

**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 2017 :-

- 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          |                |          |
|---|----------------|----------------|----------|----------------|----------------|----------|
|   | Q2 FY2018      | Q2 FY2017      | % Change | 1H FY2018      | 1H FY2017      | % Change |
| <b>Revenue</b>                                | 2,577          | 2,916          | -12%     | 4,048          | 4,834          | -16%     |
| Other operating income                        | 2              | 6              | -67%     | 16             | 80             | -80%     |
| Employee benefits expense                     | (1,824)        | (2,033)        | -10%     | (3,859)        | (4,214)        | -8%      |
| Depreciation of property, plant and equipment | (56)           | (62)           | -10%     | (113)          | (110)          | 3%       |
| Other operating expenses                      | (2,293)        | (2,440)        | -6%      | (3,822)        | (4,311)        | -11%     |
| Interest income                               | 1              | 34             | -97%     | 5              | 78             | -94%     |
| <b>Loss before taxation</b>                   | <u>(1,593)</u> | <u>(1,579)</u> | 1%       | <u>(3,725)</u> | <u>(3,643)</u> | 2%       |
| Taxation                                      | (3)            | (2)            | 50%      | (3)            | (4)            | -25%     |
| <b>Loss after tax</b>                         | <u>(1,596)</u> | <u>(1,581)</u> | 1%       | <u>(3,728)</u> | <u>(3,647)</u> | 2%       |
| <b>Loss attributable to :</b>                 |                |                |          |                |                |          |
| Equity holders of the Company                 | <u>(1,596)</u> | <u>(1,581)</u> | 1%       | <u>(3,728)</u> | <u>(3,647)</u> | 2%       |
|   | <u>(1,596)</u> | <u>(1,581)</u> | 1%       | <u>(3,728)</u> | <u>(3,647)</u> | 2%       |

**Consolidated Statement of Comprehensive income**

|   | Group          |                |          | Group          |                |          |
|---|----------------|----------------|----------|----------------|----------------|----------|
|   | Q2 FY2018      | Q2 FY2017      | % Change | 1H FY2018      | 1H FY2017      | % Change |
| <b>Loss after tax</b>   | (1,596)        | (1,581)        | 1%       | (3,728)        | (3,647)        | 2%       |
| <b>Other comprehensive income :</b>                             |                |                |          |                |                |          |
| Foreign currency translation                                    | 68             | (63)           | N/M      | 101            | 52             | 94%      |
| Other comprehensive income for the financial period, net of tax | 68             | (63)           | N/M      | 101            | 52             | 94%      |
| <b>Total comprehensive income for the financial period</b>      | <u>(1,528)</u> | <u>(1,644)</u> | -7%      | <u>(3,627)</u> | <u>(3,595)</u> | 1%       |
| <b>Total comprehensive income attributable to :</b>             |                |                |          |                |                |          |
| Equity holders of the Company                                   | <u>(1,528)</u> | <u>(1,644)</u> | -7%      | <u>(3,627)</u> | <u>(3,595)</u> | 1%       |
|   | <u>(1,528)</u> | <u>(1,644)</u> | -7%      | <u>(3,627)</u> | <u>(3,595)</u> | 1%       |

1 (a)(i) Notes to income statement

| Group<br>S\$'000 |           |        | % | Group<br>S\$'000 |           |        | % |
|------------------|-----------|--------|---|------------------|-----------|--------|---|
| Q2 FY2018        | Q2 FY2017 | Change |   | 1H FY2018        | 1H FY2017 | Change |   |

Loss is stated after charging / (crediting) :

|   |     |      |      |      |       |      |
|---|-----|------|------|------|-------|------|
| Allowance / (write-back) of doubtful receivables      | 133 | 7    | N/M  | 121  | (15)  | N/M  |
| Bad debts (recovered) / written-off                   | -   | (39) | N/M  | (19) | 11    | N/M  |
| Net gain on disposal of property, plant and equipment | -   | (4)  | N/M  | -    | (2)   | N/M  |
| Property, plant and equipment written-off             | 1   | -    | N/M  | 1    | -     | N/M  |
| Foreign exchange loss / (gain), net                   | 94  | (77) | N/M  | 138  | (31)  | N/M  |
| Operating lease expenses                              | 431 | 538  | -20% | 938  | 1,116 | -16% |

(a)(ii) Employee benefits expense decreased by \$0.2 million or 10% to \$1.8 million, mainly due to headcount reduction for Singapore and United Kingdom operations, as compared to prior period.

(a)(iii) Other operating expenses decreased by \$0.1 million or 6% to \$2.3 million as compared with prior period. The decrease can mainly be attributed to lower assessments cost, university fees and operating lease expenses incurred, partially offset by increase in foreign exchange losses and doubtful debts provision.

The decrease in operating lease expenses can mainly be attributed to the consolidation of the Company's corporate office in May 2017.

(a)(iv) Interest income decreased by \$33,000 or 97% due to a lower cash and fixed deposit balance, as compared to prior period.

(a)(v) Allowance for doubtful receivables increased by \$0.1 million as compared to prior period. The increase can mainly be attributed to higher 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<br>S\$'000<br>30.09.17 | Group<br>S\$'000<br>31.03.17 | Change<br>% | Company<br>S\$'000<br>30.09.17 | Company<br>S\$'000<br>31.03.17 | Change<br>% |
|---|------------------------------|------------------------------|-------------|--------------------------------|--------------------------------|-------------|
| <b>NON-CURRENT ASSETS</b>                                   |                              |                              |             |                                |                                |             |
| Property, plant and equipment                               | 356                          | 364                          | -2%         | 160                            | 135                            | 19%         |
| Intangible assets   | 146                          | 181                          | -19%        | -                              | -                              | -           |
| Investment in subsidiaries                                  | -                            | -                            | -           | 3,900                          | 4,820                          | -19%        |
|   | 502                          | 545                          | -8%         | 4,060                          | 4,955                          | -18%        |
| <b>CURRENT ASSETS</b>                                       |                              |                              |             |                                |                                |             |
| Prepayments   | 485                          | 585                          | -17%        | 82                             | 137                            | -40%        |
| Trade and other receivables                                 | 1,453                        | 2,358                        | -38%        | 307                            | 2,371                          | -87%        |
| Restricted cash at bank                                     | 138                          | 138                          | -           | -                              | -                              | -           |
| Cash and fixed deposits                                     | 4,999                        | 8,403                        | -41%        | 190                            | 258                            | -26%        |
|   | 7,075                        | 11,484                       | -38%        | 579                            | 2,766                          | -79%        |
| <b>CURRENT LIABILITIES</b>                                  |                              |                              |             |                                |                                |             |
| Deferred income and fees                                    | 832                          | 565                          | 47%         | 6                              | 42                             | -86%        |
| Trade and other payables                                    | 2,586                        | 3,618                        | -29%        | 5,659                          | 6,664                          | -15%        |
| Provision for reinstatement cost                            | 171                          | 230                          | -26%        | 89                             | 148                            | -40%        |
| Income tax payable  | -                            | 1                            | -100%       | -                              | -                              | -           |
|   | 3,589                        | 4,414                        | -19%        | 5,754                          | 6,854                          | -16%        |
| <b>NET CURRENT ASSETS / (LIABILITY)</b>                     | 3,486                        | 7,070                        | -51%        | (5,175)                        | (4,088)                        | 27%         |
| <b>TOTAL NET ASSETS / (LIABILITY)</b>                       | 3,988                        | 7,615                        | -48%        | (1,115)                        | 867                            | N/M         |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b> |                              |                              |             |                                |                                |             |
| Share capital   | 29,908                       | 29,908                       | -           | 29,908                         | 29,908                         | -           |
| Reserves  | (25,920)                     | (22,293)                     | 16%         | (31,023)                       | (29,041)                       | 7%          |
| <b>TOTAL EQUITY</b>   | 3,988                        | 7,615                        | -48%        | (1,115)                        | 867                            | N/M         |

(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 FY2018      | Q2 FY2017      | 1H FY2018      | 1H FY2017      |
| <b>Cash flow from operating activities</b>                            |                |                |                |                |
| Loss before taxation  | (1,593)        | (1,579)        | (3,725)        | (3,643)        |
| Adjustments for :   |                |                |                |                |
| Depreciation of property, plant and equipment                         | 56             | 62             | 113            | 110            |
| Amortisation of intangible assets                                     | 21             | 4              | 38             | 7              |
| Net gain on disposal of property, plant and equipment                 | -              | (4)            | -              | (2)            |
| Property, plant and equipment written-off                             | 1              | -              | 1              | -              |
| Allowance / (write-back) of doubtful receivables                      | 133            | 7              | 121            | (15)           |
| Bad debts (recovered) / written-off                                   | -              | (39)           | (19)           | 11             |
| Interest income   | (1)            | (34)           | (5)            | (78)           |
| Unrealised exchange loss / (gain)                                     | 47             | (53)           | 44             | 120            |
| <b>Operating loss before working capital changes</b>                  | <b>(1,336)</b> | <b>(1,636)</b> | <b>(3,432)</b> | <b>(3,490)</b> |
| (Increase) / decrease in prepayments, trade and other receivables     | (255)          | (1,190)        | 883            | (523)          |
| Increase in deferred income and fees                                  | 201            | 4              | 267            | 160            |
| Decrease in trade and other payables and accruals for withholding tax | (75)           | (293)          | (1,091)        | (301)          |
| <b>Cash used in operations</b>  | <b>(1,465)</b> | <b>(3,115)</b> | <b>(3,373)</b> | <b>(4,154)</b> |
| Interest received   | 1              | 173            | 25             | 200            |
| Tax paid  | (3)            | (2)            | (4)            | (5)            |
| <b>Net cash used in operating activities</b>                          | <b>(1,467)</b> | <b>(2,944)</b> | <b>(3,352)</b> | <b>(3,959)</b> |
| <b>Cash flow from investing activities</b>                            |                |                |                |                |
| Purchase of property, plant and equipment                             | (10)           | (121)          | (92)           | (170)          |
| Expenditure on intangible assets                                      | -              | (13)           | -              | (25)           |
| Proceeds from disposal of property, plant and equipment               | -              | 6              | -              | 6              |
| Withdrawal of fixed deposits  | -              | 2,932          | -              | 5,932          |
| <b>Net cash (used in) / generated from investing activities</b>       | <b>(10)</b>    | <b>2,804</b>   | <b>(92)</b>    | <b>5,743</b>   |
| Net (decrease) / increase in cash and cash equivalents                | (1,477)        | (140)          | (3,444)        | 1,784          |
| Cash and cash equivalents at the beginning of the financial period    | 6,464          | 7,161          | 8,403          | 5,286          |
| Effects of exchange rate changes on opening cash and cash equivalents | 12             | (8)            | 40             | (57)           |
| <b>Cash and cash equivalents at the end of the financial period</b>   | <b>4,999</b>   | <b>7,013</b>   | <b>4,999</b>   | <b>7,013</b>   |
| Short-term deposits   | -              | 4,068          | -              | 4,068          |
| Cash and cash equivalents   | 4,999          | 7,013          | 4,999          | 7,013          |
| <b>Cash and fixed deposits</b>  | <b>4,999</b>   | <b>11,081</b>  | <b>4,999</b>   | <b>11,081</b>  |

**Notes to Cash Flow Statement**

\* Cash and cash equivalents exclude \$138,107 (Q2 FY2017: \$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 | Translation Reserve | Total Reserves | Total Equity |
|   | S\$'000                                       | S\$'000            | S\$'000             | S\$'000        | S\$'000      |
| <b>Group</b>  |   |                    |                     |                |              |
| <b>Balance at 01.04.17</b>                          | 29,908  | (20,873)           | (1,420)             | (22,293)       | 7,615        |
| Loss for the financial period                       | -   | (2,132)            | -                   | (2,132)        | (2,132)      |
| Other comprehensive income for the financial period | -   | -                  | 33                  | 33             | 33           |
| Total comprehensive income for the financial period | -   | (2,132)            | 33                  | (2,099)        | (2,099)      |
| <b>Balance at 30.06.17</b>                          | 29,908  | (23,005)           | (1,387)             | (24,392)       | 5,516        |
| Loss for the financial period                       | -   | (1,596)            | -                   | (1,596)        | (1,596)      |
| Other comprehensive income for the financial period | -   | -                  | 68                  | 68             | 68           |
| Total comprehensive income for the financial period | -   | (1,596)            | 68                  | (1,528)        | (1,528)      |
| <b>Balance at 30.09.17</b>                          | 29,908  | (24,601)           | (1,319)             | (25,920)       | 3,988        |
| <b>Balance at 01.04.16</b>                          | 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)      |
| <b>Balance at 30.06.16</b>                          | 29,908  | (17,433)           | (1,361)             | (18,794)       | 11,114       |
| Loss for the financial period                       | -   | (1,581)            | -                   | (1,581)        | (1,581)      |
| Other comprehensive income for the financial period | -   | -                  | (63)                | (63)           | (63)         |
| Total comprehensive income for the financial period | -   | (1,581)            | (63)                | (1,644)        | (1,644)      |
| <b>Balance at 30.09.16</b>                          | 29,908  | (19,014)           | (1,424)             | (20,438)       | 9,470        |

1 (d)(i)

|   | Share Capital  | Accumulated Losses | Total Reserves | Total Equity |
|---|----------------|--------------------|----------------|--------------|
|   | S\$'000        | S\$'000            | S\$'000        | S\$'000      |
|   | <b>Company</b> |                    |                |              |
| <b>Balance at 01.04.17</b>  | 29,908         | (29,041)           | (29,041)       | 867          |
| Loss for the financial year, representing total comprehensive income for the financial period | -              | (1,541)            | (1,541)        | (1,541)      |
| <b>Balance at 30.06.17</b>  | 29,908         | (30,582)           | (30,582)       | (674)        |
| Loss for the financial year, representing total comprehensive income for the financial period | -              | (441)              | (441)          | (441)        |
| <b>Balance at 30.09.17</b>  | 29,908         | (31,023)           | (31,023)       | (1,115)      |
| <b>Balance at 01.04.16</b>  | 29,908         | (16,150)           | (16,150)       | 13,758       |
| Loss for the financial year, representing total comprehensive income for the financial period | -              | (1,898)            | (1,898)        | (1,898)      |
| <b>Balance at 30.06.16</b>  | 29,908         | (18,048)           | (18,048)       | 11,860       |
| Loss for the financial year, representing total comprehensive income for the financial period | -              | (1,694)            | (1,694)        | (1,694)      |
| <b>Balance at 30.09.16</b>  | 29,908         | (19,742)           | (19,742)       | 10,166       |

- (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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2017.

The Company did not have any subsidiary holdings or outstanding share options as at the end of the current financial period and as at the end of the immediate preceding year.

- (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<br>financial period ended<br>30 September 2017 | As at end of<br>financial year ended<br>31 March 2017 |
|--|---|---|
| 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

- (d)(v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2017, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2017.

- 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 2017. 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 FY2018 | Q2 FY2017 | %      | 1H FY2018 | 1H FY2017 | %      |
| Earnings per ordinary share  |           |           |        |           |           |        |
| (a) Based on weighted average number of ordinary shares on issue (cents) | (2.21)    | (2.19)    | 1%     | (5.16)    | (5.05)    | 2%     |
| (b) On a fully diluted basis (cents)                                     | (2.21)    | (2.19)    | 1%     | (5.16)    | (5.05)    | 2%     |

Earnings per share for the financial period ended 30 September 2017 was calculated based on weighted average number of 72,215,467 (30 September 2016: 72,215,467) ordinary shares.

Earnings per share for the financial period ended 30 September 2017 computed on a fully dilutive basis is calculated based on the weighted average number of 72,215,467 (30 September 2016: 72,215,467) 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 |
|---|----------|----------|--------|----------|----------|--------|
|   | 30.09.17 | 31.03.17 | %      | 30.09.17 | 31.03.17 | %      |
| Net asset / (liability) value per ordinary share (cents) based on existing issued share capital as at the end of the financial period | 5.52     | 10.54    | -48%   | (1.54)   | 1.20     | N/M    |

**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 \$2.6 million, a decrease of \$0.3 million or 12% as compared with \$2.9 million in prior period. The decrease was mainly due to lower number of students enrolled in Singapore and United Kingdom operations.
- (a)(ii) The Group recorded a loss before tax of \$1.6 million, which is similar to prior period. This was a result of the revenue decline being offset by lower employee benefits expense and other operating expenses (explained in a(iii)).
- (b)(i) The Company's property, plant and equipment increased by 19% as at 30 September 2017. This was mainly due to renovation works performed by the Company to consolidate the corporate office in Q1, partially offset by depreciation.
- (b)(ii) The Company's investment in subsidiaries declined by \$0.9 million or 19% to \$3.9 million as at 30 September 2017. This was due to an impairment loss recognised to reduce the investment to its recoverable amount.
- (b)(iii) The Group's prepayments decreased by \$0.1 million or 17% to \$0.5 million as at 30 September 2017, mainly due to utilisation of prepaid university fees and other operating expenses.
- (b)(iv) The Group's trade and other receivables decreased by \$0.9 million or 38% to \$1.5 million as at 30 September 2017, mainly due to collections made during the current financial period. The Company's trade and other receivables decreased by \$2.1 million or 87% to \$0.3 million as at 30 September 2017 due to loan recovery from a subsidiary.
- (b)(v) The Group's and Company's cash and fixed deposits declined by \$3.4 million or 41% to \$5.0 million and \$0.1 million or 26% to \$0.2 million respectively, as at 30 September 2017. The decline was mainly due to cash utilisation for operations.
- (b)(vi) The Group's deferred income and fees increased by \$0.3 million or 47% to \$0.8 million as at 30 September 2017. This is mainly attributed to collections by the Singapore School. This was however, offset by a \$36,000 decrease in the Company's deferred income due to recognition of deferred exam revenue from the previous term.
- (b)(vii) The Group's trade and other payables decreased by \$1.0 million or 29% to \$2.6 million as at 30 September 2017 and this was mainly due to repayment of university fees and other creditors during the period. The Company's trade and other payables decreased by \$1.0 million or 15% to \$5.7 million as at 30 September 2017 and this was mainly due to intercompany transactions.
- (b)(viii) The Group's and Company's provision for reinstatement cost declined by \$0.1 million to \$0.2 million and \$0.1 million respectively, as at 30 September 2017, due to utilisation in Q1 for the consolidation of the corporate office in Singapore.
- (b)(ix) The Company's net current liability and net liability positions stood at \$5.2 million and \$1.1 million respectively, as at 30 September 2017. During the financial period, the Company's reduced income from various clients due to a slowdown in their businesses and unfavourable foreign exchange rate movements, resulted in the increased deficit.

