

QUARTERLY 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 period ended 30 June 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		%
	Q1 FY2015	Q1 FY2014	Change
<b>Revenue</b>	3,773	6,080	-38%
Other operating income	1	517	-100%
Employee benefits expense	(2,769)	(2,689)	3%
Depreciation of property, plant and equipment	(220)	(270)	-19%
Other operating expenses	(3,034)	(3,058)	-1%
<b>(Loss) / Profit from operations</b>	<u>(2,249)</u>	<u>580</u>	N/M
Interest income	84	54	56%
<b>(Loss) / Profit before taxation</b>	<u>(2,165)</u>	<u>634</u>	N/M
Taxation	(5)	(16)	-69%
<b>(Loss) / Profit after tax</b>	<u>(2,170)</u>	<u>618</u>	N/M
<b>(Loss) / Profit attributable to :</b>			
Equity holders of the Company	<u>(2,170)</u>	<u>618</u>	N/M
	<u>(2,170)</u>	<u>618</u>	N/M

**Consolidated Statement of Comprehensive income**

	Group S\$'000		%
	Q1 FY2015	Q1 FY2014	Change
<b>(Loss) / Profit after tax</b>	(2,170)	618	N/M
<b>Other comprehensive income :</b>			
Foreign currency translation	<u>38</u>	<u>(84)</u>	N/M
Other comprehensive income for the financial year, net of tax	<u>38</u>	<u>(84)</u>	N/M
<b>Total comprehensive income for the financial year</b>	<u>(2,132)</u>	<u>534</u>	N/M
<b>Total comprehensive income attributable to :</b>			
Equity holders of the Company	<u>(2,132)</u>	<u>534</u>	N/M
	<u>(2,132)</u>	<u>534</u>	N/M

Group		%
S\$'000		
Q1 FY2015	Q1 FY2014	Change

1 (a)(i) Notes to income statement

**Profit is stated after charging / (crediting) :**

Allowance for doubtful receivables	269	43	N/M
Bad debts written-off	31	50	-38%
Foreign exchange (gain) / loss, net	67	(143)	N/M
Operating lease expenses	722	710	2%

(a)(ii) Other operating expenses declined by \$24,000 or 1% to \$3.0 million as compared with prior year. The decline can be attributed to lower operating expenses, partially offset by higher advertisement & promotion expenses, allowance for doubtful receivables and exchange losses.

(a)(iii) Allowance for doubtful receivables increased by \$0.2 million to \$0.3 million as compared with prior year. The increase can be attributed to higher aged receivables for the United Kingdom operations.

(a)(iv) Other operating income decreased by \$0.5 million mainly due to absence of income recognition for 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 30.06.14	Group S\$'000 31.03.14	Change %	Company S\$'000 30.06.14	Company S\$'000 31.03.14	Change %
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	815	1,015	-20%	290	381	-24%
Intangible assets	31	39	-21%	-	-	-
Investment in subsidiaries	-	-	-	20,074	20,074	-
	846	1,054	-20%	20,364	20,455	0%
<b>CURRENT ASSETS</b>						
Prepayments	962	640	50%	109	124	-12%
Trade and other receivables	2,199	3,219	-32%	1,228	1,632	-25%
Restricted cash at bank	138	138	-	-	-	-
Cash and cash equivalents	27,303	29,707	-8%	1,288	1,521	-15%
	30,602	33,704	-9%	2,625	3,277	-20%
<b>CURRENT LIABILITIES</b>						
Deferred income and fees	4,189	4,872	-14%	216	336	-36%
Trade and other payables	5,673	6,172	-8%	1,527	1,361	12%
Provision	270	270	-	148	148	-
Accruals for withholding tax	271	268	1%	268	266	1%
Income tax payable	26	26	-	-	-	-
	10,429	11,608	-10%	2,159	2,111	2%
<b>NET CURRENT ASSETS</b>	20,173	22,096	-9%	466	1,166	-60%
<b>TOTAL NET ASSETS</b>	21,019	23,150	-9%	20,830	21,621	-4%
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>						
Share capital	29,908	29,906	0%	29,908	29,906	0%
Reserves	(8,889)	(6,756)	32%	(9,078)	(8,285)	10%
<b>TOTAL EQUITY</b>	21,019	23,150	-9%	20,830	21,621	-4%

(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 FY2015	Q1 FY2014
<b>Cash flow from operating activities</b>		
(Loss) / Profit before taxation	(2,165)	634
Adjustments for :		
Depreciation of property, plant and equipment	220	270
Amortisation of intangible assets	9	8
Allowance for doubtful receivables	269	43
Bad debts written-off	31	50
Employee share option write-back	-	(47)
Interest income	(84)	(54)
Unrealised exchange loss / (gain)	4	(193)
<b>Operating (loss) / profit before working capital changes</b>	(1,716)	211
Decrease / (Increase) in prepayments, trade and other receivables	425	(1,077)
Decrease in cash held in escrow account	-	1
Decrease in deferred income and fees	(683)	(70)
Decrease in trade and other payables and accruals for withholding tax	(496)	(850)
<b>Cash used in operations</b>	(2,470)	(1,785)
Interest received	57	45
Tax paid	(5)	(4)
<b>Net cash used in operating activities</b>	(2,418)	(1,744)
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(17)	(131)
<b>Net cash used in investing activities</b>	(17)	(131)
<b>Cash flow from financing activity</b>		
Proceeds from exercise of employee share options	1	-
<b>Net cash generated from financing activity</b>	1	-
Net decrease in cash and cash equivalents	(2,434)	(1,875)
Cash and cash equivalents at the beginning of the financial year	29,707	32,119
Effects of exchange rate changes on opening cash and cash equivalents	30	99
<b>Cash and cash equivalents at the end of the financial year</b>	27,303	30,343
Short-term deposits	20,207	19,170
Cash at bank and on hand*	7,096	11,173
	27,303	30,343

**Notes to Cash Flow Statement**

\* Cash at bank and on hand exclude \$138,107 (Q1FY2014: \$159,289) 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
<b>Group</b>						
<b>Balance at 01.04.14</b>	29,906	(5,410)	67	(1,413)	(6,756)	23,150
Loss for the financial year	-	(2,170)	-	-	(2,170)	(2,170)
Other comprehensive income for the financial year	-	-	-	38	38	38
Total comprehensive income for the financial year	-	(2,170)	-	38	(2,132)	(2,132)
Shares issued due to exercise of employee share options	2	-	(1)	-	(1)	1
<b>Balance at 30.06.14</b>	29,908	(7,580)	66	(1,375)	(8,889)	21,019
<b>Balance at 01.04.13</b>	29,902	(5,577)	124	(1,484)	(6,937)	22,965
Profit for the financial year	-	618	-	-	618	618
Other comprehensive income for the financial year	-	-	-	(84)	(84)	(84)
Total comprehensive income for the financial year	-	618	-	(84)	534	534
Shares issued due to exercise of employee share options	-	-	-	-	-	-
Expiry of employee share options	-	-	-	-	-	-
Write-back of equity-settled share options	-	-	(47)	-	(47)	(47)
<b>Balance at 30.06.13</b>	29,902	(4,959)	77	(1,568)	(6,450)	23,452

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
	<b>Company</b>				
<b>Balance at 01.04.14</b>	29,906	(8,352)	67	(8,285)	21,621
Loss for the financial year	-	(792)	-	(792)	(792)
Other comprehensive income for the financial year	-	-	-	-	-
Total comprehensive income for the financial year	-	(792)	-	(792)	(792)
Shares issued due to exercise of employee share options	2	-	(1)	(1)	1
<b>Balance at 30.06.14</b>	29,908	(9,144)	66	(9,078)	20,830
<b>Balance at 01.04.13</b>	29,902	(6,605)	124	(6,481)	23,421
Profit for the financial year	-	509	-	509	509
Other comprehensive income for the financial year	-	-	-	-	-
Total comprehensive income for the financial year	-	509	-	509	509
Write-back of equity-settled share options	-	-	(47)	(47)	(47)
<b>Balance at 30.06.13</b>	29,902	(6,096)	77	(6,019)	23,883

- (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 30 June 2014, the Company issued:-

(i) 20,000 new shares at \$0.045 each amounting to \$900.00 due to the exercise of 20,000 share options under the employee share option scheme of the Company.

Hence, as at 30 June 2014, the number of ordinary shares of the Company was 1,444,312,658 (30.06.2013 : 1,444,220,158).

As at 30 June 2014, the outstanding options were as follows:

- 970,000 (30.06.2013 : 1,419,000) 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 June 2014	As at end of financial year ended 31 March 2014
Total number of ordinary shares issued	1,444,312,658	1,444,292,658

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 2014, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2014.

- 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 2014. 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		Change
	Q1 FY2015	Q1 FY2014	%
Earnings per ordinary share			
(a) Based on weighted average number of ordinary shares on issue (cents)	(0.15)	0.04	N/M
(b) On a fully diluted basis (cents)	(0.15)	0.04	N/M

Earnings per share for the financial year ended 30 June 2014 was calculated based on weighted average number of 1,444,295,295 (30 June 2013: 1,444,250,158) ordinary shares.

Earnings per share for the financial year ended 30 June 2014 computed on a fully dilutive basis is calculated based on the weighted average number of 1,444,392,006 (30 June 2013: 1,444,575,749) 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 %
	30.06.14	31.03.14		30.06.14	31.03.14	
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial year	1.46	1.60	-9%	1.44	1.50	-4%

**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 \$3.8 million, a decrease of \$2.3 million or 38% compared with \$6.1 million in prior year, mainly due to lower students enrolled in Singapore and United Kingdom operations.
- (a)(ii) The Group recorded a loss before tax of \$2.2 million compared with a pre tax profit of \$0.6 million in prior year. The decline was mainly due to lower revenue, absence of other operating income and higher staffing costs partially offset by lower depreciation.
- (b)(i) The Group's and Company's fixed assets decreased by \$0.2 million or 20% and \$0.1 million or 24% to \$0.8 million and \$0.3 million respectively as at 30 June 2014. This was mainly due to depreciation during the period.
- (b)(ii) The Group's prepayments increased by \$0.3 million or 50% to \$1.0 million as at 30 June 2014, mainly due to prepaid University fees.
- (b)(iii) The Group's trade and other receivables decreased by \$1.0 million or 32% to \$2.2 million as at 30 June 2014, mainly due to lower billings and higher provision for doubtful debts. The Company's trade and other receivables decreased by \$0.4 million or 25% to \$1.2 million as at 30 June 2014, mainly due to intercompany settlements.
- (b)(iv) The Group's and Company's cash and cash equivalent declined by \$2.4 million or 8% and \$0.2 million or 15% to \$27.3 million and \$1.3 million as at 30 June 2014 respectively. This was mainly due to the lower collections and payments to suppliers and university partners during the year.
- (b)(v) The Group's and Company's deferred income and fees decreased by \$0.7 million or 14% and \$0.1 million or 36% to \$4.2 million and \$0.2 million as of 30 June 2014 respectively, mainly due to utilisation.
- (b)(vi) The Group's trade and other payables decreased by \$0.5 million or 8% to \$5.7 million, mainly due to payment to suppliers. The Company's trade and other payables increased by \$0.1 million or 12% to \$1.5 million as of 30 June 2014, mainly due to invoice received from university partner.

- 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.**  
We continue to expand on university partnerships and enhance current product offering in order to tap new market segments. In this respect, we will be stepping up branding and marketing activities to increase revenue.
- 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.
- 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**

Loi Hai Poh  
Chief Executive Officer

12th August 2014  
SINGAPORE