

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 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			%	Group S\$'000			%
	Q3 FY2016	Q3 FY2015	Change		9M FY2016	9M FY2015	Change	
<b>Revenue</b>	2,507	3,356	-25%	8,390	11,866	-29%		
Other operating income	466	4	N/M	483	77	N/M		
Employee benefits expense	(2,127)	(2,638)	-19%	(6,784)	(8,325)	-19%		
Depreciation of property, plant and equipment	(134)	(157)	-15%	(431)	(533)	-19%		
Other operating expenses	(2,185)	(2,461)	-11%	(7,261)	(8,196)	-11%		
Interest income	61	64	-5%	175	218	-20%		
<b>Loss before taxation</b>	<u>(1,412)</u>	<u>(1,832)</u>	-23%	<u>(5,428)</u>	<u>(4,893)</u>	11%		
Taxation	(5)	(8)	-38%	16	(17)	N/M		
<b>Loss after tax</b>	<u>(1,417)</u>	<u>(1,840)</u>	-23%	<u>(5,412)</u>	<u>(4,910)</u>	10%		
<b>Loss attributable to :</b>								
Equity holders of the Company	<u>(1,417)</u>	<u>(1,840)</u>	-23%	<u>(5,412)</u>	<u>(4,910)</u>	10%		
	<u>(1,417)</u>	<u>(1,840)</u>	-23%	<u>(5,412)</u>	<u>(4,910)</u>	10%		

**Consolidated Statement of Comprehensive income**

	Group S\$'000			%	Group S\$'000			%
	Q3 FY2016	Q3 FY2015	Change		9M FY2016	9M FY2015	Change	
<b>Loss after tax</b>	(1,417)	(1,840)	-23%	(5,412)	(4,910)	10%		
<b>Other comprehensive income :</b>								
Foreign currency translation	<u>111</u>	<u>(200)</u>	N/M	<u>65</u>	<u>(283)</u>	N/M		
Other comprehensive income for the financial period, net of tax	<u>111</u>	<u>(200)</u>	N/M	<u>65</u>	<u>(283)</u>	N/M		
<b>Total comprehensive income for the financial period</b>	<u>(1,306)</u>	<u>(2,040)</u>	-36%	<u>(5,347)</u>	<u>(5,193)</u>	3%		
<b>Total comprehensive income attributable to :</b>								
Equity holders of the Company	<u>(1,306)</u>	<u>(2,040)</u>	-36%	<u>(5,347)</u>	<u>(5,193)</u>	3%		
	<u>(1,306)</u>	<u>(2,040)</u>	-36%	<u>(5,347)</u>	<u>(5,193)</u>	3%		

1 (a)(i) Notes to income statement

Group S\$'000			%	Group S\$'000			%
Q3 FY2016	Q3 FY2015	Change		9M FY2016	9M FY2015	Change	

Loss is stated after charging / (crediting) :

Allowance for doubtful receivables	14	242	-94%	80	156	-49%
Bad debts written-off	107	-	N/M	176	28	N/M
Net gain on disposal of property, plant and equipment	-	-	N/M	-	(1)	N/M
Foreign exchange loss / (gain), net	118	(139)	N/M	92	(191)	N/M
Operating lease expenses	572	712	-20%	1,823	2,180	-16%

(a)(ii) Other operating income increased by \$0.5 million, mainly due to a write-back of provisions and Productivity and Innovation Credits (PIC) received by a subsidiary in Singapore.

(a)(iii) Employee benefit expense decreased by \$0.5 million or 19% to \$2.1 million, mainly due to headcount reduction for Singapore and United Kingdom Operations during the current period.

(a)(iv) Other operating expenses declined by \$0.3 million or 11% to \$2.2 million as compared with prior year. The decrease can be attributed to lower advertisement & promotion, rental, utilities and doubtful receivables, offset by higher exchange losses.

(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 lower 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 31.12.15	Group S\$'000 31.03.15	Change %	Company S\$'000 31.12.15	Company S\$'000 31.03.15	Change %
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	584	476	23%	67	119	-44%
Intangible assets	14	25	-44%	-	-	-
Investment in subsidiaries	-	-	-	15,572	18,167	-14%
	598	501	19%	15,639	18,286	-14%
<b>CURRENT ASSETS</b>						
Prepayments	609	651	-6%	119	128	-7%
Trade and other receivables	1,854	3,166	-41%	316	816	-61%
Restricted cash at bank	138	138	-	-	-	-
Cash and cash equivalents	16,590	22,198	-25%	173	404	-57%
	19,191	26,153	-27%	608	1,348	-55%
<b>CURRENT LIABILITIES</b>						
Deferred income and fees	2,834	3,709	-24%	-	331	-100%
Trade and other payables	4,286	4,624	-7%	3,093	2,198	41%
Provision	230	270	-15%	148	148	-
Accruals for withholding tax	2	268	-99%	-	266	-100%
Income tax payable	24	23	4%	-	-	-
	7,376	8,894	-17%	3,241	2,943	10%
<b>NET CURRENT ASSETS / (LIABILITY)</b>	11,815	17,259	-32%	(2,633)	(1,595)	65%
<b>TOTAL NET ASSETS</b>	12,413	17,760	-30%	13,006	16,691	-22%
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>						
Share capital	29,908	29,908	-	29,908	29,908	-
Reserves	(17,495)	(12,148)	44%	(16,902)	(13,217)	28%
<b>TOTAL EQUITY</b>	12,413	17,760	-30%	13,006	16,691	-22%

(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 FY2016	Q3 FY2015	9M FY2016	9M FY2015
<b>Cash flow from operating activities</b>				
Loss before taxation	(1,412)	(1,832)	(5,428)	(4,893)
Adjustments for :				
Depreciation of property, plant and equipment	134	157	431	533
Amortisation of intangible assets	3	6	12	19
Net gain on disposal of property, plant and equipment	-	-	-	(1)
Allowance for doubtful receivables	14	242	80	156
Bad debts written-off	107	-	176	28
Employee share option write-back	-	(8)	-	(8)
Interest income	(61)	(64)	(175)	(218)
Unrealised exchange loss / (gain)	145	(215)	41	(284)
<b>Operating loss before working capital changes</b>	(1,070)	(1,714)	(4,863)	(4,668)
Decrease / (increase) in prepayments, trade and other receivables	424	(252)	1,055	799
Decrease in deferred income and fees	(559)	(526)	(875)	(1,184)
(Decrease) / increase in trade and other payables and accruals for withholding tax	(575)	320	(696)	(483)
<b>Cash used in operations</b>	(1,780)	(2,172)	(5,379)	(5,536)
Interest received	5	1	218	156
Tax paid	(6)	(8)	(13)	(18)
<b>Net cash used in operating activities</b>	(1,781)	(2,179)	(5,174)	(5,398)
<b>Cash flow from investing activity</b>				
Purchase of property, plant and equipment	(42)	(28)	(453)	(131)
Expenditure on intangible assets	-	(12)	-	(12)
Proceeds from disposal of property, plant and equipment	-	(1)	-	1
<b>Net cash used in investing activity</b>	(42)	(41)	(453)	(142)
<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	(1,823)	(2,220)	(5,627)	(5,539)
Cash and cash equivalents at the beginning of the financial period	18,440	26,375	22,198	29,707
Effects of exchange rate changes on opening cash and cash equivalents	(27)	17	19	4
<b>Cash and cash equivalents at the end of the financial period</b>	<b>16,590</b>	<b>24,172</b>	<b>16,590</b>	<b>24,172</b>
Short-term deposits	14,000	20,225	14,000	20,225
Cash at bank and on hand*	2,590	3,947	2,590	3,947
	<b>16,590</b>	<b>24,172</b>	<b>16,590</b>	<b>24,172</b>

**Notes to Cash Flow Statement**

\* Cash at bank and on hand exclude \$138,107 (Q3 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
<b>Group</b>						
<b>Balance at 01.04.15</b>	29,908	(10,317)	53	(1,884)	(12,148)	17,760
Loss for the financial period	-	(3,995)	-	-	(3,995)	(3,995)
Other comprehensive income for the financial period	-	-	-	(46)	(46)	(46)
Total comprehensive income for the financial period	-	(3,995)	-	(46)	(4,041)	(4,041)
<b>Balance at 30.09.15</b>	29,908	(14,312)	53	(1,930)	(16,189)	13,719
Loss for the financial period	-	(1,417)	-	-	(1,417)	(1,417)
Other comprehensive income for the financial period	-	-	-	111	111	111
Total comprehensive income for the financial period	-	(1,417)	-	111	(1,306)	(1,306)
<b>Balance at 31.12.15</b>	29,908	(15,729)	53	(1,819)	(17,495)	12,413
<b>Balance at 01.04.14</b>	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
<b>Balance at 30.09.14</b>	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)
<b>Balance at 31.12.14</b>	29,908	(10,320)	59	(1,696)	(11,957)	17,951

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 01.04.15</b>	29,908	(13,270)	53	(13,217)	16,691
Loss for the financial period	-	(3,122)	-	(3,122)	(3,122)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(3,122)	-	(3,122)	(3,122)
<b>Balance at 30.09.15</b>	29,908	(16,392)	53	(16,339)	13,569
Loss for the financial period	-	(563)	-	(563)	(563)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(563)	-	(563)	(563)
<b>Balance at 31.12.15</b>	29,908	(16,955)	53	(16,902)	13,006
<b>Balance at 01.04.14</b>	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
<b>Balance at 30.09.14</b>	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)
<b>Balance at 31.12.14</b>	29,908	(10,489)	59	(10,430)	19,478

(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 31 December 2015, the number of ordinary shares of the Company was 1,444,312,658 (30.12.2014 : 1,444,312,658).

As at 31 December 2015, the outstanding options were as follows:

- 674,000 (31.12.2014 : 863,000) 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 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	Group		Change
	Q3 FY2016	Q3 FY2015	%	9M FY2016	9M FY2015	%

Earnings per ordinary share

<b>(a)</b>	Based on weighted average number of ordinary shares on issue (cents)	(0.10)	(0.13)	-23%	(0.37)	(0.34)	9%
<b>(b)</b>	On a fully diluted basis (cents)	(0.10)	(0.13)	-23%	(0.37)	(0.34)	9%

Earnings per share for the financial period ended 31 December 2015 was calculated based on weighted average number of 1,444,312,658 (31 December 2014: 1,444,306,913) ordinary shares.

Earnings per share for the financial period ended 31 December 2015 computed on a fully dilutive basis is calculated based on the weighted average number of 1,444,312,658 (31 December 2014: 1,444,319,364) 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
	31.12.15	31.03.15	%	31.12.15	31.03.15	%

Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period

	0.86	1.23	-30%	0.90	1.16	-22%
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**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 \$0.8 million or 25% compared with \$3.3 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 \$1.4 million, a decrease of \$0.4 million or 23%, compared with \$1.8 million in prior year. This was mainly due lower other operating expenses incurred explained in para 1(a)(iv), lower employee benefit expenses and higher other operating income, which is partially offset by lower revenue .
- (b)(i)** The Group's fixed assets increased by \$0.1 million or 23% to \$0.6 million as at 31 December 2015. This was mainly due to fixed assets acquired for the new Singapore Campus at the National Library Building during the year, partially offset by depreciation. The Company's fixed assets declined by \$52,000 or 44%, mainly due to depreciation.
- (b)(ii)** The Company's investment in subsidiaries declined by \$2.6 million or 14% to \$15.6 million as at 31 December 2015. This was due to an impairment loss recognised to reduce the investments to their recoverable amount.
- (b)(iii)** The Group's trade and other receivables decreased by \$1.3 million or 41% to \$1.9 million as at 31 December 2015, mainly due to lower billings and aged receivables during the period. The Company's trade and other receivables decreased by \$0.5 million or 61% to \$0.3 million as at 31 December 2015, mainly due to doubtful receivables provision recognised during the year for intercompany balances.
- (b)(iv)** The Group's and Company's cash and cash equivalent declined by \$5.6 million or 25% and \$0.2 million or 57% to \$16.6 million and \$0.2 million respectively, as at 31 December 2015. 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 \$0.9 million or 24% and \$0.3 million or 100% to \$2.8 million and \$nil respectively, as at 31 December 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 \$0.9 million or 41% to \$3.1 million as at 31 December 2015, due to intercompany transactions.
- (b)(vii)** The Group's and Company's accruals for withholding tax decreased by \$0.3 million respectively, as at 31 December 2015. This was mainly due to the Company writing off corresponding receivables as well as write-back of unrequired withholding tax balances.
- (b)(viii)** The Company's net current liability position stands at \$2.6 million as at 31 December 2015. During the year, 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.**  
In response to the national agenda to develop a skills-based workforce, we are exploring opportunities with industry partners to expand our product offerings.
- 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.
- 15 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).**  
The Board hereby confirmed that undertakings from all directors and executive officers have been procured for the financial period.

**BY ORDER OF THE BOARD**

Yau Su Peng  
Executive Director

5th Feb 2016  
SINGAPORE