000) 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 31 March 2014	As at end of financial year ended 31 March 2013
Total number of ordinary shares issued	1,444,292,658	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 FY2014	Group FY2013	Change %
Earnings per ordinary share			
(a) Based on weighted average number of ordinary shares on issue (cents)	0.01	0.20	-95%
(b) On a fully diluted basis (cents)	0.01	0.20	-95%

Earnings per share for the financial year ended 31 March 2014 was calculated based on weighted average number of 1,444,252,384 (31 March 2013: 1,440,703,288) ordinary shares.

Earnings per share for the financial year ended 31 March 2014 computed on a fully dilutive basis is calculated based on the weighted average number of 1,444,369,722 (31 March 2013: 1,441,316,438) 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
	31.03.14	31.03.13	%	31.03.14	31.03.13	%
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial year	1.60	1.59	1%	1.50	1.62	-7%

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 \$23.8 million, a decrease of \$4.9 million or 17% compared with \$28.7 million in prior year, mainly due to lower students enrolled in Singapore, Hong Kong and United Kingdom operations.
- (a)(ii) The Group recorded a profit before tax of \$0.2 million, a decrease of \$2.8 million compared with \$3.0 million in prior year. The decrease was mainly due to lower revenue, partially offset by lower employee benefit and other operating expenses incurred as explained in para 1(a)(ii).
- (b)(i) The Group's and Company's fixed assets decreased by \$0.8 million or 44% and \$0.3 million or 45% to \$1.0 million and \$0.4 million respectively as at 31 March 2014. This was mainly due to depreciation during the year, partially offset by investment in new IT system and equipments of \$0.2 million and \$0.1 million for the Group and Company respectively.
- (b)(ii) The Company's investment in subsidiaries declined by \$2.3 million or 10% to \$20.1 million as at 31 March 2014. This was due to an impairment loss recognised to reduce the investment in a subsidiary to the recoverable amount.
- (b)(iii) The Group's prepayments declined by \$0.2 million or 19% to \$0.6 million as at 31 March 2014. This was mainly due to the utilisation of prepaid University fees during the year.
- (b)(iv) The Group's trade and other receivables decreased by \$0.2 million or 6% to \$3.2 million as at 31 March 2014, mainly due to lower billings and higher provision for doubtful debts. The Company's trade and other receivables decreased by \$0.6 million or 27% to \$1.6 million as at 31 March 2014, mainly due to intercompany settlements.
- (b)(v) The Group's and Company's cash and cash equivalent declined by \$2.4 million or 8% and \$1.7 million or 53% to \$29.7 million and \$1.5 million as at 31 March 2014 respectively. This was mainly due to the purchase of fixed assets and payments to suppliers and university partners during the year.
- (b)(vi) The Group's deferred income and fees decreased by \$2.1 million or 30% to \$4.9 million as of 31 March 2014, mainly due to utilisation.
- (b)(vii) The Group's trade and other payables decreased by \$1.7 million or 22% to \$6.2 million, mainly due to payment to suppliers, lower accruals and write-back of deposit received during the year. The Company's trade and other payables decreased by \$3.1 million or 70% to \$1.4 million as of 31 March 2014, mainly due to a write-back of deposit received, settlement of intercompany payables and lower accruals during the year.

- 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 private education industry remains very competitive. To achieve growth we will continue to leverage university partnerships in order to enhance the student learning experience.
- 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 year.

Part II Additional Information Required for Full Year Announcement

- 14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segmental Results
(a) **Business segments**

	Higher Education \$'000		Corporate Training \$'000		Total \$'000	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
Revenue :						
Sales to external customers	22,870	27,985	941	745	23,811	28,730
Results :						
Other operating income	743	409	2	2	745	411
Interest income	235	212	-	-	235	212
Employee benefits expense	(9,504)	(10,474)	(248)	(314)	(9,752)	(10,788)
Depreciation and amortisation	(1,061)	(1,099)	(29)	(7)	(1,090)	(1,106)
Gain / (Loss) on disposal of property, plant & equipment	2	(17)	(3)	-	(1)	(17)
Allowance for doubtful receivables and bad debt written-off	(576)	(390)	-	-	(576)	(390)
Operating lease expenses	(2,807)	(3,050)	(112)	(177)	(2,919)	(3,227)
Other non-cash income / (expenses)	131	279	62	(53)	193	226
Segment profit before tax	92	2,951	136	33	228	2,984
Assets :						
Additions to non-current assets	245	1,097	11	62	256	1,159
Segment assets	34,577	38,013	181	331	34,758	38,344
Total assets					34,758	38,344
Liabilities :						
Segment liabilities	11,475	15,235	107	128	11,582	15,363
Income tax payable					26	16
Total liabilities					11,608	15,379

(b) **Geographical information**

	Revenue			Non-current assets		
	FY2014 \$'000	FY2013 \$'000	Change %	FY2014 \$'000	FY2013 \$'000	Change %
Singapore	13,075	16,089	-19%	784	1,545	-49%
United Kingdom	8,576	8,872	-3%	208	221	-6%
Asia Pacific and others ("APAC")	2,160	3,769	-43%	62	101	-39%
	<u>23,811</u>	<u>28,730</u>	<u>-17%</u>	<u>1,054</u>	<u>1,867</u>	<u>-44%</u>

Non-current assets information presented above consist of property, plant and equipment, and intangible assets as presented in the consolidated balance sheet.

(c) **Information about major customers**

There are no major customers that contribute more than 10% (FY2013 : 10%) of the Group's revenue for the financial year ended 31 March 2014.

15 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

(a) Higher Education business revenue decreased by \$5.1 million to \$22.9 million. The decline was mainly due to lower students enrollment for E-learning, UK and Singapore school operations whilst APAC suffered from teach out business.

The Corporate Training business revenue increased by \$0.2 million to \$0.9 million due to stronger enrollment from APAC.

(b) Geographically, APAC's revenue decrease by 43% mainly due to lower enrollment for Sri Lanka operations and the teach-out of higher education segment in Hong Kong. United Kingdom's revenue declined by 3% due to lower student enrollment during the year. Singapore's revenue declined by 19% mainly due to lower student enrollment for the Singapore school. Non-current assets for Singapore, United Kingdom and APAC reduced by 49%, 6% and 39% respectively, mainly due to depreciation during the year.

16 **A breakdown of sales as follow :-**

	Group		
	FY2014 \$'000	FY2013 \$'000	Change %
Sales reported for first half year	13,117	13,613	-4%
Operating profit / (loss) after tax before deducting non-controlling interests reported for first half year	952	(491)	N/M
Sales reported for second half year	10,694	15,117	-29%
Operating (loss) / profit after tax before deducting non-controlling interests reported for second half year	(788)	3,374	N/M

17 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follow :-**

	FY2014 \$'000	FY2013 \$'000
Ordinary	NIL	NIL
Preference	NIL	NIL
Total	<u>NIL</u>	<u>NIL</u>

18 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such person, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Informatics Education Ltd. (the "Company") wishes to inform that there are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

Name	Age	Family relationship with any current director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Robin Tan Yeong Ching	40	Son of Tan Sri Dato' Seri Vincent Tan Chee Youn	Non-executive Chairman - Year 2011	N/a

BY ORDER OF THE BOARD

Loi Hai Poh
Chief Executive Officer

23rd May 2014
SINGAPORE