

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 1 November 2018 released its unaudited financial statements for the second quarter ended 30 September 2018 (“**2Q FY2019**”). Please refer to the announcement for further details.

For 2Q FY2019, the Group recorded a revenue of \$2.3 million, comparable with the revenue of \$2.3 million for the period ended 30 September 2017 (“2Q FY2018”).

The Group recorded a loss before tax of \$684,000 for 2Q FY2019, a 57% improvement as compared with the loss of \$1.6 million in 2Q FY2018. This was achieved through reduction in staff costs and other operating expenses.

3. Future Direction

The Board is confident that despite continuing challenging business conditions, especially for the Private Education segment in Singapore, that steady revenue growth can be achieved and sustained in the foreseeable future. This will enable the group to capitalize on improved cost management initiatives undertaken by management. These growth opportunities in both existing programs as well as newly launch programs such as the first Esports and Game Design Diploma in the region, and the take up of short vocational based courses, will give this impetus for improved revenues. NCC remains cautiously optimistic that its pathway programs can continue to gain momentum as new global delivery partners are appointed. Informatics Academy received confirmation in October that its existing 4-year EduTrust certification remains until December 2020 after successful interim review and this only strengthens this optimism.

The Group continues to pursue new revenue streams to generate cash flow growth beyond just in Esports & Game Design and Digi, but also enhancing its vocational based offering as well as other direct skills-based programs, the introduction during the quarter of a Level 7 Diploma in Business Management in the post-graduate space.

This group is now benefiting from cost reductions in particular manpower and a leaner management structure, and also a reduction in office leases, and continues to drive operating costs lower, cushioning the impact of lower revenues.

4. Material Development

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
1 November 2018