

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 2015:-

- 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 FY2016	Q1 FY2015	Change
Revenue	2,493	3,773	-34%
Other operating income	-	1	-100%
Employee benefits expense	(2,327)	(2,769)	-16%
Depreciation of property, plant and equipment	(156)	(220)	-29%
Other operating expenses	(2,717)	(3,034)	-10%
Interest income	53	84	-37%
Loss before taxation	<u>(2,654)</u>	<u>(2,165)</u>	23%
Taxation	(6)	(5)	20%
Loss after tax	<u>(2,660)</u>	<u>(2,170)</u>	23%
Loss attributable to :			
Equity holders of the Company	<u>(2,660)</u>	<u>(2,170)</u>	23%
	<u>(2,660)</u>	<u>(2,170)</u>	23%

Consolidated Statement of Comprehensive income

	Group S\$'000		%
	Q1 FY2016	Q1 FY2015	Change
Loss after tax	(2,660)	(2,170)	23%
Other comprehensive income :			
Foreign currency translation	<u>142</u>	<u>38</u>	N/M
Other comprehensive income for the financial period, net of tax	<u>142</u>	<u>38</u>	N/M
Total comprehensive income for the financial period	<u>(2,518)</u>	<u>(2,132)</u>	18%
Total comprehensive income attributable to :			
Equity holders of the Company	<u>(2,518)</u>	<u>(2,132)</u>	18%
	<u>(2,518)</u>	<u>(2,132)</u>	18%

Group		%
S\$'000		
Q1 FY2016	Q1 FY2015	Change

1 (a)(i) Notes to income statement

Loss is stated after charging / (crediting) :

Allowance for doubtful receivables	208	269	-23%
Bad debts written-off	-	31	-100%
Foreign exchange loss, net	163	67	N/M
Operating lease expenses	673	722	-7%

- (a)(ii) Employee benefit expense decreased by \$0.4 million or 16% to \$2.3 million, mainly due to headcount reduction for Singapore Operations during the financial period.
- (a)(iii) Depreciation of property, plant and equipment decreased by \$64,000 or 29% to \$156,000, mainly due to fully depreciated property, plant and equipment during the financial period.
- (a)(iv) Other operating expenses declined by \$0.3 million or 10% to \$2.7 million as compared with prior year. The decline was attributed by lower advertisement & promotion, traveling expenses and lower doubtful receivables, offset by higher exchange loss.
- (a)(v) Allowance for doubtful receivables and bad debts decreased by \$0.1 million as compared with prior year. The decrease can be attributed to decreased 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 S\$'000 30.06.15	Group S\$'000 31.03.15	Change %	Company S\$'000 30.06.15	Company S\$'000 31.03.15	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	779	476	64%	92	119	-23%
Intangible assets	21	25	-16%	-	-	-
Investment in subsidiaries	-	-	-	18,167	18,167	-
	800	501	60%	18,259	18,286	0%
CURRENT ASSETS						
Prepayments	794	651	22%	85	128	-34%
Trade and other receivables	2,470	3,166	-22%	819	816	0%
Restricted cash at bank	138	138	-	-	-	-
Cash and cash equivalents	19,693	22,198	-11%	152	404	-62%
	23,095	26,153	-12%	1,056	1,348	-22%
CURRENT LIABILITIES						
Deferred income and fees	3,552	3,709	-4%	217	331	-34%
Trade and other payables	4,578	4,624	-1%	2,839	2,198	29%
Provision	230	270	-15%	148	148	-
Accruals for withholding tax	268	268	-	266	266	-
Income tax payable	25	23	9%	-	-	-
	8,653	8,894	-3%	3,470	2,943	18%
NET CURRENT ASSETS / (LIABILITY)	14,442	17,259	-16%	(2,414)	(1,595)	51%
TOTAL NET ASSETS	15,242	17,760	-14%	15,845	16,691	-5%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,908	29,908	-	29,908	29,908	-
Reserves	(14,666)	(12,148)	21%	(14,063)	(13,217)	6%
TOTAL EQUITY	15,242	17,760	-14%	15,845	16,691	-5%

(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 FY2016	Q1 FY2015
Cash flow from operating activities		
Loss before taxation	(2,654)	(2,165)
Adjustments for :		
Depreciation of property, plant and equipment	156	220
Amortisation of intangible assets	5	9
Allowance for doubtful receivables	208	269
Bad debts written-off	-	31
Interest income	(53)	(84)
Unrealised exchange loss	117	4
Operating loss before working capital changes	<u>(2,221)</u>	<u>(1,716)</u>
Decrease in prepayments, trade and other receivables	398	425
Decrease in deferred income and fees	(157)	(683)
Decrease in trade and other payables and accruals for withholding tax	<u>(168)</u>	<u>(496)</u>
Cash used in operations	(2,148)	(2,470)
Interest received	-	57
Tax paid	<u>(4)</u>	<u>(5)</u>
Net cash used in operating activities	<u>(2,152)</u>	<u>(2,418)</u>
Cash flow from investing activity		
Purchase of property, plant and equipment	<u>(372)</u>	<u>(17)</u>
Net cash used in investing activity	<u>(372)</u>	<u>(17)</u>
Cash flow from financing activity		
Proceeds from exercise of employee share options	-	1
Net cash generated from financing activity	<u>-</u>	<u>1</u>
Net decrease in cash and cash equivalents	(2,524)	(2,434)
Cash and cash equivalents at the beginning of the financial period	22,198	29,707
Effects of exchange rate changes on opening cash and cash equivalents	19	30
Cash and cash equivalents at the end of the financial period	<u>19,693</u>	<u>27,303</u>
Short-term deposits	17,127	20,207
Cash at bank and on hand*	<u>2,566</u>	<u>7,096</u>
	<u>19,693</u>	<u>27,303</u>

Notes to Cash Flow Statement

* Cash at bank and on hand exclude \$138,107 (Q1 FY2015: \$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 01.04.15	29,908	(10,317)	53	(1,884)	(12,148)	17,760
Loss for the financial period	-	(2,660)	-	-	(2,660)	(2,660)
Other comprehensive income for the financial period	-	-	-	142	142	142
Total comprehensive income for the financial period	-	(2,660)	-	142	(2,518)	(2,518)
Balance at 30.6.15	29,908	(12,977)	53	(1,742)	(14,666)	15,242
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 30.6.14	29,908	(7,580)	66	(1,375)	(8,889)	21,019

- 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 01.04.15	29,908	(13,270)	53	(13,217)	16,691
Loss for the financial period	-	(846)	-	(846)	(846)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(846)	-	(846)	(846)
Balance at 30.6.15	29,908	(14,116)	53	(14,063)	15,845
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 30.6.14	29,908	(9,144)	66	(9,078)	20,830

- (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 2015.

Hence, as at 30 June 2015, the number of ordinary shares of the Company was 1,444,312,658 (30.06.2014 : 1,444,312,658).

As at 30 June 2015, the outstanding options were as follows:

- 674,000 (30.06.2014 : 970,000) 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 2015	As at end of financial year ended 31 March 2015
Total number of ordinary shares issued	1,444,312,658	1,444,312,658

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 2015, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2015.

- 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 2015. 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 FY2016	Q1 FY2015	%
Earnings per ordinary share			
(a) Based on weighted average number of ordinary shares on issue (cents)	(0.18)	(0.15)	20%
(b) On a fully diluted basis (cents)	(0.18)	(0.15)	20%

Earnings per share for the financial period ended 30 June 2015 was calculated based on weighted average number of 1,444,312,658 (30 June 2014: 1,444,295,295) ordinary shares.

Earnings per share for the financial period ended 30 June 2015 computed on a fully dilutive basis is calculated based on the weighted average number of 1,444,312,658 (30 June 2014: 1,444,392,006) 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
	30.06.15	31.03.15	%	30.06.15	31.03.15	%
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period	1.06	1.23	-14%	1.10	1.16	-5%

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 \$2.5 million, a decrease of \$1.3 million or 34% compared with \$3.8 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 \$2.7 million, a increase of \$0.5 million or 23%, compared with \$2.2 million in prior year. This was mainly due to lower revenue and higher exchange loss for the period. This is however partially offset by lower other operating expenses incurred explained in para 1(a)(iv).
- (b)(i) The Group's fixed assets increased by \$0.3 million or 64% to \$0.8 million as at 30 June 2015. This was mainly due to fixed assets acquired for the new Singapore Campus at the National Library Building during the financial period.
- (b)(ii) The Group's prepayments increased by \$0.1 million or 22% to \$0.8 million as at 30 June 2015, mainly due to prepaid University fees amounting to \$0.3 million. The increase is however, partially offset by the utilisation of advance payment made for capital expenditure and renovation of the new Singapore Campus during the financial period.
- (b)(iii) The Group's trade and other receivables decreased by \$0.7 million or 22% to \$2.5 million as at 30 June 2015, mainly due to lower billings and aged receivables during the period.
- (b)(iv) The Group's and Company's cash and cash equivalent declined by \$2.5 million or 11% and \$0.2 million or 62% to \$19.7 million and \$0.2 million respectively, as at 30 June 2015. This was mainly due to the lower collections and payments to suppliers and university partners during the financial period.
- (b)(v) The Group's and Company's deferred income and fees decreased by \$0.2 million or 4% and \$0.1 million or 34% to \$3.6 million and \$0.2 million respectively, as at 30 June 2015. This was mainly due to recognition of deferred exam revenue from the previous term and also lower collection.
- (b)(vi) The Company's trade and other payables increased by \$0.6 million or 29% to \$2.8 million as at 30 June 2015, due to intercompany transactions.
- (b)(vii) The Company's net current liability position stands at \$2.4 million as at 30 June 2015. During the financial period, the Company had reduced income from its services to various clients due to a slowdown in their businesses, resulting in lower cash flow for the Company.

- 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 market condition remains competitive and the Group will launch new products to cater for different market segments.
- 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 Aug 2015
SINGAPORE