

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 31 December 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			Group		
	Q3 FY2015	Q3 FY2014	% Change	9M FY2015	9M FY2014	% Change
Revenue	3,356	5,561	-40%	11,866	18,678	-36%
Other operating income	4	44	-91%	77	666	-88%
Employee benefits expense	(2,638)	(2,818)	-6%	(8,325)	(8,017)	4%
Depreciation of property, plant and equipment	(157)	(263)	-40%	(533)	(793)	-33%
Other operating expenses	(2,461)	(2,998)	-18%	(8,196)	(10,135)	-19%
Interest income	64	60	7%	218	172	27%
(Loss) / profit before taxation	<u>(1,832)</u>	<u>(414)</u>	N/M	<u>(4,893)</u>	<u>571</u>	N/M
Taxation	(8)	(25)	-68%	(17)	(58)	-71%
(Loss) / profit after tax	<u>(1,840)</u>	<u>(439)</u>	N/M	<u>(4,910)</u>	<u>513</u>	N/M
(Loss) / profit attributable to :						
Equity holders of the Company	<u>(1,840)</u>	<u>(439)</u>	N/M	<u>(4,910)</u>	<u>513</u>	N/M
	<u>(1,840)</u>	<u>(439)</u>	N/M	<u>(4,910)</u>	<u>513</u>	N/M

Consolidated Statement of Comprehensive income

	Group			Group		
	Q3 FY2015	Q3 FY2014	% Change	9M FY2015	9M FY2014	% Change
(Loss) / profit after tax	(1,840)	(439)	N/M	(4,910)	513	N/M
Other comprehensive income :						
Foreign currency translation	<u>(200)</u>	<u>15</u>	N/M	<u>(283)</u>	<u>49</u>	N/M
Other comprehensive income for the financial period, net of tax	<u>(200)</u>	<u>15</u>	N/M	<u>(283)</u>	<u>49</u>	N/M
Total comprehensive income for the financial period	<u>(2,040)</u>	<u>(424)</u>	N/M	<u>(5,193)</u>	<u>562</u>	N/M
Total comprehensive income attributable to :						
Equity holders of the Company	<u>(2,040)</u>	<u>(424)</u>	N/M	<u>(5,193)</u>	<u>562</u>	N/M
	<u>(2,040)</u>	<u>(424)</u>	N/M	<u>(5,193)</u>	<u>562</u>	N/M

1 (a)(i) Notes to income statement

Group			Group		
S\$'000			S\$'000		
Q3 FY2015	Q3 FY2014	Change	9M FY2015	9M FY2014	Change

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

Allowance / (write-back) of doubtful receivables	242	(130)	N/M	156	(76)	N/M
Bad debts written-off	-	10	-100%	28	64	-56%
Net (gain) / loss on disposal of property, plant and equipment	-	-	N/M	(1)	2	N/M
Foreign exchange gain, net	(139)	(52)	N/M	(191)	(124)	54%
Operating lease expenses	712	721	-1%	2,180	2,148	1%

(a)(ii) Other operating expenses declined by \$0.5 million or 18% to \$2.5 million as compared with prior year. The decline was attributed by lower advertisement & promotion expenses, higher exchange gain but offset by higher doubtful receivables.

(a)(iii) Allowance for doubtful receivables increased by \$0.4 million to \$0.2 million as compared with prior year. The increase can be attributed to increased aged receivables for 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	Group	Change	Company	Company	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	31.12.14	31.03.14		31.12.14	31.03.14	
NON-CURRENT ASSETS						
Property, plant and equipment	612	1,015	-40%	178	381	-53%
Intangible assets	31	39	-21%	-	-	-
Investment in subsidiaries	-	-	-	20,074	20,074	-
	643	1,054	-39%	20,252	20,455	-1%
CURRENT ASSETS						
Prepayments	620	640	-3%	160	124	29%
Trade and other receivables	2,318	3,219	-28%	1,310	1,632	-20%
Restricted cash at bank	138	138	-	-	-	-
Cash and cash equivalents	24,172	29,707	-19%	375	1,521	-75%
	27,248	33,704	-19%	1,845	3,277	-44%
CURRENT LIABILITIES						
Deferred income and fees	3,688	4,872	-24%	217	336	-35%
Trade and other payables	5,689	6,172	-8%	1,988	1,361	46%
Provision	270	270	-	148	148	-
Accruals for withholding tax	268	268	-	266	266	-
Income tax payable	25	26	-4%	-	-	-
	9,940	11,608	-14%	2,619	2,111	24%
NET CURRENT ASSETS / (LIABILITY)	17,308	22,096	-22%	(774)	1,166	N/M
TOTAL NET ASSETS	17,951	23,150	-22%	19,478	21,621	-10%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,908	29,906	0%	29,908	29,906	0%
Reserves	(11,957)	(6,756)	77%	(10,430)	(8,285)	26%
TOTAL EQUITY	17,951	23,150	-22%	19,478	21,621	-10%

(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
	Q3 FY2015	Q3 FY2014	9M FY2015	9M FY2014
Cash flow from operating activities				
(Loss) / profit before taxation	(1,832)	(414)	(4,893)	571
Adjustments for :				
Depreciation of property, plant and equipment	157	263	533	793
Amortisation of intangible assets	6	12	19	29
Net (gain) / loss on disposal of property, plant and equipment	-	-	(1)	2
Allowance / (write-back) of doubtful receivables	242	(130)	156	(76)
Bad debts written-off	-	10	28	64
Write-back of deposit received in prior year	-	-	-	(500)
Employee share option write-back	(8)	(2)	(8)	(49)
Interest income	(64)	(60)	(218)	(172)
Unrealised exchange gain	(215)	(70)	(284)	(206)
Operating (loss) / profit before working capital changes	(1,714)	(391)	(4,668)	456
(Increase) / decrease in prepayments, trade and other receivables	(252)	(288)	799	(2,355)
Decrease in cash held in escrow account	-	20	-	22
Decrease in deferred income and fees	(526)	(203)	(1,184)	(768)
Increase / (decrease) in trade and other payables and accruals for withholding tax	320	304	(483)	(344)
Cash used in operations	(2,172)	(558)	(5,536)	(2,989)
Interest received	1	50	156	140
Tax paid	(8)	(23)	(18)	(31)
Net cash used in operating activities	(2,179)	(531)	(5,398)	(2,880)
Cash flow from investing activities				
Purchase of property, plant and equipment	(28)	(29)	(131)	(225)
Expenditure on intangible assets	(12)	(12)	(12)	(21)
Proceeds from disposal of property, plant and equipment	(1)	-	1	2
Net cash used in investing activities	(41)	(41)	(142)	(244)
Cash flow from financing activity				
Proceeds from exercise of employee share options	-	1	1	2
Net cash generated from financing activity	-	1	1	2
Net decrease in cash and cash equivalents	(2,220)	(571)	(5,539)	(3,122)
Cash and cash equivalents at the beginning of the financial period	26,375	29,721	29,707	32,119
Effects of exchange rate changes on opening cash and cash equivalents	17	73	4	226
Cash and cash equivalents at the end of the financial period	24,172	29,223	24,172	29,223
Short-term deposits	20,225	20,170	20,225	20,170
Cash at bank and on hand*	3,947	9,053	3,947	9,053
	24,172	29,223	24,172	29,223

Notes to Cash Flow Statement

* Cash at bank and on hand exclude \$138,107 (Q3FY2014: \$138,107) 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	-	(3,070)	-	-	(3,070)	(3,070)
Other comprehensive income for the financial period	-	-	-	(83)	(83)	(83)
Total comprehensive income for the financial period	-	(3,070)	-	(83)	(3,153)	(3,153)
Shares issued due to exercise of employee share options	2	-	(1)	-	(1)	1
Balance at 30.09.14	29,908	(8,480)	66	(1,496)	(9,910)	19,998
Loss for the financial period	-	(1,840)	-	-	(1,840)	(1,840)
Other comprehensive income for the financial period	-	-	-	(200)	(200)	(200)
Total comprehensive income for the financial period	-	(1,840)	-	(200)	(2,040)	(2,040)
Write-back of equity-settled share options	-	-	(7)	-	(7)	(7)
Balance at 31.12.14	29,908	(10,320)	59	(1,696)	(11,957)	17,951
Balance at 01.04.13	29,902	(5,577)	124	(1,484)	(6,937)	22,965
Profit for the financial period	-	952	-	-	952	952
Other comprehensive income for the financial period	-	-	-	34	34	34
Total comprehensive income for the financial period	-	952	-	34	986	986
Shares issued due to exercise of employee share options	2	-	(1)	-	(1)	1
Write-back of equity-settled share options	-	-	(47)	-	(47)	(47)
Balance at 30.09.13	29,904	(4,625)	76	(1,450)	(5,999)	23,905
Loss for the financial period	-	(439)	-	-	(439)	(439)
Other comprehensive income for the financial period	-	-	-	15	15	15
Total comprehensive income for the financial period	-	(439)	-	15	(424)	(424)
Shares issued due to exercise of employee share options	2	-	(1)	-	(1)	1
Expiry of employee share options	-	5	(5)	-	-	-
Write-back of equity-settled share options	-	-	(2)	-	(2)	(2)
Balance at 31.12.13	29,906	(5,059)	68	(1,435)	(6,426)	23,480

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	-	(1,475)	-	(1,475)	(1,475)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(1,475)	-	(1,475)	(1,475)
Shares issued due to exercise of employee share options	2	-	(1)	(1)	1
Balance at 30.09.14	29,908	(9,827)	66	(9,761)	20,147
Loss for the financial period	-	(662)	-	(662)	(662)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(662)	-	(662)	(662)
Write-back of equity-settled share options	-	-	(7)	(7)	(7)
Balance at 31.12.14	29,908	(10,489)	59	(10,430)	19,478
Balance at 01.04.13	29,902	(6,605)	124	(6,481)	23,421
Profit for the financial period	-	500	-	500	500
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	500	-	500	500
Shares issued due to exercise of employee share options	2	-	(1)	(1)	1
Write-back of equity-settled share options	-	-	(47)	(47)	(47)
Balance at 30.09.13	29,904	(6,105)	76	(6,029)	23,875
Loss for the financial period	-	(97)	-	(97)	(97)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(97)	-	(97)	(97)
Shares issued due to exercise of employee share options	2	-	(1)	(1)	1
Expiry of employee share options	-	5	(5)	-	-
Write-back of equity-settled share options	-	-	(2)	(2)	(2)
Balance at 31.12.13	29,906	(6,197)	68	(6,129)	23,777

- (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 9 months ended 31 December 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 31 December 2014, the number of ordinary shares of the Company was 1,444,312,658 (31.12.2013 : 1,444,292,658).

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

- 863,000 (31.12.2013 : 1,015,000) 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 December 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
	Q3 FY2015	Q3 FY2014	%	9M FY2015	9M FY2014	%
(Loss) / earnings per ordinary share						
(a) Based on weighted average number of ordinary shares on issue (cents)	(0.13)	(0.03)	N/M	(0.34)	0.04	N/M
(b) On a fully diluted basis (cents)	(0.13)	(0.03)	N/M	(0.34)	0.04	N/M

Earnings per share for the financial period ended 31 December 2014 was calculated based on weighted average number of 1,444,306,913 (31 December 2013: 1,444,239,203) ordinary shares.

Earnings per share for the financial period ended 31 December 2014 computed on a fully dilutive basis is calculated based on the weighted average number of 1,444,319,364 (31 December 2013: 1,444,353,268) 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
	31.12.14	31.03.14	%	31.12.14	31.03.14	%
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period	1.24	1.60	-23%	1.35	1.50	-10%

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 \$3.4 million, a decrease of \$2.2 million or 40% compared with \$5.6 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 \$1.8 million compared with \$0.4 million in prior year. The decline was mainly due to lower revenue partially offset by lower depreciation, staffing costs and other operating expenses incurred explained in para 1(a)(ii).
- (b)(i) The Group's and Company's fixed assets decreased by \$0.4 million or 40% and \$0.2 million or 53% to \$0.6 million and \$0.2 million respectively as at 31 December 2014. This was mainly due to depreciation during the period.
- (b)(ii) The Group's trade and other receivables decreased by \$0.9 million or 28% to \$2.3 million as at 31 December 2014, mainly due to lower billings and aged receivables provision. The Company's trade and other receivables decreased by \$0.3 million or 20% to \$1.3 million as at 31 December 2014, mainly due to lower billings.
- (b)(iii) The Group's and Company's cash and cash equivalent declined by \$5.5 million or 19% and \$1.1 million or 75% to \$24.2 million and \$0.4 million as at 31 December 2014 respectively. This was mainly due to the lower collections and payments to suppliers and university partners during the period.
- The Company's net current liability position stands at \$0.8 million as at 31 December 2014. During the last 9 months, the Company had reduced income from its services to various clients due to a slowdown in their business, resulting in lower cash flow for the Company.
- (b)(iv) The Group's and Company's deferred income and fees decreased by \$1.2 million or 24% and \$0.1 million or 35% to \$3.7 million and \$0.2 million as of 31 December 2014 respectively, mainly due to utilisation.
- (b)(v) 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 \$0.6 million or 46% to \$2.0 million due to intercompany transactions.

- 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 will work towards deepening relationship with our university partners to increase revenue opportunities beyond offering their degrees.
- 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

Yau Su Peng
Executive Director

12th February 2015
SINGAPORE