

INFORMATICS EDUCATION LTD.

(Company Registration Number: 198303419G)
(Incorporated In the Republic of Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX LISTING MANUAL

1. Introduction

Informatics Education Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list pursuant to Rule 1311 of the SGX Listing Manual on 5 June 2017 and 5 December 2017.

Pursuant to Rule 1313(2) of the SGX Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide the following update on the Group.

2. Financial Situation

The Group has on 13 August 2018 released its unaudited financial statements for the first quarter ended 30 June 2018 (“**1Q FY2019**”). Please refer to the announcement for further details.

For 1Q FY2019, the Group recorded a revenue of \$1,913,000, comparable with the revenue of \$1,906,000 for the period ended 30 June 2017 (“1Q FY2018”).

The Group recorded a loss before tax of \$969,000 for 1Q FY2019, a 53% improvement as compared with the loss of \$2,053,000 in 1Q FY2018. This was achieved through reduction in staff costs and other operating expenses.

3. Future Direction

The Board expects business conditions to remain steady but challenging for the near future, especially for the Private Education segment in Singapore. However, the business is demonstrating signs of improvement with the introduction of new programs, including the first eSports and Game Design Diploma in the region, as well improved interest in the NCC Education primary and secondary level computer science curriculum program Digi. This, coupled with the Enhanced Regulation Framework (ERF) License extension for Informatics Academy to May 2022 and the existing 4-year Edutrust award, is giving rise to cautious optimism in the Singapore market.

The Group is pursuing new and profitable revenue streams to generate cash flow growth, not just in eSports & Game Design and Digi, but also enhancing its vocational based offering in collaboration with SG Enable, the introduction of a Level 6 Diploma offering in the Licensing segment, and also a greater push into programs such as Computing with an internship attachment. The group is also encouraged with the continuation of the franchise partners in Nigeria for a further 5 years, with expectations to expand to other states in the country.

This group has achieved cost reduction in particular manpower and a leaner management structure, and continues to drive operating costs lower, cushioning the impact of lower revenues.

4. Material Development

The group is working to further consolidate its Singapore corporate office in the second quarter of FY2019. There are no other material developments that may have a significant impact on the Group’s financial position.

BY ORDER OF THE BOARD

Yau Su Peng
Executive Director
13 August 2018