

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 2016 :-

- 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 FY2017	Q1 FY2016	Change
Revenue	1,918	2,493	-23%
Other operating income	74	-	N/M
Employee benefits expense	(2,181)	(2,327)	-6%
Depreciation of property, plant and equipment	(48)	(156)	-69%
Other operating expenses	(1,871)	(2,717)	-31%
Interest income	44	53	-17%
Loss before taxation	<u>(2,064)</u>	<u>(2,654)</u>	-22%
Taxation	(2)	(6)	-67%
Loss after tax	<u><u>(2,066)</u></u>	<u><u>(2,660)</u></u>	-22%
Loss attributable to :			
Equity holders of the Company	<u>(2,066)</u>	<u>(2,660)</u>	-22%
	<u><u>(2,066)</u></u>	<u><u>(2,660)</u></u>	-22%

Consolidated Statement of Comprehensive income

	Group S\$'000		%
	Q1 FY2017	Q1 FY2016	Change
Loss after tax	(2,066)	(2,660)	-22%
Other comprehensive income :			
Foreign currency translation	<u>115</u>	<u>142</u>	-19%
Other comprehensive income for the financial period, net of tax	<u>115</u>	<u>142</u>	-19%
Total comprehensive income for the financial period	<u><u>(1,951)</u></u>	<u><u>(2,518)</u></u>	-23%
Total comprehensive income attributable to :			
Equity holders of the Company	<u>(1,951)</u>	<u>(2,518)</u>	-23%
	<u><u>(1,951)</u></u>	<u><u>(2,518)</u></u>	-23%

Group S\$'000		%
Q1 FY2017	Q1 FY2016	Change

1 (a)(i) Notes to income statement

Loss is stated after charging / (crediting) :

(Write-back) / allowance for doubtful receivables	(22)	208	N/M
Bad debts written-off	50	-	N/M
Net loss on disposal of property, plant and equipment	2	-	N/M
Foreign exchange loss, net	46	163	-72%
Operating lease expenses	578	673	-14%

- (a)(ii) Other operating income increased by \$74,000, mainly due to Productivity and Innovation Credits (PIC) received by Singapore entities.
- (a)(iii) Employee benefit expense decreased by \$0.1 million or 6% to \$2.2 million, mainly due to headcount reduction for Singapore and United Kingdom operations during the financial period.
- (a)(iv) Depreciation of property, plant and equipment decreased by \$0.1 million or 69% to \$48,000, mainly due to fully depreciated property, plant and equipment during the financial period.
- (a)(v) Other operating expenses declined by \$0.8 million or 31% to \$1.9 million as compared with prior year. The decrease can be attributed to lower advertisement & promotion, rental, provision for doubtful debt receivables, foreign exchange loss and writeback of unrequired provision.
- (a)(vi) Allowance for doubtful receivables and bad debts written off decreased by \$0.2 million as compared with prior year. There was mainly due to a reduction in doubtful receivables for United Kingdom's 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 30.06.16	Group S\$'000 31.03.16	Change %	Company S\$'000 30.06.16	Company S\$'000 31.03.16	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	285	293	-3%	86	77	12%
Intangible assets	17	10	70%	-	-	-
Investment in subsidiaries	-	-	-	14,845	15,791	-6%
	302	303	0%	14,931	15,868	-6%
CURRENT ASSETS						
Prepayments	411	486	-15%	124	154	-19%
Trade and other receivables	1,528	2,131	-28%	421	686	-39%
Restricted cash at bank	138	138	-	-	-	-
Cash and fixed deposits	14,161	15,286	-7%	271	245	11%
	16,238	18,041	-10%	816	1,085	-25%
CURRENT LIABILITIES						
Deferred income and fees	1,609	1,453	11%	-	93	-100%
Trade and other payables	3,585	3,593	0%	3,739	2,954	27%
Provision	230	230	-	148	148	-
Accruals for withholding tax	2	2	-	-	-	-
Income tax payable	-	1	-100%	-	-	-
	5,426	5,279	3%	3,887	3,195	22%
NET CURRENT ASSETS / (LIABILITY)	10,812	12,762	-15%	(3,071)	(2,110)	46%
TOTAL NET ASSETS	11,114	13,065	-15%	11,860	13,758	-14%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,908	29,908	-	29,908	29,908	-
Reserves	(18,794)	(16,843)	12%	(18,048)	(16,150)	12%
TOTAL EQUITY	11,114	13,065	-15%	11,860	13,758	-14%

(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 FY2017	Q1 FY2016
Cash flow from operating activities		
Loss before taxation	(2,064)	(2,654)
Adjustments for :		
Depreciation of property, plant and equipment	48	156
Amortisation of intangible assets	3	5
Net loss on disposal of property, plant and equipment (Write-back) / allowance for doubtful receivables	2	-
Bad debts written-off	(22)	208
Interest income	50	-
Unrealised exchange loss	(44)	(53)
	<u>173</u>	<u>117</u>
Operating loss before working capital changes	(1,854)	(2,221)
Decrease in prepayments, trade and other receivables	667	398
Increase / (decrease) in deferred income and fees	156	(157)
Decrease in trade and other payables and accruals for withholding tax	<u>(8)</u>	<u>(168)</u>
Cash used in operations	(1,039)	(2,148)
Interest received	27	-
Tax paid	<u>(3)</u>	<u>(4)</u>
Net cash used in operating activities	<u>(1,015)</u>	<u>(2,152)</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(49)	(372)
Expenditure on intangible assets	(12)	-
Withdrawal of fixed deposits	<u>3,000</u>	<u>2,127</u>
Net cash generated from investing activities	<u>2,939</u>	<u>1,755</u>
Net increase / (decrease) in cash and cash equivalents	1,924	(397)
Cash and cash equivalents at the beginning of the financial period	5,286	5,071
Effects of exchange rate changes on opening cash and cash equivalents	(49)	19
Cash and cash equivalents at the end of the financial period	<u>7,161</u>	<u>4,693</u>
Short-term deposits	7,000	15,000
Cash and cash equivalents	<u>7,161</u>	<u>4,693</u>
Cash and fixed deposits*	<u>14,161</u>	<u>19,693</u>

Notes to Cash Flow Statement

* Cash and fixed deposits exclude \$138,107 (Q1 FY2016: \$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 01.04.16	29,908	(15,367)	-	(1,476)	(16,843)	13,065
Loss for the financial period	-	(2,066)	-	-	(2,066)	(2,066)
Other comprehensive income for the financial period	-	-	-	115	115	115
Total comprehensive income for the financial period	-	(2,066)	-	115	(1,951)	(1,951)
Balance at 30.06.16	29,908	(17,433)	-	(1,361)	(18,794)	11,114
Company						
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 30.06.15	29,908	(12,977)	53	(1,742)	(14,666)	15,242

- 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 01.04.16	29,908	(16,150)	-	(16,150)	13,758
Loss for the financial period	-	(1,898)	-	(1,898)	(1,898)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(1,898)	-	(1,898)	(1,898)
Balance at 30.06.16	29,908	(18,048)	-	(18,048)	11,860
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 30.06.15	29,908	(14,116)	53	(14,063)	15,845

- (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 2016.

Hence, as at 30 June 2016, the number of ordinary shares of the Company was 72,215,467 (30.06.2015 : 1,444,312,658). There were no outstanding share options.

During the previous financial year, the Company undertook a share consolidation exercise, where every twenty (20) existing ordinary shares in the capital of the Company were consolidated into one (1) consolidated share. This was approved by shareholders at the Extraordinary General Meeting of the Company held on 29 December 2015.

Following the completion of the share consolidation, which became effective on 8 January 2016, the number of ordinary shares of the Company was reduced to 72,215,467. Any fractions of ordinary shares arising from the share consolidation were disregarded.

- (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 2016	As at end of financial year ended 31 March 2016
Total number of ordinary shares issued	72,215,467	72,215,467

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 2016, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2016.

- 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 2016. 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 FY2017	Q1 FY2016 (Restated)	%
Earnings per ordinary share			
(a) Based on weighted average number of ordinary shares on issue (cents)	(2.86)	(3.68)	-22%
(b) On a fully diluted basis (cents)	(2.86)	(3.68)	-22%

Earnings per share for the financial period ended 30 June 2016 was calculated based on weighted average number of 72,215,467 (30 June 2015 (restated): 72,215,467) ordinary shares.

Earnings per share for the financial period ended 30 June 2016 computed on a fully dilutive basis is calculated based on the weighted average number of 72,215,467 (30 June 2015 (restated): 72,215,467) ordinary shares adjusted for the dilutive effect of share options.

For a meaningful comparison as a result of the share consolidation in previous financial year [Refer to 1(d)(ii) for details], the comparative earnings per share for 30 June 2015 were restated.

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
	30.06.16	31.03.16	%	30.06.16	31.03.16	%
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period	15.39	18.09	-15%	16.42	19.05	-14%

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 \$1.9 million, a decrease of \$0.6 million or 23% as compared with \$2.5 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 \$2.1 million, which is \$0.6 million or 22% lower than prior year. This was mainly due to lower employee benefits expense, depreciation expense and other operating expenses (explained in a(iii),(iv),(v) respectively) which was offset by the lower revenue.
- (b)(i) The Company's investment in subsidiaries declined by \$0.9 million or 6% to \$14.8 million as at 30 June 2016. This was due to an impairment loss recognised to reduce the investment to its recoverable amount.
- (b)(ii) The Group's prepayments decreased by \$0.1 million or 15% to \$0.4 million as at 30 June 2016, mainly due to the utilisation of prepaid University Fees.
- (b)(iii) The Group's trade and other receivables decreased by \$0.6 million or 28% to \$1.5 million as at 30 June 2016 while the Company's trade and other receivables decreased by \$0.3 million or 39% to \$0.4 million as at 30 June 2016. This was mainly attributed to the lower billings and collections made during the financial period.
- (b)(iv) The Group's cash and fixed deposits declined by \$1.1 million or 7% to \$14.2 million as at 30 June 2016. The decline was mainly due to cash utilisation for operations.
- (b)(v) The Group's deferred income and fees increased by \$0.2 million or 11% to \$1.6 million as at 30 June 2016. This is mainly attributed to higher collections by the Singapore School. This was however, offset by a \$0.1 million decrease in the Company's deferred income due to recognition of deferred exam revenue from the previous term.
- (b)(vi) The Company's trade and other payables increased by \$0.8 million or 27% to \$3.7 million as at 30 June 2016, mainly due to intercompany transactions.
- (b)(vii) The Company's net current liability position stands at \$3.1 million as at 30 June 2016. 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 Group will continue to expand and strengthen its recruitment network by working with external partners.
- 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

11th Aug 2016
SINGAPORE