

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 September 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			%	Group S\$'000			%
	Q2 FY2015	Q2 FY2014	Change		1H FY2015	1H FY2014	Change	
Revenue	4,737	7,037	-33%	8,510	13,117	-35%		
Other operating income	72	105	-31%	73	622	-88%		
Employee benefits expense	(2,918)	(2,510)	16%	(5,687)	(5,199)	9%		
Depreciation of property, plant and equipment	(156)	(260)	-40%	(376)	(530)	-29%		
Other operating expenses	(2,701)	(4,079)	-34%	(5,735)	(7,137)	-20%		
Interest income	70	58	21%	154	112	38%		
(Loss) / profit before taxation	<u>(896)</u>	<u>351</u>	N/M	<u>(3,061)</u>	<u>985</u>	N/M		
Taxation	(4)	(17)	-76%	(9)	(33)	-73%		
(Loss) / profit after tax	<u>(900)</u>	<u>334</u>	N/M	<u>(3,070)</u>	<u>952</u>	N/M		
(Loss) / profit attributable to :								
Equity holders of the Company	<u>(900)</u>	<u>334</u>	N/M	<u>(3,070)</u>	<u>952</u>	N/M		
	<u>(900)</u>	<u>334</u>	N/M	<u>(3,070)</u>	<u>952</u>	N/M		

Consolidated Statement of Comprehensive income

	Group S\$'000			%	Group S\$'000			%
	Q2 FY2015	Q2 FY2014	Change		1H FY2015	1H FY2014	Change	
(Loss) / profit after tax	(900)	334	N/M	(3,070)	952	N/M		
Other comprehensive income :								
Foreign currency translation	<u>(121)</u>	<u>118</u>	N/M	<u>(83)</u>	<u>34</u>	N/M		
Other comprehensive income for the financial period, net of tax	<u>(121)</u>	<u>118</u>	N/M	<u>(83)</u>	<u>34</u>	N/M		
Total comprehensive income for the financial period	<u>(1,021)</u>	<u>452</u>	N/M	<u>(3,153)</u>	<u>986</u>	N/M		
Total comprehensive income attributable to :								
Equity holders of the Company	<u>(1,021)</u>	<u>452</u>	N/M	<u>(3,153)</u>	<u>986</u>	N/M		
	<u>(1,021)</u>	<u>452</u>	N/M	<u>(3,153)</u>	<u>986</u>	N/M		

1 (a)(i) Notes to income statement

Group S\$'000			%	Group S\$'000			%
Q2 FY2015	Q2 FY2014	Change		1H FY2015	1H FY2014	Change	

(Loss) / profit is stated after charging / (crediting) :

(Write-back) / allowance of doubtful receivables	(355)	11	N/M	(86)	54	N/M
Bad debts (write-back) / written-off	(3)	4	N/M	28	54	-48%
Net (gain) / loss on disposal of property, plant and equipment	(1)	2	N/M	(1)	2	N/M
Foreign exchange (gain) / loss, net	(119)	71	N/M	(52)	(72)	-28%
Operating lease expenses	746	717	4%	1,468	1,427	3%

(a)(ii) Other operating expenses declined by \$1.4 million or 34% to \$2.7 million as compared with prior year. The decline is in line with lower revenue for the period and can also be attributed to lower advertisement & promotion expenses, exchange gain and recovery of doubtful debts.

(a)(iii) Write-back of doubtful receivables increased by \$0.3 million to \$0.4 million as compared with prior year. The increase can be attributed to recovery of aged receivables for both the franchise and United Kingdom operations.

(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 30.09.14	Group S\$'000 31.03.14	Change %	Company S\$'000 30.09.14	Company S\$'000 31.03.14	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	740	1,015	-27%	239	381	-37%
Intangible assets	26	39	-33%	-	-	-
Investment in subsidiaries	-	-	-	20,074	20,074	-
	766	1,054	-27%	20,313	20,455	-1%
CURRENT ASSETS						
Prepayments	756	640	18%	137	124	10%
Trade and other receivables	2,109	3,219	-34%	740	1,632	-55%
Restricted cash at bank	138	138	-	-	-	-
Cash and cash equivalents	26,375	29,707	-11%	994	1,521	-35%
	29,378	33,704	-13%	1,871	3,277	-43%
CURRENT LIABILITIES						
Deferred income and fees	4,214	4,872	-14%	217	336	-35%
Trade and other payables	5,369	6,172	-13%	1,406	1,361	3%
Provision	270	270	-	148	148	-
Accruals for withholding tax	268	268	-	266	266	-
Income tax payable	25	26	-4%	-	-	-
	10,146	11,608	-13%	2,037	2,111	-4%
NET CURRENT ASSETS / (LIABILITY)	19,232	22,096	-13%	(166)	1,166	N/M
TOTAL NET ASSETS	19,998	23,150	-14%	20,147	21,621	-7%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,908	29,906	0%	29,908	29,906	0%
Reserves	(9,910)	(6,756)	47%	(9,761)	(8,285)	18%
TOTAL EQUITY	19,998	23,150	-14%	20,147	21,621	-7%

(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		Group	
	S\$'000	S\$'000	S\$'000	S\$'000
	Q2 FY2015	Q2 FY2014	1H FY2015	1H FY2014
Cash flow from operating activities				
(Loss) / profit before taxation	(896)	351	(3,061)	985
Adjustments for :				
Depreciation of property, plant and equipment	156	260	376	530
Amortisation of intangible assets	4	9	13	17
Net (gain) / loss on disposal of property, plant and equipment	(1)	2	(1)	2
(Write-back) / allowance of doubtful receivables	(355)	11	(86)	54
Bad debts (write-back) / written-off	(3)	4	28	54
Write-back of deposit received in prior year	-	-	-	(500)
Employee share option write-back	-	-	-	(47)
Interest income	(70)	(58)	(154)	(112)
Unrealised exchange (gain) / loss	(73)	57	(69)	(136)
Operating (loss) / profit before working capital changes	(1,238)	636	(2,954)	847
Decrease / (increase) in prepayments, trade and other receivables	626	(990)	1,051	(2,067)
Decrease in cash held in escrow account	-	1	-	2
Increase / (decrease) in deferred income and fees	25	(495)	(658)	(565)
(Decrease) / increase in trade and other payables and accruals for withholding tax	(307)	202	(803)	(648)
Cash used in operations	(894)	(646)	(3,364)	(2,431)
Interest received	98	45	155	90
Tax paid	(5)	(4)	(10)	(8)
Net cash used in operating activities	(801)	(605)	(3,219)	(2,349)
Cash flow from investing activities				
Purchase of property, plant and equipment	(86)	(65)	(103)	(196)
Expenditure on intangible assets	-	(9)	-	(9)
Proceeds from disposal of property, plant and equipment	2	2	2	2
Net cash used in investing activities	(84)	(72)	(101)	(203)
Cash flow from financing activity				
Proceeds from exercise of employee share options	-	1	1	1
Net cash generated from financing activity	-	1	1	1
Net decrease in cash and cash equivalents	(885)	(676)	(3,319)	(2,551)
Cash and cash equivalents at the beginning of the financial period	27,303	30,343	29,707	32,119
Effects of exchange rate changes on opening cash and cash equivalents	(43)	54	(13)	153
Cash and cash equivalents at the end of the financial period	26,375	29,721	26,375	29,721
Short-term deposits	20,225	20,170	20,225	20,170
Cash at bank and on hand*	6,150	9,551	6,150	9,551
	26,375	29,721	26,375	29,721

Notes to Cash Flow Statement

* Cash at bank and on hand exclude \$138,107 (Q2FY2014: \$158,188) 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 01.04.14	29,906	(5,410)	67	(1,413)	(6,756)	23,150
Loss for the financial period	-	(2,170)	-	-	(2,170)	(2,170)
Other comprehensive income for the financial period	-	-	-	38	38	38
Total comprehensive income for the financial period	-	(2,170)	-	38	(2,132)	(2,132)
Shares issued due to exercise of employee share options	2	-	(1)	-	(1)	1
Balance at 30.06.14	29,908	(7,580)	66	(1,375)	(8,889)	21,019
Loss for the financial period	-	(900)	-	-	(900)	(900)
Other comprehensive income for the financial period	-	-	-	(121)	(121)	(121)
Total comprehensive income for the financial period	-	(900)	-	(121)	(1,021)	(1,021)
Balance at 30.09.14	29,908	(8,480)	66	(1,496)	(9,910)	19,998
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
Profit for the financial period	-	334	-	-	334	334
Other comprehensive income for the financial period	-	-	-	118	118	118
Total comprehensive income for the financial period	-	334	-	118	452	452
Shares issued due to exercise of employee share options	2	-	(1)	-	(1)	1
Balance at 30.09.13	29,904	(4,625)	76	(1,450)	(5,999)	23,905

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 01.04.14	29,906	(8,352)	67	(8,285)	21,621
Loss for the financial period	-	(792)	-	(792)	(792)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(792)	-	(792)	(792)
Shares issued due to exercise of employee share options	2	-	(1)	(1)	1
Balance at 30.06.14	29,908	(9,144)	66	(9,078)	20,830
Loss for the financial period	-	(683)	-	(683)	(683)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(683)	-	(683)	(683)
Balance at 30.09.14	29,908	(9,827)	66	(9,761)	20,147
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
Loss for the financial period	-	(9)	-	(9)	(9)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(9)	-	(9)	(9)
Shares issued due to exercise of employee share options	2	-	(1)	(1)	1
Balance at 30.09.13	29,904	(6,105)	76	(6,029)	23,875

- (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 period ended 30 September 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 September 2014, the number of ordinary shares of the Company was 1,444,312,658 (30.09.2013 : 1,444,257,658).

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

- 970,000 (30.09.2013 : 1,343,500) 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 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	Group		Change
	Q2 FY2015	Q2 FY2014	%	1H FY2015	1H FY2014	%
(Loss) / earnings per ordinary share						
(a) Based on weighted average number of ordinary shares on issue (cents)	(0.06)	0.02	N/M	(0.21)	0.07	N/M
(b) On a fully diluted basis (cents)	(0.06)	0.02	N/M	(0.21)	0.07	N/M

Earnings per share for the financial period ended 30 September 2014 was calculated based on weighted average number of 1,444,304,024 (30 September 2013: 1,444,226,101) ordinary shares.

Earnings per share for the financial period ended 30 September 2014 computed on a fully dilutive basis is calculated based on the weighted average number of 1,444,383,474 (30 September 2013: 1,444,542,621) 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
	30.09.14	31.03.14	%	30.09.14	31.03.14	%
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period	1.38	1.60	-14%	1.39	1.50	-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 \$4.7 million, a decrease of \$2.3 million or 33% compared with \$7.0 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 \$0.9 million compared with a pre-tax profit of \$0.4 million in prior year. The decline was mainly due to lower revenue and higher staffing costs partially offset by lower depreciation and other operating expenses incurred explained in para 1(a)(ii).
- (b)(i) The Group's and Company's fixed assets decreased by \$0.3 million or 27% and \$0.2 million or 37% to \$0.7 million and \$0.2 million respectively as at 30 September 2014. This was mainly due to depreciation during the period.
- (b)(ii) The Group's prepayments increased by \$0.1 million or 18% to \$0.8 million as at 30 September 2014, mainly due to prepaid University fees.
- (b)(iii) The Group's trade and other receivables decreased by \$1.1 million or 34% to \$2.1 million as at 30 September 2014, mainly due to lower billings. The Company's trade and other receivables decreased by \$0.9 million or 55% to \$0.7 million as at 30 September 2014, mainly due to intercompany settlements.
- (b)(iv) The Group's and Company's cash and cash equivalent declined by \$3.3 million or 11% and \$0.5 million or 35% to \$26.3 million and \$1.0 million as at 30 September 2014 respectively. This was mainly due to the lower collections and payments to suppliers and university partners during the period.
- (b)(v) The Group's and Company's deferred income and fees decreased by \$0.7 million or 14% and \$0.1 million or 35% to \$4.2 million and \$0.2 million as of 30 September 2014 respectively, mainly due to utilisation.
- (b)(vi) The Group's trade and other payables decreased by \$0.8 million or 13% to \$5.4 million, mainly due to payment to suppliers.

