

CIRCULAR DATED 3 JULY 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “**DEFINITIONS**”.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting (“**EGM**”) and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements made, reports contained or opinions expressed in this Circular. In-principle approval has been granted by the SGX-ST to the Company for the listing of and quotation for the Rights Shares, the Warrants and the New Shares on the SGX-ST, subject to certain conditions. Official quotation of the Rights Shares, the Warrants and the New Shares on the SGX-ST will commence after all conditions imposed by the SGX-ST are satisfied. The in-principle approval granted by the SGX-ST for the admission of, listing of and quotation for the Rights Shares, the Warrants and the New Shares is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Shares, the Company and/or its subsidiaries.

This Circular does not constitute, and is not intended to be, an offer to sell or a solicitation of an offer to buy shares nor shall there be any sale of any shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This Circular is issued to Shareholders solely for the purpose of providing Shareholders with the information pertaining to, and seeking Shareholders’ approval for, the Rights cum Warrants Issue at the EGM. Shareholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur. The distribution of this Circular and/or the issue of the Rights Shares with Warrants into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



CIRCULAR TO SHAREHOLDERS

in relation to

- (1) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 216,646,401 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.05 FOR EACH RIGHTS SHARE, WITH UP TO 72,215,467 FREE DETACHABLE AND TRANSFERABLE WARRANTS (THE “WARRANTS”), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (“NEW SHARE”) AT AN EXERCISE PRICE OF S\$0.05 FOR EACH NEW SHARE, ON THE BASIS OF THREE (3) RIGHTS SHARES WITH ONE (1) WARRANT FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT A BOOKS CLOSURE DATE TO BE DETERMINED; AND**
- (2) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS TO RECEIVE A MANDATORY GENERAL OFFER FROM BERJAYA LEISURE CAPITAL (CAYMAN) LIMITED AND PARTIES ACTING IN CONCERT WITH IT (THE “WHITEWASH RESOLUTION”)**

Independent Financial Adviser in relation to the Whitewash Resolution



IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	16 July 2019 at 2.30 p.m.
Date and time of Extraordinary General Meeting	:	18 July 2019 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Enabling Village UOB Ability Hub Hall 1 20 Lengkok Bahru Singapore 159053

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

“ARE”	:	Application and acceptance form for Rights Shares with Warrants and Excess Rights Shares with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue
“ARS”	:	Application and acceptance form for Rights Shares with Warrants to be issued to Purchasers
“ATM”	:	Automated teller machine
“Authority”	:	Monetary Authority of Singapore
“BLCC” or “Undertaking Shareholder”	:	Berjaya Leisure Capital (Cayman) Limited
“BLCC Entitlement”	:	An aggregate of 58,690,545 Rights Shares with 19,563,515 Warrants (the aggregate value of which is S\$2,934,527.25 based on the Issue Price) to be provisionally allotted to BLCC on the basis of the Undertaken Shares
“BLCC Excess Application”	:	Up to a maximum of 41,309,455 Rights Shares with up to a maximum of 13,769,818 Warrants (the aggregate value of which is S\$2,065,472.75 based on the Issue Price) which are not taken up by the other Shareholders who are eligible to participate in the Rights cum Warrants Issue or their renounees by way of acceptances and/or excess applications (subject to availability)
“BLCC Group”	:	BLCC and its concert parties
“BLCC Undertaking”	:	The irrevocable deed of undertaking executed on 13 May 2019 by BLCC in favour of the Company
“Board”	:	The board of Directors of the Company as at the date of this Circular
“Books Closure Date”	:	The time and date to be determined by the Directors and announced by the Company in due course, at and on which the Register of Members and Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares with Warrants to Entitled Shareholders under the Rights cum Warrants Issue and, in the case of Entitled Depositors, at and on which their provisional allotments under the Rights cum Warrants Issue will be determined
“Business Day”	:	A day on which the banks in Singapore are open for business (excluding Saturdays, Sundays and gazetted public holidays)
“Business Expansion”	:	The expansion of the Company’s business activities in the manner set out in Section 3.6.2(a) of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 3 July 2019 (including its appendices)

DEFINITIONS

“Closing Date”	:	The time and date to be determined by the Directors and announced by the Company in due course, being the last time and date for acceptance of and/or excess application and payment for, (and in the case of Entitled Scripholders, renunciation and payment for) the Rights Shares with Warrants under the Rights cum Warrants Issue
“Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Company”	:	Informatics Education Ltd.
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“CPF”	:	Central Provident Fund
“CPF Approved Bank”	:	Any bank appointed by the CPF Board to be an agent bank for the purposes of the CPF Regulations
“CPF Board”	:	The board of the CPF established pursuant to the Central Provident Fund Act, Chapter 36 of Singapore, as the same may be amended, modified or supplemented from time to time
“CPF Funds”	:	CPF account savings
“CPF Investment Account”	:	An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, among others, payment for the Rights Shares with Warrants and/or the New Shares pursuant to the Rights cum Warrants Issue
“CPF Regulations”	:	The Central Provident Fund (Investment Schemes) Regulations, as the same may be modified, amended or supplemented from time to time
“CPFIS”	:	Central Provident Fund Investment Scheme
“Deed Poll”	:	The deed poll to be executed by the Company constituting the Warrants (as the same may be amended, modified or supplemented from time to time) and containing, among others, provisions for the protection of the rights and interests of the Warranholders
“Designated Account”	:	The bank account to be specified and operated by the Company and maintained with a bank in Singapore for the purpose of crediting moneys received from the exercising Warranholders in satisfaction of the Exercise Price in relation to the Warrants exercised by such exercising Warranholders
“Directors”	:	The directors of the Company as at the date of this Circular

DEFINITIONS

- “EGM”** : The extraordinary general meeting of the Company to be convened and held on 18 July 2019, notice of which is given in the Notice of EGM set out on pages N-1 to N-4 of this Circular (or any adjournment thereof)
- “Entitled Depositors”** : Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
- “Entitled Scripholders”** : Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
- “Entitled Shareholders”** : Entitled Depositors and Entitled Scripholders
- “EPS”** : Earnings per Share
- “Excess Rights Shares with Warrants”** : The provisional allotments of Rights Shares with Warrants, which are available for application by Entitled Shareholders, subject to the terms and conditions in the ARE, the Offer Information Statement and the Constitution, comprising Rights Shares with Warrants not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or Purchasers, together with any Rights Shares with Warrants that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, the Offer Information Statement and the Constitution
- “Exercise Period”** : The period during which the Warrants may be exercised commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members and/or Register of Warranholders of the Company is/are closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members and/or Register of Warranholders of the Company or on the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Members and/or Register of Warranholders of the Company may be closed)
- “Exercise Price”** : The sum payable in respect of each New Share to which the Warranholder will be entitled to subscribe upon the exercise of a Warrant and which shall be S\$0.05, subject to certain adjustments in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll

DEFINITIONS

“Existing Issued Share Capital”	:	The existing issued and paid-up share capital of the Company comprising 72,215,467 Shares as at the Latest Practicable Date
“Foreign Purchasers”	:	Persons purchasing the provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore
“Foreign Shareholders”	:	Shareholders purchasing the provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue traded on the SGX-ST through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended 31 March
“Group”	:	The Company and its subsidiaries collectively
“IFA”	:	RHT Capital Pte. Ltd., the independent financial adviser appointed to advise the Independent Directors in relation to the Whitewash Resolution
“IFA Letter”	:	The letter dated 3 July 2019 from the IFA to the Independent Directors in relation to the Whitewash Resolution as set out in Appendix A to this Circular
“Independent Directors”	:	The Directors who are considered independent for the purpose of making the recommendation to the Independent Shareholders in respect of the Whitewash Resolution, namely, Professor Lai Kim Fatt and Mr Yeap Beng Swee, Philip
“Independent Shareholders”	:	Shareholders who are deemed to be independent for the purpose of the Whitewash Resolution, being Shareholders other than (i) BLCC, (ii) parties acting in concert with BLCC, and (iii) parties not independent of the persons mentioned in (i) and (ii) of this definition for the purpose of the Whitewash Resolution
“Irrevocable Undertaking Announcement”	:	The announcement issued by the Company on 14 May 2019 in relation to, <i>inter alia</i> , the execution of the BLCC Undertaking and the appointment of the IFA
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.05 for each Rights Share
“Last Traded Price”	:	The closing price of S\$0.04 per Share on the SGX-ST on 7 March 2019 (being the last Market Day on which the Shares were traded on the SGX-ST immediately prior to the release of the Rights cum Warrants Issue Announcement)
“Latest Practicable Date”	:	25 June 2019, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Financial Outlay”	:	In the event that BLCC subscribes and pays for (or procures subscription and payment for) in full the BLCC Entitlement and the BLCC Excess Application under the Minimum Scenario, BLCC will subscribe and pay for up to 100,000,000 Rights Shares with 33,333,333 Warrants at an aggregate Issue Price of S\$5,000,000
“Maximum Scenario”	:	The scenario whereby based on the Existing Issued Share Capital and assuming that the Rights cum Warrants Issue is fully subscribed for, 216,646,401 Rights Shares with 72,215,467 Warrants will be issued pursuant to the Rights cum Warrants Issue
“Minimum Scenario”	:	<p>The scenario whereby based on the Existing Issued Share Capital and assuming that:</p> <ul style="list-style-type: none">(i) none of the other Shareholders (other than BLCC) or purchasers of the “nil-paid” rights during the “nil-paid” rights trading period subscribe and pay for any Rights Shares with Warrants; and(ii) only BLCC subscribes and pays for in full, the BLCC Entitlement and the BLCC Excess Application in accordance with the BLCC Undertaking, <p>100,000,000 Rights Shares with 33,333,333 Warrants will be issued pursuant to the Rights cum Warrants Issue</p>
“MTP”	:	Minimum trading price
“NAV”	:	Net asset value
“Net Proceeds”	:	The estimated net proceeds from the Rights cum Warrants Issue, after deducting estimated expenses of approximately S\$0.4 million
“New Shares”	:	Up to 72,215,467 new Shares to be allotted and issued by the Company upon the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll, each a “New Share”
“Notice of EGM”	:	The notice of EGM which is on pages N-1 to N-4 of this Circular
“NTA”	:	Net tangible assets
“Offer Information Statement”	:	The offer information statement to be issued by the Company in respect of the Rights cum Warrants Issue, together with the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company and lodged with the Authority in connection with the Rights cum Warrants Issue

DEFINITIONS

“Ordinary Resolution 1”	:	The proposed ordinary resolution to approve the Rights cum Warrants Issue
“Ordinary Resolution 2”	:	The proposed whitewash resolution for the waiver of the rights of the Independent Shareholders of the Company to receive a mandatory general offer from BLCC and parties acting in concert with it
“PAL”	:	The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotment of Rights Shares with Warrants of such Entitled Scripholders under the Rights cum Warrants Issue
“Participating Banks”	:	The banks that will be participating in the Rights cum Warrants Issue by making available their ATMs to Entitled Depositors and persons purchasing the “nil-paid” rights through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore, for acceptances of the Rights Shares with Warrants and/or applications for Excess Rights Shares with Warrants, as the case may be, to be made under the Rights cum Warrants Issue, and each of them a “Participating Bank”
“Proposed Resolutions”	:	Ordinary Resolution 1 and Ordinary Resolution 2
“Proxy Form”	:	The proxy form in respect of the EGM attached to the Notice of EGM
“Purchasers”	:	Persons purchasing the provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue through the book-entry (scripless) settlement system
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the Securities Account of Shareholders must be credited with Shares, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	The register of members of the Company
“Register of Warranholders”	:	The register of Warranholders required to be maintained pursuant to the Deed Poll
“Rights cum Warrants Issue”	:	The proposed renounceable non-underwritten rights cum warrants issue of up to 216,646,401 Rights Shares at the Issue Price, with up to 72,215,467 Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price, on the basis of three (3) Rights Shares with one (1) Warrant for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date
“Rights cum Warrants Issue Announcement”	:	The announcement issued by the Company on 14 March 2019 in relation to the Rights cum Warrants Issue

DEFINITIONS

“Rights Shares”	:	Up to 216,646,401 new Shares to be allotted and issued by the Company pursuant to the Rights cum Warrants Issue, each a “Rights Share”
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares
“Share Registrar” or “Warrant Agent”	:	M & C Services Private Limited
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“SIC Conditions”	:	Conditions imposed by the SIC to which the Whitewash Waiver is subject, details of which are set out in Section 4.5 of this Circular
“Singapore”	:	Republic of Singapore
“SRS”	:	The Supplementary Retirement Scheme constituted under the Income Tax (Supplementary Retirement Scheme) Regulations 2003
“SRS Approved Banks”	:	Approved banks in which SRS Investors hold their respective SRS accounts
“SRS Funds”	:	Monies standing to the credit of the respective SRS accounts of SRS Investors under the SRS
“SRS Investors”	:	Shareholders who as at the Books Closure Date are holding Shares which were subscribed for or purchased under the SRS using their SRS Funds
“Substantial Shareholder”	:	A person who has an interest or interests in one (1) or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company

DEFINITIONS

“Transfer Form”	:	A transfer form as prescribed by the Company from time to time for the transfer of Warrant(s)
“Transferor”	:	A Warrantholder whose Warrants are registered otherwise than in the name of CDP and who intends to transfer his or her Warrant(s)
“Undertaken Shares”	:	The 19,563,515 Shares held by BLCC as at the date of the BLCC Undertaking
“Warrantholders”	:	Registered holders of Warrants, except that where CDP is the registered holder, the term “ Warrantholders ” shall, in relation to those Warrants, mean the Depositors whose Securities Accounts are credited with such Warrants
“Warrants”	:	Up to 72,215,467 free detachable warrants in registered form to be issued by the Company together with the Rights Shares pursuant to the Rights cum Warrants Issue, and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the warrants to be set out in the Deed Poll (any such additional warrants to rank <i>pari passu</i> with the warrants to be issued together with the Rights Shares and for all purposes to form part of the same series of warrants constituted by the Deed Poll), each a “ Warrant ”, with each Warrant entitling the holder thereof to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions to be set out in the Deed Poll
“Warrants Proceeds”	:	The estimated net proceeds raised from the exercise of the Warrants into New Shares
“Whitewash Resolution”	:	The proposed whitewash resolution for the waiver by the Independent Shareholders of their rights to receive a mandatory general offer from BLCC and parties acting in concert with it, for all the issued Shares in the capital of the Company not already owned or controlled by BLCC and parties acting in concert with it, as a result of BLCC’s subscription of the Rights Shares with Warrants under the Rights cum Warrants Issue
“Whitewash Waiver”	:	The waiver of the requirement for BLCC and its concert parties to make a mandatory general offer for the Shares as a result of BLCC subscribing for the BLCC Entitlement and the BLCC Excess Application pursuant to the BLCC Undertaking and its exercise of the Warrants into New Shares
“S\$” and “S\$ cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term “**concert parties**” shall have the meaning ascribed to it in the Code.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. A “**person**” shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or such statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

INFORMATICS EDUCATION LTD.

(Company Registration Number: 198303419G)
(Incorporated in Singapore)

Directors

Dato' Sri Robin Tan Yeong Ching (*Non-Executive Chairman*)
Yau Su Peng (*Executive Director*)
Mae Ho Seok Khen (*Non-Executive, Non-Independent Director*)
Professor Lai Kim Fatt (*Non-Executive, Independent Director*)
Yeap Beng Swee, Philip (*Non-Executive, Independent Director*)

Registered Office

100 Victoria Street
#13-01/02
National Library Building
Singapore 188064

3 July 2019

To: The Shareholders of Informatics Education Ltd.

Dear Sir / Madam

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

1. INTRODUCTION

1.1 Extraordinary General Meeting

The Directors are convening an EGM to be held on 18 July 2019 to seek Shareholders' approval for the following:

- (a) the proposed renounceable non-underwritten rights cum warrants issue of up to 216,646,401 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.05 for each Rights Share, with up to 72,215,467 free detachable and transferable warrants (the "**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**New Share**") at an exercise price of S\$0.05 for each New Share, on the basis of three (3) Rights Shares with one (1) Warrant for every one (1) existing ordinary share in the capital of the Company held by entitled shareholders as at a books closure date to be determined ("**Ordinary Resolution 1**"); and
- (b) the proposed whitewash resolution for the waiver of the rights of the independent shareholders of the Company to receive a mandatory general offer from Berjaya Leisure Capital (Cayman) Limited ("**BLCC**") and parties acting in concert with it, for all the issued Shares in the capital of the Company not already owned or controlled by BLCC and parties acting in concert with it, as a result of BLCC's subscription of the Rights Shares with Warrants under the Rights cum Warrants Issue ("**Whitewash Resolution**") ("**Ordinary Resolution 2**"),

(collectively, the "**Proposed Resolutions**").

The Notice of EGM is set out on pages N-1 to N-4 of this Circular.

1.2 Inter-conditionality

Shareholders should note that the passing of Ordinary Resolution 1 is conditional upon the passing of Ordinary Resolution 2 and *vice versa*. This means that if Ordinary Resolution 2 is not approved by the Independent Shareholders, the Rights cum Warrants Issue would not take place.

LETTER TO SHAREHOLDERS

1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for, the Proposed Resolutions and to seek Shareholders' approval in relation thereto at the forthcoming EGM. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

2. SGX-ST WATCH-LIST

2.1 Placement on the SGX-ST Watch-List

The Company was placed on the SGX-ST watch-list under the MTP entry criteria and the financial entry criteria on 5 June 2017 and 5 December 2017, respectively. Under Rule 1315 of the Listing Manual, the Company is required to take active steps to meet the requirements of Rule 1314 of the Listing Manual for removal from the SGX-ST watch-list. Rule 1314 of the Listing Manual requires the Company to satisfy the following requirements:

- (a) MTP exit criteria: The issuer records a volume-weighted average price of at least S\$0.20 and an average daily market capitalisation of S\$40 million or more over the last six (6) months.
- (b) Financial exit criteria: The issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S\$40 million or more over the last six (6) months.

2.2 Failure to Meet Requirements

Should the Company be unable to satisfy the criteria set out in Sections 2.1(a) and 2.1(b) of this Circular by 4 June 2020 and 4 December 2020 respectively, being 36 months from the date on which it was placed on the respective watch-list, the SGX-ST may either remove the Company from the Official List of the SGX-ST, or suspend trading of the Shares with a view to removing the Company from the Official List of the SGX-ST. Currently, the Shares continue to be traded and listed on the Official List of the SGX-ST.

As discussed further in Section 3.6.1 of this Circular, the Company believes that the Rights cum Warrants Issue will strengthen the Company's balance sheet, providing the Company a stronger financial position which will also allow the Group to seize opportunities through the expansion of its existing business in a timely manner and as and when the opportunities arise. The proposed Rights cum Warrants Issue is therefore expected to support the Company's application for its removal from the SGX-ST watch-list.

3. THE RIGHTS CUM WARRANTS ISSUE

3.1 Introduction

On 14 March 2019, the Company announced that it was proposing to undertake the Rights cum Warrants Issue, subject to, *inter alia*, the following:

- (a) (if necessary) the Whitewash Waiver being granted by the SIC;
- (b) the approval in-principle of the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants and the New Shares on the SGX-ST;
- (c) the Rights cum Warrants Issue and the issue of the Rights Shares, the Warrants and the New Shares being approved by Shareholders at the EGM to be convened;

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- (d) (if necessary) the Whitewash Resolution being approved by the Independent Shareholders at the EGM; and
- (e) the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the Rights cum Warrants Issue, by the Company with the Authority.

On 14 May 2019, the Company announced that BLCC, a Substantial Shareholder of the Company, had on 13 May 2019 executed the BLCC Undertaking and that on 8 May 2019, the SIC had granted the Whitewash Waiver subject to the satisfaction of certain conditions which are set out in Section 4.5 of this Circular.

As at the Latest Practicable Date, BLCC holds 19,563,515 Shares representing approximately 27.09% of the Existing Issued Share Capital, and does not own any instruments convertible into, rights to subscribe for, or options in respect of, Shares.

BLCC is 100% owned by Berjaya Land Berhad, which is in turn a subsidiary of Berjaya Corporation Berhad. Berjaya Corporation Berhad and Berjaya Land Berhad are both listed on the Main Market of Bursa Malaysia Securities Berhad. The Non-Executive Chairman of the Company, Dato' Sri Robin Tan Yeong Ching, is also an executive director and the chief executive officer of Berjaya Corporation Berhad and holds several other directorships in subsidiaries of Berjaya Corporation Berhad and Berjaya Land Berhad.

On 24 June 2019, the Company announced that the SGX-ST had granted its in-principle approval for the listing of and quotation for the Rights Shares, the Warrants and the New Shares on the SGX-ST, subject to, *inter alia*, the following:

- (i) compliance with the SGX-ST's continuing listing requirements;
- (ii) Shareholders' approval for the Rights cum Warrants Issue and the Whitewash Waiver;
- (iii) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights cum Warrants Issue and from the exercise of the Warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on the use of proceeds and in the Company's annual report;
- (iv) a written undertaking from the Company that it will comply with the confirmation given under Rule 877(10) of the Listing Manual with regard to the allotment of any Excess Rights Shares with Warrants;
- (v) a written confirmation from a financial institution as required under Rule 877(9) of the Listing Manual that the Undertaking Shareholder which has given the BLCC Undertaking has sufficient financial resources to fulfil its obligations under the BLCC Undertaking;
- (vi) a written confirmation from the Company that there is a satisfactory spread of Warrant holders to provide an orderly market for the Warrants (normally 100) in compliance with Rule 826 of the Listing Manual;
- (vii) a written confirmation from the Company that the terms of the Warrants issue do not permit revision of the Exercise Price/ratio in any form, other than in compliance with Rule 829(1) of the Listing Manual; and
- (viii) a written undertaking from the Company that Rules 820, 830 and 831 of the Listing Manual will be complied with.

The Company has provided the written undertakings and confirmations referred to in subparagraphs (iii) to (viii) above to the SGX-ST.

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The in-principle approval granted by the SGX-ST is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

3.2 Principal Terms of the Rights cum Warrants Issue

(1) Principal Terms of the Rights Shares

The principal terms of the Rights Shares are summarised below.

Basis of provisional allotment : Three (3) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date.

Number of Rights Shares : Based on the Existing Issued Share Capital of the Company of 72,215,467 issued Shares as at the Latest Practicable Date and assuming that all Entitled Shareholders subscribe in full and pay for their *pro rata* entitlements of Rights Shares, up to 216,646,401 Rights Shares will be issued.

Upon the allotment and issuance of the Rights Shares, the Company will have an enlarged issued share capital comprising up to 288,861,868 Shares.

Issue Price : S\$0.05 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price of S\$0.05 for each Rights Share represents:

- (a) a premium of approximately 25% to the closing price of S\$0.04 per Share on the SGX-ST on 7 March 2019 (being the last Market Day on which the Shares were traded on the SGX-ST immediately prior to the release of the Rights cum Warrants Issue Announcement) (the “**Last Traded Price**”); and
- (b) the theoretical ex-rights price (“**TERP**”)¹ of approximately S\$0.05 per Share based on the Last Traded Price.

Status of the Rights Shares : The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls on or after the date of issue of the Rights Shares.

¹ TERP of each Share is calculated based on the following formula, assuming completion of the Rights cum Warrants Issue based on the Maximum Scenario:

$$\text{TERP} = \frac{\text{Market capitalisation of the Company based on the Last Traded Price} + \text{gross proceeds from the Rights cum Warrants Issue}}{\text{Number of Shares after completion of the Rights cum Warrants Issue}}$$

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- Eligibility to participate in the Rights cum Warrants Issue** : Please refer to Section 3.4 of this Circular.
- Listing of the Rights Shares** : On 24 June 2019, the SGX-ST had granted its in-principle approval for the listing of and quotation for the Rights Shares on the SGX-ST, subject to certain conditions which are set out in Section 3.1 of this Circular. The in-principle approval granted by the SGX-ST for the listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Shares, the Company and/or its subsidiaries.
- Trading of the Rights Shares** : Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.
- Non-underwritten** : The Rights cum Warrants Issue is not underwritten.
- The Company has received the BLCC Undertaking from the Undertaking Shareholder that it will, *inter alia*:
- (a) by way of acceptance, subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, an aggregate of 58,690,545 Rights Shares with 19,563,515 Warrants (the aggregate value of which is S\$2,934,527.25 based on the Issue Price) to be provisionally allotted to it on the basis of the Undertaken Shares (the “**BLCC Entitlement**”); and
 - (b) by way of excess application, subscribe and pay for (or procure subscription and payment for), at the Issue Price, up to a maximum of 41,309,455 Rights Shares with up to a maximum of 13,769,818 Warrants (the aggregate value of which is S\$2,065,472.75 based on the Issue Price) which are not taken up by the other Shareholders who are eligible to participate in the Rights cum Warrants Issue or their renounees by way of acceptances and/or excess applications (subject to availability) (the “**BLCC Excess Application**”).
- The details of the BLCC Undertaking are set out in Section 3.7 of this Circular.
- For the avoidance of doubt, the number of Rights Shares with Warrants which are the subject of the BLCC Excess Application does not represent all the remaining Rights Shares with Warrants which are not taken up by the other Shareholders who are eligible to participate in the Rights cum Warrants Issue or their renounees by way of acceptances and/or excess applications.

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In view of the BLCC Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis. The Rights cum Warrants Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Listing Manual.

On the basis that the BLCC Undertaking is fulfilled by the Undertaking Shareholder, the Net Proceeds from the Minimum Scenario will be sufficient to meet the Company's present funding requirements.

Acceptance, excess application and payment procedures

: Entitled Shareholders will be at liberty to accept, decline or otherwise renounce (in full or in part) or in the case of Entitled Depositors, trade their provisional allotments of the Rights Shares with Warrants on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

The basis of allotting any excess Rights Shares with Warrants will be determined at the absolute discretion of the Directors. In the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders (including BLCC and its concert parties) who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. The Company will also not make any allotment and issuance of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. Please refer to Section 3.5 of this Circular for more details.

The procedures for acceptance, payment and excess application by Entitled Depositors and the procedures for acceptance, payment, splitting, renunciation and excess application by Entitled Scripholders will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, *inter alia*, the Rights cum Warrants Issue being approved by Shareholders at the EGM.

Governing law

: Laws of the Republic of Singapore

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Board may, in its absolute discretion, deem fit. As and when there are any changes to the terms and conditions of the Rights cum Warrants Issue, the Company will announce such changes on the SGXNET. The final terms and conditions of the Rights cum Warrants Issue will be contained in the Offer Information Statement to be lodged with the Authority in

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connection with the Rights cum Warrants Issue and to be despatched by the Company to the Entitled Shareholders (as defined herein) in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights cum Warrants Issue at the EGM.

(2) Principal Terms of the Warrants and the New Shares

The principal terms of the Warrants and the New Shares are summarised below.

Basis of provisional allotment : One (1) free detachable Warrant for every three (3) Rights Shares successfully subscribed.

Number of Warrants to be issued : Based on the Existing Issued Share Capital of the Company of 72,215,467 issued Shares as at the Latest Practicable Date and assuming that (a) all Entitled Shareholders subscribe in full and pay for their *pro rata* entitlements of Rights Shares; and (b) there are no adjustments to the number of Warrants to be issued, up to 72,215,467 free detachable Warrants will be issued together with 216,646,401 Rights Shares subscribed.

Detachability and trading of the Warrants and the New Shares : The Warrants will be detached from the Rights Shares on allotment and issue and will be listed and traded separately on the SGX-ST, under the book-entry (scripless) settlement system upon the listing and quotation of the Warrants on the SGX-ST, subject to, *inter alia*, there being a sufficient spread of holdings of the Warrants to provide for an orderly market in the Warrants. For the purposes of trading on the SGX-ST, each board lot of Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.

Listing of the Warrants : On 24 June 2019, the SGX-ST had granted its in-principle approval for the listing of and quotation for the Warrants on the SGX-ST, subject to certain conditions which are set out in Section 3.1 of this Circular. The in-principle approval granted by the SGX-ST for the listing of and quotation for the Warrants is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Shares, the Company and/or its subsidiaries.

Under Rule 826 of the Listing Manual, it is provided that as a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants for a sufficient spread of holdings of the warrants to provide for an orderly market in the trading of the warrants. **In the event that permission is not granted by the SGX-ST for the listing of and quotation for the Warrants because such condition is not met for any reason in respect of any Warrants issued, Warrant holders should note that they will not be able to trade their Warrants on the SGX-ST.**

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- Form and subscription rights :** The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, each Warrant will entitle the Warrantholder, at any time during the Exercise Period, to subscribe for one (1) New Share at the Exercise Price in force on the relevant exercise date.
- Exercise Price :** S\$0.05 for each New Share on the exercise of a Warrant, payable in full on acceptance and/or application.
- The Exercise Price represents:
- (a) a premium of approximately 25% to the Last Traded Price; and
 - (b) the theoretical ex-rights price of approximately S\$0.05 per Share based on the Last Traded Price.
- Exercise Period :** The period during which the Warrants may be exercised commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members and/or Register of Warrantholders of the Company is/are closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members and/or Register of Warrantholders of the Company or on the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register of Warrantholders may be closed pursuant to the terms and conditions of the Warrants to be set out in the Deed Poll. Unexercised Warrants at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. Notice of expiry of the Warrants shall be given to all Warrantholders not later than one (1) month before the expiry date, and the Company shall announce the same on the SGXNET.
- Mode of payment for exercise of Warrants :** Warrantholders who exercise their Warrants must pay the Exercise Price by way of:
- (a) a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank in Singapore in favour of the Company for the full amount of the monies payable in respect of the Warrant(s) exercised;

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- (b) (if applicable, where the use of CPF Funds for payment of the Exercise Price is allowed by the CPF Board) subject to the Warrants being listed on the Mainboard of the SGX-ST, by debiting the relevant Warrantholder's CPF Investment Account with the CPF Approved Bank as specified in the exercise notice, for the credit of the Designated Account the full amount of the Exercise Price payable in respect of the Warrant(s) exercised;
- (c) subject to applicable SRS rules and regulations, terms and conditions that may be imposed by the SRS Approved Bank as well as the availability of SRS Funds, debiting the SRS account with the SRS Approved Bank, for the credit of the Designated Account, such that the aggregate amount of such remittance and/or amount credited to the Designated Account, is equal to the full amount of the Exercise Price payable in respect of the Warrant(s) exercised; and/or
- (d) any combination of the above, such that the aggregate amount of such remittance and/or amount credited to the Designated Account by the CPF Approved Bank or the SRS Approved Bank, as the case may be, is equal to the full amount of the Exercise Price payable in respect of the Warrant(s) exercised.

Adjustments to the Exercise Price and/or the number of Warrants :

The Exercise Price and/or the number of Warrants to be held by each Warrantholder will, after their issue, be subject to adjustments under certain circumstances, which will be provided for in the terms and conditions of the Warrants to be set out in the Deed Poll. Such circumstances include:

- (a) Consolidation, subdivision, or reclassification
Any consolidation, subdivision, or reclassification of the Shares; or
- (b) Capitalisation issues
An issue by the Company of Shares to Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature or not and including any capital redemption reserve fund) to its Shareholders (other than an issue of Shares in respect of which Shareholders may elect to receive Shares in lieu of cash or other dividend); or
- (c) Capital distribution
A capital distribution made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

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(d) Rights issues

An offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights; or

(e) Issues at discount other than by way of rights

An issue (otherwise than pursuant to: (i) a rights issue available to all Shareholders and requiring an adjustment under sub-section (d) above; and (ii) an issue of Shares in respect of which Shareholders may elect to receive Shares in lieu of cash or other dividend) by the Company of Shares if the total effective consideration for each Share is less than ninety (90) per cent. of the average of the last dealt prices on the five (5) Market Days immediately preceding the date of announcement of the terms of such issue.

Any additional warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants issued under the Rights cum Warrants Issue and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the Listing Manual) be announced by the Company on SGXNET.

Number of New Shares to be issued : If all the 72,215,467 Warrants issued pursuant to the Rights cum Warrants Issue are exercised, 72,215,467 New Shares will be allotted and issued by the Company subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll and the Company will have an enlarged issued share capital comprising 361,077,335 Shares.

Status of New Shares : The New Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the relevant exercise date of the Warrants.

Modification of rights of Warrantholders : The Company may, without the consent of the Warrantholders but in accordance with the terms of the Deed Poll, effect any modification to the terms of the Deed Poll including the terms and conditions of the Warrants which, in the opinion of the Company:

(a) is not materially prejudicial to the interests of the Warrantholders;

(b) is of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore law or the Listing Manual; and/or

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- (c) is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of New Shares arising from the exercise of the Warrants or meetings of the Warrantholders in order to facilitate the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

Without prejudice to any provision of the Deed Poll, any material alteration to the terms and conditions of the Warrants after the issue thereof to the advantage of the Warrantholders and prejudicial to Shareholders must be approved by Shareholders in general meeting, and if necessary, the SGX-ST, except where the alterations are made pursuant to the terms and conditions of the Warrants.

The Company will comply with Rule 831 of the Listing Manual and, unless permitted under the Deed Poll, will not:

- (i) extend the Exercise Period;
- (ii) issue new warrants to replace the Warrants;
- (iii) change the Exercise Price; or
- (iv) change the exercise ratio of the Warrants.

Any additional Warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants issued under the Rights cum Warrants Issue and will for all purposes form part of the same series. Any such adjustment shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on the SGXNET.

Transfer and transmission : The Warrants shall be transferable in lots entitling the Warrantholders to subscribe for whole numbers of New Shares. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants to be set out in the Deed Poll, including, among others, the following:

- (a) Warrants not registered in the name of CDP – a Warrantholder whose Warrants are registered otherwise than in the name of CDP (the “**Transferor**”) shall lodge, during normal business hours on any Market Day at the specified office of the Warrant Agent, the Transferor's warrant certificate(s) together with a transfer form as prescribed by the Company from time to time (the “**Transfer Form**”) duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty, provided always that the Warrant

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Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP. A Transferor shall be deemed to remain a Warrantholder of the Warrants until the name of the transferee is entered in the Register of Warrantholders by the Warrant Agent;

- (b) Deceased Warrantholder – the executors or administrators of a deceased Warrantholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) or, if the registered holder of the Warrants is CDP, of a deceased Depositor (not being one of several joint holders) and, in the case of the death of one or more of several joint Warrantholders, the survivor or survivors of such joint holders, shall be the only persons recognised by the Company and the Warrant Agent as having any title to the Warrants and shall be entitled to be registered as a holder of the Warrants and/or to make such transfer as the deceased Warrantholder could have made, upon the production by such persons to the Company and the Warrant Agent of such evidence as may be required by the Warrant Agent to prove their title and on completion of a Transfer Form and the payment of such fees and expenses referred to in the conditions to the Warrants; and
- (c) Warrants registered in the name of CDP – where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry. A Depositor shall be deemed to remain a Warrantholder of the Warrants until the name of the transferee is entered in the Depository Register by CDP.

Liquidation

- : If a resolution is passed for a members' voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation), every Warrantholder shall be entitled upon and subject to the provisions in the Deed Poll and the conditions to the Warrants, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his Warrant Certificate(s) to the Company with the exercise notice(s) duly completed, together with all payments payable under the conditions to the Warrants and having duly complied with all other conditions to the Warrants, to elect to be treated as if he had immediately prior to the commencement of such winding-up, exercised the Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise, and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly.

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The Company shall give notice to the Warrantheolders in accordance with the terms and conditions to be set out in the Deed Poll of the passing of any such resolution within seven (7) Business Days after the passing thereof. Where a Warrantheolder has elected to be treated as if he had exercised its Warrants as aforesaid, it shall be liable to pay the Exercise Price in relation to such exercise.

Subject to the foregoing, if the Company is wound up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution for the winding-up of the Company shall lapse and cease to be valid for all purposes.

Further issues of securities : Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantheolders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

Designation of New Shares : Ordinary shares in the capital of the Company

Warrant Agent : M & C Services Private Limited

Governing law : Laws of the Republic of Singapore

3.3 Convertible Securities

As at the Latest Practicable Date, the Company does not have any existing warrants or other convertible securities.

3.4 Eligibility of Shareholders to Participate in the Rights cum Warrants Issue

(a) Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights cum Warrants Issue and to receive the Offer Information Statement, together with:

- (i) for the Entitled Depositors: the ARE, being the application and acceptance form for Rights Shares with Warrants and Excess Rights Shares with Warrants in respect of their provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue; or
- (ii) for the Entitled Scripholders: the PAL, being the provisional allotment letter in respect of their provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue,

and other accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be.

Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

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Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade their provisional allotments of Rights Shares with Warrants on the SGX-ST during the rights trading period prescribed by the SGX-ST and are eligible to apply for Excess Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares with Warrants in excess of their provisional allotments.

All dealings in, and transactions of, the provisional allotments of Rights Shares with Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or to effect any change in address must reach Informatics Education Ltd. c/o the Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Books Closure Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares with Warrants. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12th Market Day from the date of lodgment of the share certificates with CDP or such later date subject to the completion of the lodgment process.

In the allotment of any Excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders (including BLCC and its concert parties) who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. The Company will also not make any allotment and issuance of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares with Warrants and the applications for Excess Rights Shares with Warrants, including the different modes of acceptance or application and payment, will be contained in the Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

(b) **CPF Investment Scheme**

Shareholders who have previously purchased Shares using their CPF Funds under the CPFIS:

- (i) should note that CPF Funds cannot be used to purchase shares of issuers on the SGX-ST watch-list with effect from 1 March 2016. The Company was placed on the SGX-ST watch-list under the MTP entry criteria and financial entry criteria on 5 June 2017 and 5 December 2017, respectively;

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- (ii) and who wish to accept their provisional allotments of the Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants using CPF Funds may do so, subject to the applicable CPF rules and regulations. Such Shareholders will need to contact their respective approved CPF agent banks with whom they hold their CPF investment accounts on how they may do so; and
- (iii) may not use their CPF Funds to purchase provisional allotments of “nil-paid” Rights Shares with Warrants directly from the market.

(c) **Foreign Shareholders**

The Offer Information Statement and its accompanying documents relating to the Rights cum Warrants Issue will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Shares with Warrants will **NOT** be offered to and the Offer Information Statement and its accompanying documents will **NOT** be despatched to Foreign Shareholders, or lodged, registered or filed in any jurisdictions outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue. No provisional allotment of the Rights Shares with Warrants has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to the Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares with Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares with Warrants renounced to him. The Company further reserves the right to reject any acceptances of the Rights Shares with Warrants and (if applicable) any application for Excess Rights Shares with Warrants where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (i) appears to the Company or its agents to have been executed in a jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (ii) provides an address outside Singapore for the receipt of the share and warrant certificate(s) of the Rights Shares with Warrants or which requires the Company to despatch the share and warrant certificate(s) to an address in any jurisdiction outside Singapore, or (iii) purports to exclude any deemed representation or warranty.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

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The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP, the Share Registrar and/or their respective officers in connection therewith.

Where the provisional allotments of Rights Shares with Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP, the Share Registrar and/or their respective officers in connection therewith.

If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be aggregated and allotted to satisfy applications for Excess Rights Shares with Warrants (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP, the Share Registrar and/or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in those territories.

The Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

3.5 Option to Scale Down

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary and upon approval of the SGX-ST, scale down a Shareholder's application to subscribe for the Rights cum Warrants Issue to:

- (a) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of the Shareholders is obtained in a general meeting; or
- (b) avoid placing the relevant Shareholder and parties acting in concert with it (as defined in the Code) in the position of incurring a mandatory bid obligation under the Code as a result of other Shareholders not taking up their Rights Shares with Warrants entitlements fully.

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For the avoidance of doubt, the option to scale down referred to in this Section 3.5 shall not apply to BLCC's subscription and payment (or BLCC's procurement of the subscription and payment) for the BLCC Entitlement and/or the BLCC Excess Application in accordance with the terms of the BLCC Undertaking.

3.6 Rationale for the Rights cum Warrants Issue and Use of Proceeds

3.6.1 Rationale for the Rights cum Warrants Issue

The Company is undertaking the Rights cum Warrants Issue to raise funds to strengthen the Group's financial position and expand the capital base of the Group. In view of the current financial circumstances, the Company believes that the Rights cum Warrants Issue will strengthen the Company's balance sheet, and a stronger financial position will also allow the Group to seize opportunities through the expansion of its existing business in a timely manner and as and when the opportunities arise.

The Rights cum Warrants Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company. As and when the Warrants are exercised, the Group's financial position will be improved further.

3.6.2 Use of Net Proceeds and Warrants Proceeds

The Company intends to utilise the Net Proceeds from the Rights cum Warrants Issue for the following purposes, details of the breakdown are set out below:

- (a) to support the expansion of the Company's business activities (the "**Business Expansion**") including but not limited to:
 - (i) developing a broad range of new computing and business-related academic programs including new related specialisms, as well as expanding the reach of its programs through the development of digital and online as well as partner and in-house delivery capabilities;
 - (ii) extending the development of the existing education programs to digital and online delivery platforms in addition to refreshing the existing education programs;
 - (iii) enlarging the licensing of existing and new education programs through the current and expanded global partner network in over fifty (50) countries worldwide; and
 - (iv) (if feasible) obtaining the "Taught Degree Awarding Powers"², thus giving the Group's subsidiary based in the United Kingdom the ability to award its own honours and masters degrees;
- (b) funding new projects to enhance capabilities;
- (c) capital improvements;
- (d) making strategic investments and/or opportunistic acquisitions; and
- (e) the balance for general corporate and working capital requirements of the Group.

² Taught Degree Awarding Powers, or TDAP, is the ability for the wholly-owned subsidiary of the Company, NCC Education Ltd, to award its own degrees under its own name, as if it were a university situated in the United Kingdom. In order to award degrees in the name of NCC Education Ltd, the various programs for which the degree is granted will require additional development (to that already developed by NCC Education Ltd), and will also require additional compliance and regulatory needs prerequisites.

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Under the scenario whereby based on the Existing Issued Share Capital and assuming that the Rights cum Warrants Issue is fully subscribed for, 216,646,401 Rights Shares with 72,215,467 Warrants will be issued pursuant to the Rights cum Warrants Issue (the “**Maximum Scenario**”), the Net Proceeds (after deducting estimated expenses of approximately S\$0.40 million) of approximately S\$10.43 million are intended to be used in the following manner:

Use of the Net Proceeds	Amount (S\$'million)	Percentage of the Net Proceeds (%)
(a) Support the Business Expansion	6.00	57.53
(b) Funding new projects to enhance capabilities	1.00	9.59
(c) Capital improvements	0.50	4.79
(d) Making strategic investments and/or opportunistic acquisitions	0.92	8.82
(e) General corporate and working capital requirements of the Group	2.01	19.27
Total	10.43	100.00

Under the scenario whereby based on the Existing Issued Share Capital and assuming that:

- (i) none of the other Shareholders (other than BLCC) or purchasers of the “nil-paid” rights during the “nil-paid” rights trading period subscribe and pay for any Rights Shares with Warrants; and
- (ii) only BLCC subscribes and pays for in full, the BLCC Entitlement and the BLCC Excess Application in accordance with the BLCC Undertaking,

100,000,000 Rights Shares with 33,333,333 Warrants will be issued pursuant to the Rights cum Warrants Issue (the “**Minimum Scenario**”), the Net Proceeds (after deducting estimated expenses of approximately S\$0.40 million) of approximately S\$4.60 million are intended to be used in the following manner:

Use of the Net Proceeds	Amount (S\$'million)	Percentage of the Net Proceeds (%)
(a) Support the Business Expansion	2.35	51.09
(b) Funding new projects to enhance capabilities	0.22	4.78
(c) Capital improvements	0.35	7.61
(d) Making strategic investments and/or opportunistic acquisitions	-	-
(e) General corporate and working capital requirements of the Group	1.68	36.52
Total	4.60	100.00

The above allocations are based on the Maximum Scenario and the Minimum Scenario only. In the event the Net Proceeds falls in between the Maximum Scenario and the Minimum Scenario, the Company will make the necessary announcements on the allocations once the final Net Proceeds have been determined. It is anticipated that the allocations would not deviate significantly from the above illustrations.

Assuming all the 72,215,467 Warrants to be issued under the Maximum Scenario are exercised, the Company will raise gross Warrants Proceeds of approximately S\$3.61 million. The Company intends to utilise the Warrants Proceeds for its general corporate and working capital requirements and/or such other purposes as the Directors may in their absolute discretion deem fit.

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Pending the deployment of the Net Proceeds and the Warrants Proceeds (as and when the Warrants are exercised), such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Directors are of the opinion that as at the Latest Practicable Date, taking into consideration the Company's internal resources and present facilities and the Net Proceeds and Warrants Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

The Company will make periodic announcements on the utilisation of the Net Proceeds and Warrants Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds and Warrants Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds and Warrants Proceeds have been fully utilised. Where there is any material deviation from the stated use of the Net Proceeds and Warrants Proceeds, the Company will announce the reasons for such deviation.

Where the Net Proceeds and Warrants Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds and Warrants Proceeds for working capital in its announcements and annual reports.

3.7 BLCC Undertaking

BLCC is a Substantial Shareholder of the Company which, as at the Latest Practicable Date, holds 19,563,515 Shares representing approximately 27.09% of the Existing Issued Share Capital, and does not own any instruments convertible into, rights to subscribe for, or options in respect of, Shares.

BLCC is 100% owned by Berjaya Land Berhad, which is in turn a subsidiary of Berjaya Corporation Berhad. Berjaya Corporation Berhad and Berjaya Land Berhad are both listed on the Main Market of Bursa Malaysia Securities Berhad. The Non-Executive Chairman of the Company, Dato' Sri Robin Tan Yeong Ching, is also an executive director and the chief executive officer of Berjaya Corporation Berhad and holds several other directorships in subsidiaries of Berjaya Corporation Berhad and Berjaya Land Berhad.

To demonstrate its confidence in the Rights cum Warrants Issue and to show commitment and support to the Company, BLCC has executed the BLCC Undertaking in favour of the Company, pursuant to which it has irrevocably undertaken to the Company that (among other things):

- (a) as at the Books Closure Date, it will own no less than 19,563,515 Shares (the "**Undertaken Shares**");
- (b) it will not sell, transfer or otherwise dispose of, any of the Undertaken Shares or any interest therein on or prior to the Books Closure Date;
- (c) it will vote, and procure that the registered holders will vote, in respect of the Undertaken Shares, in favour of the resolutions to be proposed at the EGM to approve the Rights cum Warrants Issue (save for the Whitewash Resolution);
- (d) it will, by way of acceptance, subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, an aggregate of 58,690,545 Rights Shares with 19,563,515 Warrants (the aggregate value of which is S\$2,934,527.25 based on the Issue Price) to be provisionally allotted to it on the basis of the Undertaken Shares (i.e. the BLCC Entitlement); and
- (e) it will, by way of excess application, subscribe and pay for (or procure subscription and payment for), at the Issue Price, up to a maximum of 41,309,455 Rights Shares with up to a maximum of 13,769,818 Warrants (the aggregate value of which is S\$2,065,472.75 based

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on the Issue Price) which are not taken up by the other Shareholders who are eligible to participate in the Rights cum Warrants Issue or their renounees by way of acceptances and/or excess applications (subject to availability) (i.e. the BLCC Excess Application).

The BLCC Undertaking is subject to:

- (i) the Whitewash Waiver granted by the SIC (this was granted on 8 May 2019) not having been withdrawn or revoked as at the completion of the Rights cum Warrants Issue;
- (ii) the in-principle approval of the SGX-ST for the listing of and quotation for, the Rights Shares, the Warrants and the New Shares on the SGX-ST (which was granted on 24 June 2019) and if such approval is granted subject to conditions, such conditions being acceptable to the Company and BLCC, and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue;
- (iii) the Rights cum Warrants Issue and the issue of the Rights Shares, the Warrants and the New Shares being approved by Shareholders at the EGM to be convened;
- (iv) the Whitewash Resolution being approved by Shareholders (other than BLCC and any other parties acting or deemed to be acting in concert with BLCC in respect of the Shares) at the EGM; and
- (v) the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the Authority.

On 8 May 2019, the SIC waived the requirement for BLCC and its concert parties to make a mandatory general offer for the Shares as a result of BLCC subscribing for the BLCC Entitlement and the BLCC Excess Application and the exercise of the Warrants into New Shares ("**Whitewash Waiver**"), subject to the satisfaction of certain conditions which are set out in Section 4.5 of this Circular.

Assuming that BLCC subscribes and pays for in full the BLCC Entitlement and the BLCC Excess Application under the Minimum Scenario, BLCC will subscribe and pay for up to 100,000,000 Rights Shares with 33,333,333 Warrants at an aggregate Issue Price of S\$5,000,000 (the "**Maximum Financial Outlay**").

As at the Latest Practicable Date, the Company has received a written confirmation from a bank that BLCC has the necessary financial resources to enable it to satisfy the Maximum Financial Outlay.

No commission or fee will be payable by the Company to BLCC in consideration of the BLCC Undertaking.

3.8 Financial Effects of the Rights cum Warrants Issue

The financial effects of the Rights cum Warrants Issue set out below are purely for illustrative purposes only and are not necessarily indicative of or a projection of the actual future financial performance or financial position of the Company and/or the Group after completion of the Rights cum Warrants Issue.

The financial effects of the Rights cum Warrants Issue have been computed based on the latest audited consolidated financial statements of the Group for FY2019 as well as the following assumptions:

- (a) there is no income from the Net Proceeds and the Warrants Proceeds;
- (b) the estimated expenses incurred in relation to the Rights cum Warrants Issue are approximately S\$0.40 million;

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- (c) the financial effects on the share capital, NTA, NAV and gearing are computed based on the assumption that the Rights cum Warrants Issue was completed on 31 March 2019; and
- (d) the financial effects on the earnings and EPS are computed based on the assumption that the Rights cum Warrants Issue was completed on 1 April 2018.

3.8.1 Share Capital

	<u>Maximum Scenario</u>		<u>Minimum Scenario</u>	
	Number of Shares	Share Capital (S\$'000)	Number of Shares	Share Capital (S\$'000)
As at 31 March 2019				
Issued share capital	72,215,467	29,908	72,215,467	29,908
Add: Rights Shares to be issued	216,646,401	10,832	100,000,000	5,000
Issued share capital after the issue of the Rights Shares	288,861,868	40,740	172,215,467	34,908
Add: New Shares to be issued from the exercise of the Warrants	72,215,467	3,611	33,333,333	1,667
Less: Estimated expenses	-	(400)	-	(400)
Enlarged issued share capital after issue of the Rights Shares and exercise of the Warrants	361,077,335	43,951	205,548,800	36,175

3.8.2 Net Tangible Assets

	<u>Maximum Scenario</u>			<u>Minimum Scenario</u>		
	Before the Rights cum Warrants Issue	After the issue of the Rights Shares but before exercise of the Warrants	After the issue of the Rights Shares and exercise of the Warrants	Before the Rights cum Warrants Issue	After the issue of the Rights Shares but before exercise of the Warrants	After the issue of the Rights Shares and exercise of the Warrants
As at 31 March 2019						
NTA (S\$'000)	2,882	7,550	11,161	(2,882)	1,718	3,385
Number of Shares	72,215,467	288,861,868	361,077,335	72,215,467	172,215,467	205,548,800
NTA per Share (cents)	(3.99)	2.61	3.09	(3.99)	1.00	1.65

3.8.3 Net Asset Value

	<u>Maximum Scenario</u>			<u>Minimum Scenario</u>		
	Before the Rights cum Warrants Issue	After the issue of the Rights Shares but before exercise of the Warrants	After the issue of the Rights Shares and exercise of the Warrants	Before the Rights cum Warrants Issue	After the issue of the Rights Shares but before exercise of the Warrants	After the issue of the Rights Shares and exercise of the Warrants
As at 31 March 2019						
NAV (S\$'000)	(2,862)	7,570	11,181	(2,862)	1,738	3,405
Number of Shares	72,215,467	288,861,868	361,077,335	72,215,467	172,215,467	205,548,800
NAV per Share (cents)	(3.96)	2.62	3.10	(3.96)	1.01	1.66

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3.8.4 Earnings Per Share

	<u>Maximum Scenario</u>			<u>Minimum Scenario</u>		
	Before the Rights cum Warrants Issue	After the issue of the Rights Shares but before exercise of the Warrants	After the issue of the Rights Shares and exercise of the Warrants	Before the Rights cum Warrants Issue	After the issue of the Rights Shares but before exercise of the Warrants	After the issue of the Rights Shares and exercise of the Warrants
As at 31 March 2019						
Profit after tax attributable to shareholders (S\$'000)	(3,574)	(3,574)	(3,574)	(3,574)	(3,574)	(3,574)
Number of Shares	72,215,467	288,861,868	361,077,335	72,215,467	172,215,467	205,548,800
EPS (cents)	(4.95)	(1.24)	(0.99)	(4.95)	(2.08)	(1.74)

3.8.5 Gearing

Gearing is defined as bank borrowings divided by Shareholders' funds. As at the Latest Practicable Date, the Group had no bank borrowings. Hence, the Rights cum Warrants Issue will have no effect on the Group's gearing.

4. THE WHITEWASH RESOLUTION

4.1 Interest of BLCC and its concert parties

As at the Latest Practicable Date, the aggregate interest (direct and deemed) of BLCC and its concert parties (the "**BLCC Group**") is 20,493,577 Shares representing approximately 28.38% of the Existing Issued Share Capital.

As at the Latest Practicable Date, the BLCC Group does not own any instruments convertible into, rights to subscribe for, or options in respect of, Shares.

4.2 Mandatory General Offer Requirement under the Code

Under Rule 14.1 of the Code, except with the SIC's consent, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights in the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights of the Company,

such person is required to make a mandatory general offer for all the remaining Shares in the Company which he does not already own or control.

4.3 Possible Shareholding Changes

As at the Latest Practicable Date, BLCC holds 19,563,515 Shares representing approximately 27.09% of the Existing Issued Share Capital.

Pursuant to the BLCC Undertaking, BLCC will subscribe for and pay for all of its provisional allotments under the Rights cum Warrants Issue, being 58,690,545 Rights Shares with 19,563,515 Warrants.

Under the Maximum Scenario, the aggregate interest (direct and deemed) of the BLCC Group after the close of the Rights cum Warrants Issue will remain unchanged.

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The table below shows the effects of the Rights cum Warrants Issue where BLCC subscribes for the Rights Shares with Warrants pursuant to the BLCC Undertaking under the Minimum Scenario, based on the Existing Issued Share Capital.

	Before the Rights cum Warrants Issue		After the Rights cum Warrants Issue		After the Rights cum Warrants Issue and the exercise of all the Warrants	
	% of Existing Issued Share		% of Enlarged Issued Share		% of Enlarged Issued Share	
	No. of Shares	Capital	No. of Shares	Capital	No. of Shares	Capital
BLCC	19,563,515	27.09	119,563,515	69.43	152,896,848	74.38
Other Shareholders	52,651,952	72.91	52,651,952	30.57	52,651,952	25.62
Total	72,215,467	100.00	172,215,467	100.00	205,548,800	100.00

As shown above, under the Minimum Scenario, the shareholding interest of BLCC in the Company may increase from approximately 27.09% to approximately 69.43% immediately after completion of the Rights cum Warrants Issue and further to approximately 74.38% immediately after the exercise of all the Warrants.

As can be seen in the table above, in fulfilling the obligations under the BLCC Undertaking, the aggregate interest (direct and deemed) of the BLCC Group may increase after the Rights cum Warrants Issue. In particular, under certain scenarios, such interest will cross the mandatory general offer threshold of 30% as set out in Rule 14.1 of the Code, and BLCC and its concert parties would incur an obligation to make a mandatory general offer for Shares not already owned by BLCC and its concert parties pursuant to Rule 14 of the Code unless such obligation is waived by the SIC.

Accordingly, an application was made to the SIC for, among others, a waiver of the obligation of the BLCC Group to make a mandatory general offer under Rule 14 of the Code in connection with the fulfilment of its obligations pursuant to the BLCC Undertaking under the Rights cum Warrants Issue. On 8 May 2019, the SIC granted the Whitewash Waiver subject to the satisfaction of certain conditions which are set out in Section 4.5 of this Circular.

4.4 Potential Dilution

As a result of the Rights cum Warrants Issue and the BLCC Undertaking, the collective shareholding interests of Shareholders (other than BLCC) may be diluted (i) from 72.91% to approximately 30.57% under the Minimum Scenario, and further to approximately 25.62% (after the exercise of all the Warrants). Under Rule 723 of the Listing Manual, the Company has to ensure that at least 10.0% of the total number of issued Shares of the Company (excluding treasury shares, preference shares and convertible securities) is at all times held by the public. Further details of the potential dilution are set out in Section 4.3 of this Circular.

4.5 Whitewash Waiver

On 8 May 2019, the SIC granted the Whitewash Waiver, subject to the satisfaction of the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights cum Warrants Issue, the Whitewash Resolution by way of a poll to waive their rights to receive a mandatory general offer from BLCC and its concert parties;
- (b) the Whitewash Resolution being separate from other resolutions;
- (c) BLCC and its concert parties, as well as parties not independent of them abstain from voting on the Whitewash Resolution;

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- (d) BLCC and its concert parties not having acquired and are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which will be disclosed in this Circular):
 - (i) during the period between the Rights cum Warrants Issue Announcement and the date Shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the Rights cum Warrants Issue Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights cum Warrants Issue;
- (e) the Company appoints an independent financial adviser to advise Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in this Circular:
 - (i) details of the Rights cum Warrants Issue and the BLCC Undertaking;
 - (ii) the dilution effect to existing holders of voting rights in the Company upon (A) the subscription of the Rights Shares and (B) the exercise of the Warrants into New Shares by BLCC;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by BLCC and its concert parties as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by BLCC as a result of its (A) subscription of the Rights Shares and (B) the exercise of the Warrants into New Shares;
 - (v) specific and prominent reference to the fact that the subscription of the Rights Shares and exercise of the Warrants into New Shares could result in BLCC and its concert parties holding Shares carrying over 49% of the voting rights of the Company, and the fact that BLCC and its concert parties would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;
 - (vi) specific and prominent reference to the possibility that Shareholders, by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants; and
 - (vii) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from BLCC at the highest price paid by BLCC and its concert parties for Shares in the past six (6) months preceding the commencement of the offer;
- (g) this Circular states that the Whitewash Waiver granted by the SIC to BLCC and its concert parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated in (a) to (f) above;
- (h) the Company obtains the SIC's approval in advance for those parts of this Circular that refer to the Whitewash Resolution;

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- (i) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within three (3) months of the SIC's approval, the subscription of the Rights Shares with Warrants by BLCC must be completed within three (3) months of the approval of the Whitewash Resolution and the acquisition of the New Shares upon exercise of the Warrants must be completed within five (5) years of the issue of the Warrants; and
- (j) BLCC will comply or procure the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code,

(collectively, the “**SIC Conditions**”).

As at the Latest Practicable Date, save for the conditions set out in Sections 4.5(a), 4.5(c), 4.5(d)(i), 4.5(i) and 4.5(j) of this Circular, all the other SIC Conditions set out above have been satisfied.

4.6 Whitewash Resolution

The Independent Shareholders are therefore asked to vote, by way of a poll, on the Whitewash Resolution as set out as Ordinary Resolution 2 in the Notice of EGM.

In connection with the Whitewash Waiver, BLCC has confirmed that it, whether by itself or with any of its concert parties, has not acquired any Shares in the six (6)-months period prior to the date of the Rights cum Warrants Issue Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights cum Warrants Issue and has not and will not acquire any Shares in the period between the Rights cum Warrants Issue Announcement and the date on which the approval of the Independent Shareholders is obtained for the Whitewash Resolution.

4.7 Advice from the Independent Financial Adviser

The Board has, on behalf of the Company, appointed RHT Capital Pte. Ltd. as the IFA to advise the Independent Directors in respect of the Whitewash Resolution. The IFA Letter setting out its opinion and advice in full, is reproduced in Appendix A to this Circular.

Taking into consideration the factors set out in the IFA Letter, the information available to the IFA as at the Latest Practicable Date and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the opinion that the Rights cum Warrants Issue, which is the subject of the Whitewash Resolution, is fair and reasonable. Accordingly, the IFA advises the Independent Directors to recommend that the Independent Shareholders vote in favour of the Whitewash Resolution at the EGM.

Independent Shareholders are advised to read and consider the IFA Letter in its entirety as reproduced in Appendix A to this Circular and consider carefully the recommendations of the Independent Directors for the Whitewash Resolution as set out in Section 9.2 of this Circular.

4.8 Advice to Independent Shareholders

Independent Shareholders should note that:

- (a) **by voting in favour of the Whitewash Resolution, they will be waiving their rights to receive a general offer from BLCC at the highest price paid by BLCC and its concert parties for Shares in the past six (6) months preceding the commencement of the Rights cum Warrants Issue which they would otherwise have been obliged to make for the Shares pursuant to Rule 14 of the Code;**
- (b) **the subscription by BLCC of its provisional allotment of the Rights Shares and exercise of the Warrants into New Shares could result in BLCC and its concert parties holding Shares carrying over 49% of the voting rights of the Company based on**

LETTER TO SHAREHOLDERS

the Minimum Scenario and BLCC and its concert parties would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company;

- (c) by voting in favour of the Whitewash Resolution, they could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants; and
- (d) the Rights cum Warrants Issue is conditional upon the Independent Shareholders voting in favour of the Whitewash Resolution. In view of this, in the event that the Whitewash Resolution is not approved by the Independent Shareholders, the Rights cum Warrants Issue will not take place.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 Directors' Interests

As at the Latest Practicable Date, based on information in the Register of Directors' Shareholdings maintained by the Company pursuant to Section 164 of the Companies Act, none of the Directors holds any interests in the Shares.

The following Directors are officers and/or shareholders of the following companies:

- (a) Dato' Sri Robin Tan Yeong Ching has direct interests of 0.04% in Berjaya Corporation Berhad and 0.01% in Berjaya Land Berhad, being the ultimate holding company and the holding company of BLCC, respectively. Dato' Sri Robin Tan Yeong Ching is also an executive director and the chief executive officer of Berjaya Corporation Berhad and holds several other directorships in subsidiaries of Berjaya Corporation Berhad and Berjaya Land Berhad;
- (b) Ms Yau Su Peng currently holds the position of the Director of Retail and Innovation Division in Berjaya Corporation Berhad; and
- (c) Ms Mae Ho Seok Khen is an executive director and the chief executive officer of Berjaya Higher Education Sdn Bhd, a director of Berjaya College Sdn Bhd and a director of Berjaya Global Professional Development Sdn Bhd, all of which are subsidiaries of Berjaya Corporation Berhad.

5.2 Substantial Shareholders' Interests

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares based on information in the Register of Substantial Shareholders maintained by the Company pursuant to Section 88 of the Companies Act are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Berjaya Leisure Capital (Cayman) Limited	19,563,515	27.09	-	-
Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	20,493,577 ⁽²⁾	28.38
Berjaya Corporation Berhad	-	-	20,493,577 ⁽²⁾	28.38
Berjaya Group Berhad	-	-	20,493,577 ⁽²⁾	28.38
Berjaya Land Berhad	-	-	19,563,515 ⁽³⁾	27.09
Teras Mewah Sdn Bhd	-	-	19,563,515 ⁽³⁾	27.09
Kestrel Capital Pte Ltd	14,971,350	20.73	-	-
Peter Lim Eng Hock	-	-	14,971,350 ⁽⁴⁾	20.73

Notes:

- (1) Based on 72,215,467 issued Shares as at the Latest Practicable Date.

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- (2) Tan Sri Dato' Seri Vincent Tan Chee Yioun, Berjaya Corporation Berhad and Berjaya Group Berhad are deemed to be interested in the Shares held by Berjaya Leisure Capital (Cayman) Limited and Rantau Embun Sdn Bhd.
- (3) Berjaya Land Berhad and Teras Mewah Sdn Bhd are deemed to be interested in the Shares held by Berjaya Leisure Capital (Cayman) Limited.
- (4) Peter Lim Eng Hock is deemed to be interested in the Shares held by Kestrel Capital Pte Ltd.

5.3 Abstaining Directors

In view of the above, Dato' Sri Robin Tan Yeong Ching, Ms Mae Ho Seok Khen and Ms Yau Su Peng (a) have abstained from making any recommendations on the Proposed Resolutions; and (b) will decline to accept any appointment as proxy for any Shareholder to vote in respect of the Proposed Resolutions at the EGM, unless specific instructions have been given in the proxy form on how the vote is to be cast for the Proposed Resolutions at the EGM.

5.4 Abstaining Shareholders

Pursuant to the Code and the SIC Conditions, BLCC, its concert parties and parties not independent of BLCC shall abstain, and shall procure their associates to abstain, from voting on the Whitewash Resolution and refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of the Whitewash Resolution unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolution.

5.5 Interests of Directors and Substantial Shareholders

Save as disclosed in this Circular and save for their interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the Rights cum Warrants Issue.

6. FINANCIAL INFORMATION OF THE GROUP

The financial statements of the Group (the consolidated income statements, consolidated balance sheets, working capital position and consolidated cash flow statements of the Group) for the last three (3) financial years, being FY2017, FY2018 and FY2019 as well as the review thereof are set out in Appendix B to this Circular.

7. BOOKS CLOSURE DATE

Subject to Shareholders' approval of the Rights cum Warrants Issue at the EGM, the Books Closure Date for the purpose of determining the Entitled Shareholders' entitlements under the Rights cum Warrants Issue will be announced at a later date.

8. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched by the Company to Entitled Shareholders subject to, *inter alia*, the approval of Shareholders of the Rights cum Warrants Issue being obtained at the EGM. Acceptances and applications under the Rights cum Warrants Issue can only be made on the following (all of which will form part of the Offer Information Statement):

- (a) the PAL, in the case of Entitled Scripholders;
- (b) the ARE or through the ATMs of the Participating Banks, in the case of Entitled Depositors; and
- (c) the ARS or through the ATMs of the Participating Banks, in the case of persons purchasing provisional allotments of Rights Shares with Warrants through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore.

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9. DIRECTORS' RECOMMENDATION

9.1 The Rights cum Warrants Issue

The Independent Directors, having considered, *inter alia*, the terms and rationale for the Rights cum Warrants Issue as set out in Section 3.6 of this Circular, are of the opinion that the Rights cum Warrants Issue is in the best interests of the Company, and accordingly recommend that the Shareholders vote in favour of the ordinary resolution relating thereto to be proposed at the EGM.

9.2 The Whitewash Resolution

The Independent Directors having considered, *inter alia*, the rationale for the Rights cum Warrants Issue as set out in Section 3.6 of this Circular and the advice of the IFA as set out in the IFA Letter in Appendix A to this Circular, are of the opinion that the Whitewash Resolution is in the interests of the Company and is not prejudicial to the interests of the Independent Shareholders. Accordingly, they recommend that the Independent Shareholders vote in favour of the ordinary resolution relating thereto to be proposed at the EGM.

9.3 No Regard to Specific Objectives

In giving the above recommendations, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, or other professional adviser(s).

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Enabling Village, UOB Ability Hub Hall 1, 20 Lengkok Bahru, Singapore 159053 on 18 July 2019 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) for the purpose of considering, and, if thought fit, passing, with or without any modifications, the Proposed Resolutions set out in the Notice of EGM on pages N-1 to N-4 of this Circular.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend, speak and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 100 Victoria Street, #13-01/02, National Library Building, Singapore 188064, not less than 48 hours before the time appointed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he subsequently wishes to do so. In such an event, the Proxy Form shall be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register at least 72 hours before the EGM.

In the event that Shareholders and other investors are in doubt about the actions they should take, they should consult their stockbrokers, bank managers, solicitors, accountants, or other professional adviser(s).

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12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

13. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter attached as Appendix A to this Circular and all references to its name in the form and context in which they appear in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders at the office of the Company at 100 Victoria Street, #13-01/02, National Library Building, Singapore 188064 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Rights cum Warrants Issue Announcement;
- (b) the Irrevocable Undertaking Announcement;
- (c) the annual report of the Company for FY2019;
- (d) the audited financial statements of the Group for FY2017, FY2018 and FY2019;
- (e) the IFA Letter;
- (f) the letter of consent from the IFA dated 3 July 2019;
- (g) the letter of consent from the Share Registrar and Warrant Agent dated 26 June 2019;
- (h) the draft Deed Poll;
- (i) the Constitution; and
- (j) the BLCC Undertaking.

Yours faithfully

For and on behalf of
The Board of Directors of
INFORMATICS EDUCATION LTD.

Yau Su Peng
Executive Director

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RHT CAPITAL PTE. LTD.
(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)
9 Raffles Place, #29-01
Republic Plaza Tower 1
Singapore 048619

3 July 2019

To: Directors of Informatics Education Ltd.
(deemed to be independent in respect of the Proposed Whitewash Resolution)

Professor Lai Kim Fatt (Non-Executive, Independent Director)
Mr Yeap Beng Swee, Philip (Non-Executive, Independent Director)

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE TO THE INDEPENDENT DIRECTORS AND INDEPENDENT SHAREHOLDERS OF INFORMATICS EDUCATION LTD. IN RELATION TO THE PROPOSED WHITEWASH RESOLUTION FOR THE PROPOSED RIGHTS CUM WARRANTS ISSUE

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 3 July 2019 issued by Informatics Education Ltd. to its shareholders shall have the same meaning herein.

1. INTRODUCTION

On 14 March 2019 (“**Announcement Date**”), the board of directors (“**Directors**”) of Informatics Education Ltd. (“**Company**”, and together with its subsidiaries, “**Group**”) announced (“**Announcement**”), *inter alia*, that the Company is proposing to undertake a renounceable non-underwritten rights issue (“**Proposed Rights cum Warrants Issue**”) of up to 216,646,401 new ordinary shares in the capital of the Company (“**Rights Shares**”) at an issue price of S\$0.05 for each Rights Share (“**Issue Price**”), with up to 72,215,467 free detachable and transferable warrants (“**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“**New Share**”) at the exercise price of S\$0.05 for each New Share (“**Exercise Price**”), on the basis of three (3) Rights Shares with one (1) Warrant for every one (1) existing ordinary share in the capital of the Company (“**Shares**”) held by the shareholders of the Company (“**Shareholders**”) at a books closure date to be determined by the Board (“**Books Closure Date**”), at and on which the register of members of the Company and transfer books will be closed to determine the provisional allotments of the Rights Shares with Warrants of the entitled Shareholders under the Proposed Rights cum Warrants Issue.

As an indication of its support and commitment to the Company and the Proposed Rights cum Warrants Issue, Berjaya Leisure Capital (Cayman) Limited (“**Undertaking Shareholder**”), a controlling Shareholder of the Company which directly holds 19,563,515 Shares, representing approximately 27.09% of the total number of issued Shares of the Company, has on 13 May 2019, undertaken to, amongst others, subscribe for and pay in full for and/or procure the subscription of and payment in full for, its *pro rata* entitlement of 58,690,545 Rights Shares with 19,563,515 Warrants in relation to the Shares held by it as at the Books Closure Date, and by way of excess application, subscribe for and pay in full for and/or procure the subscription of and payment in full for up to a maximum of 41,309,455 Rights Shares (“**Excess Rights Shares**”) with up to a maximum of 13,769,818 Warrants which are not otherwise subscribed for by the entitled Shareholders (“**Excess Rights Shares with Warrants**”) (“**Irrevocable Undertaking**”).

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As at the Announcement Date, the Undertaking Shareholder and Rantau Embun Sdn. Bhd. (“**Rantau Embun**”) (collectively, the “**Concert Party Group**”) are interested in an aggregate of 20,493,577 Shares, representing approximately 28.38% of the total issued Shares of the Company. Rantau Embun, an investment holding company and a wholly owned subsidiary of Berjaya Group Berhad (“**Berjaya Group**”), is interested in 930,062 Shares, representing approximately 1.29% of the total issued Shares of the Company.

As at 25 June 2019 (“**Latest Practicable Date**”), the Company has an issued and paid-up share capital comprising a total number of 72,215,467 Shares.

Pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (“**Code**”), except with the consent of the Securities Industry Council (“**SIC**”), where (a) any person who acquires whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights in the Company; or (b) any person who together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1.0% of the voting rights, he is required to make a mandatory general offer for all the Shares in the Company which he does not already own or control (“**Mandatory Offer**”).

Assuming that (i) none of the Shareholders except for the Undertaking Shareholder subscribes for their respective *pro rata* entitlements to the Rights Shares with Warrants under the Proposed Rights cum Warrants Issue or any excess Rights Shares with Warrants; and (ii) the Undertaking Shareholder subscribes for its *pro rata* entitlement to the Rights Shares with Warrants and Excess Rights Shares with Warrants under the Proposed Rights cum Warrants Issue pursuant to the Irrevocable Undertaking (“**Minimum Scenario**”), the shareholding interest of the Undertaking Shareholder will increase from approximately 27.09% to 69.43% immediately following the allotment and issue of such Rights Shares with Warrants. In the event that the Undertaking Shareholder were to exercise all of the Warrants obtained pursuant to the Proposed Rights cum Warrants Issue, the Undertaking Shareholder’s shareholding interest will further increase to 74.38% of enlarged share capital of the Company of 205,548,800 Shares.

Accordingly, the fulfilment by the Undertaking Shareholder of its obligations pursuant to the Irrevocable Undertaking and the subscription of the Rights Shares and exercise of the Warrants in connection with the Proposed Rights cum Warrants Issue may result in the Concert Party Group acquiring 30.0% or more of the voting rights of the Company (“**Mandatory Offer Threshold**”). In such event, the Concert Party Group would incur an obligation to make the Mandatory Offer pursuant to Rule 14.1(a) of the Code, unless the approval of a resolution (“**Proposed Whitewash Resolution**”) for the waiver of the rights of the Shareholders other than the Concert Party Group (“**Independent Shareholders**”) to receive the Mandatory Offer for the Company from the Concert Party Group is obtained from the Independent Shareholders.

As a result, the Company had sought and obtained from the SIC, a waiver of the obligation of the Concert Party Group to make a Mandatory Offer under the Code (“**Whitewash Waiver**”), and the Company will be seeking the approval of: (i) the Shareholders for the Proposed Rights cum Warrants Issue; and (ii) the Independent Shareholders for the Proposed Whitewash Resolution, at an extraordinary general meeting (“**EGM**”) to be convened.

The SIC’s approval for the Whitewash Waiver is subject to the satisfaction of certain conditions as set out in Section 4.5 of the Circular, including, *inter alia*, (i) the approval of the Proposed Whitewash Resolution by a majority of the Independent Shareholders voting by way of a poll to waive their rights to receive the Mandatory Offer from the Concert Party Group at the EGM; and (ii) the appointment of an independent financial adviser (“**IFA**”) to advise the Independent Shareholders on the Proposed Whitewash Resolution.

Accordingly, RHT Capital Pte. Ltd. (“**RHTC**”) has been appointed by the Company as the IFA to advise the Independent Directors (as defined below) and Independent Shareholders in respect of the Proposed Whitewash Resolution.

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Dato' Sri Robin Tan Yeong Ching ("**Dato' Sri Robin Tan**") is the Non-Executive Chairman of the Company and the Executive Director and Chief Executive Officer of Berjaya Corporation Berhad ("**Berjaya Corporation**"), the holding company of Berjaya Land Berhad ("**Berjaya Land**"). Both Berjaya Corporation and Berjaya Land are listed on the Main Market of Bursa Malaysia Securities Berhad and are the ultimate holding company and holding company of the Undertaking Shareholder respectively. Dato' Sri Robin Tan also sits on the board of several other subsidiaries in Berjaya Corporation and Berjaya Land. As at the Latest Practicable Date, Dato' Sri Robin Tan holds direct interests of 0.04% and 0.01% in Berjaya Corporation and Berjaya Land respectively.

Ms Yau Su Peng ("**Ms Yau**") is the Executive Director of the Company and the Director of Retail and Innovation Division in Berjaya Corporation.

Ms Mae Ho Seok Khen ("**Ms Mae**") is the Non-Executive and Non-Independent Director of the Company. She also sits on the board of several subsidiaries of Berjaya Corporation, namely, Berjaya Higher Education Sdn Bhd, Berjaya College Sdn Bhd and Berjaya Global Professional Development Sdn Bhd.

Dato' Sri Robin Tan, Ms Yau and Ms Mae are deemed interested in the Proposed Whitewash Resolution and will abstain from making any recommendation on the Proposed Whitewash Resolution. The remaining Directors, namely, Professor Lai Kim Fatt and Mr Yeap Beng Swee, Philip, are deemed independent directors in respect of the Proposed Whitewash Resolution ("**Independent Directors**").

This letter ("**Letter**") is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and recommendation on the Proposed Whitewash Resolution. This Letter forms part of the Circular to the Shareholders which provides, *inter alia*, the details of the Proposed Rights cum Warrants Issue, the Proposed Whitewash Resolution and the recommendation of the Independent Directors.

The passing of the ordinary resolutions for the Proposed Rights cum Warrants Issue and the Proposed Whitewash Resolution are inter-conditional upon each other. If either of these resolutions is not passed, the Company will not proceed with the Proposed Rights cum Warrants Issue.

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2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors and Independent Shareholders in respect of the Proposed Whitewash Resolution. The purpose of this Letter is to provide an independent opinion on, whether the Proposed Rights cum Warrants Issue, which is the subject of the Proposed Whitewash Resolution, is fair and reasonable.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Rights cum Warrants Issue nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Rights cum Warrants Issue or to obtain the approval of the Independent Shareholders for the Proposed Rights cum Warrants Issue and/or the Proposed Whitewash Resolution, and we do not, by this Letter, warrant the merits of the Proposed Rights cum Warrants Issue and/or the Proposed Whitewash Resolution other than to express an opinion on whether the Proposed Rights cum Warrants Issue, which is the subject of the Proposed Whitewash Resolution, is fair and reasonable.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Rights cum Warrants Issue and/or the Proposed Whitewash Resolution or to compare its relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the sole responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation of the financial terms of the Proposed Rights cum Warrants Issue, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company and/or the Group. We have also relied on information provided and representations made, including relevant financial analyses and estimates, by the Directors, the Management, and the Company’s advisers, including but not limited to its solicitors and/or auditors. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Proposed Rights cum Warrants Issue, the Proposed Whitewash Resolution, the Company and/or the Group are fair and accurate and that there are no material facts or omissions of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the terms of the Proposed Rights cum Warrants Issue and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group, (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

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Our analysis and our opinion as set out in this Letter is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. **We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.** Shareholders should further take note of any announcements relevant to their consideration of the Proposed Rights cum Warrants Issue and/or the Proposed Whitewash Resolution which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter as set out in the Circular). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter as set out in the Circular).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes other than for, the purposes of the Shareholders' resolution in relation to the Proposed Whitewash Resolution at any time and in any manner without the prior written consent of RHTC in each specific case.

We have prepared this Letter for the use of the Independent Directors in connection with their consideration of the Proposed Whitewash Resolution and their advice to Independent Shareholders arising thereof. The recommendations made to the Independent Shareholders in relation to the Proposed Whitewash Resolution remain the sole responsibility of the Independent Directors.

Our opinion on the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.

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3. INFORMATION ON THE COMPANY AND THE GROUP

3.1 Overview

The Company is incorporated in Singapore and has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since 27 October 1995.

The Company is a franchisor for computer and commercial training centres and an examination facilitator. The Company operates under names such as Informatics International, Informatics Consulting, Informatics Academy, Thames Management Centre International, Thames Academy, Thames International, Informatics Higher Education, and Informatics Corporate Learning.

As at the Latest Practicable Date, based on the existing number of outstanding shares of the Company of 72,215,467 Shares and the last traded Share price of S\$0.032, the market capitalisation of the Company is approximately S\$2.3 million.

3.2 Information on the Undertaking Shareholder

As at the Latest Practicable Date, Berjaya Corporation’s market capitalisation is approximately RM1.3 billion or equivalent to S\$424.8 million, based on the foreign exchange rate of S\$1.00 : RM3.0602 as at 24 June 2019, being the last closing rate prior to the Latest Practicable Date.

Berjaya Corporation and together with its subsidiaries (collectively, “**Berjaya Corporation Group**”), are engaged in the following:

- (i) Financial services;
- (ii) Marketing of consumer products and services;
- (iii) Motor trading and distribution and provision of after-sales services;
- (iv) Environmental and clean technology services;
- (v) Food and beverage;
- (vi) Property development and investment;
- (vii) Development and operation of hotels, resorts and other recreational activities;
- (viii) Gaming operations comprising lottery operations, Toto betting, leasing of online lottery equipment, provision of software support and the manufacture and distribution of computerised lottery and voting systems;
- (ix) Telecommunication and information technology related services, solutions and products; and
- (x) Investment holding and others.

On 2 July 2004, the Undertaking Shareholder became a substantial shareholder of the Company. The Undertaking Shareholder acquired a total of 80,745,000 ordinary shares of S\$0.05 each, representing 25.75% of the then existing issued and paid up share capital of the Company at a cost of investment of approximately S\$31.0 million or approximately RM68.1 million.

APPENDIX A – IFA LETTER

On 22 March 2005, Berjaya Land announced that the Undertaking Shareholder entered into a loan agreement with the Company to advance up to S\$4.0 million ("**Loan**") to be utilised as working capital. On the same day, the Company announced a proposed renounceable non-underwritten rights issue of one new ordinary share of S\$0.05 each together with one free warrant for every four existing shares held at an issue price of S\$0.25 per share. The Loan was to be repaid in full by the Company by applying the credit of the Loan partially against the Undertaking Shareholder's entitlement to the rights cum warrants issue or on 31 December 2005 whichever was earlier.

On 6 September 2005, Berjaya Land announced that the Undertaking Shareholder agreed to extend a further advance of up to S\$3.0 million for the Company's operational needs.

On 23 December 2005, Berjaya Land announced that the Undertaking Shareholder extended a further advance of S\$1.5 million for the Company's operational needs.

The Company revised its proposed renounceable non-underwritten rights issue to two new ordinary shares of S\$0.05 each together with one free warrant for every two existing shares held at an issue price of S\$0.05 per share. The Loan was repaid in full by the Company by applying the credit of the Loan partially against the Undertaking Shareholder's entitlement to the rights cum warrants issue or on 31 December 2005 whichever is the earlier.

The rights cum warrants issue closed on 30 December 2005. The Company set off approximately S\$5.2 million of the Loan for the Undertaking Shareholder's entitlement to the rights cum warrants issue and repaid the balance of the Loan to the Undertaking Shareholder by utilising part of the proceeds from the rights cum warrants issue.

Since then, the Company has not carried out any fund-raising corporate exercise from the capital markets.

3.3 Placement on the SGX-ST Watch-List

The Company was placed on the SGX-ST watch-list under the minimum trading price ("**MTP**") entry criteria and the financial entry criteria on 5 June 2017 and 5 December 2017, respectively. Should the Company be unable to satisfy the requirements of Rule 1314 of the listing manual of SGX-ST ("**Listing Manual**") for removal from the watch-list by 4 June 2020 and 4 December 2020 respectively, being 36 months from the date of which it was placed on the respective watch-list, the SGX-ST may either remove the Company from the Official List of the SGX-ST, or suspend trading of the Shares with a view to removing the Company from the Official List of the SGX-ST.

The Company has since been providing quarterly updates on its financial situation, future direction, or other material development that may have a significant impact on its financial position, pursuant to Rule 1313(2) of the Listing Manual.

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3.4 Financial information of the Group

Financial performance of the Group

The summary of the audited financial performance of the Group for the last three financial years ended 31 March 2017 (“FY2017”), 2018 (“FY2018”) and 2019 (“FY2019”) is set out below.

For meaningful review of the operating results, we have compared the financial performance of the Group for FY2017, FY2018 and FY2019, based on the relevant accounting standards under which they have been prepared, details of which have been described in the notes below.

The following summary financial information should be read in conjunction with the full text of the Company’s annual reports for FY2018 and FY2019 including the notes thereto.

(S\$'000)	SFRS ⁽¹⁾		SFRS(I) ⁽²⁾	
	Audited	Audited	Audited	Audited
	FY2017	FY2018	FY2018	FY2019
Revenue	10,800	8,832	8,634	7,617
Other operating income	212	132	139	87
Staff costs	(7,862)	(6,879)	(6,879)	(5,299)
Depreciation of property, plant and equipment	(200)	(236)	(236)	(110)
Other operating expenses	(8,559)	(7,677)	(7,796)	(5,778)
Interest income	110	7	-	-
Loss before taxation	(5,499)	(5,821)	(6,138)	(3,483)
Taxation	(7)	(5)	(5)	(91)
Loss for the year	(5,506)	(5,826)	(6,143)	(3,574)
Loss attributable to:				
Equity holders of the Company	(5,506)	(5,826)	(6,143)	(3,574)

Sources: Company’s annual reports for FY2018 and FY2019

Notes:

- (1) The financial statements were prepared under Singapore Financial Reporting Standards (“SFRS”).
- (2) The financial statements were prepared under Singapore Financial Reporting Standards (International) (“SFRS(I)”), which was effective for the financial period beginning on 1 April 2018. Please refer to FY2019 audited financial statements for the impact arising from the first-time adoption of SFRS(I) including application of the new accounting standards on 1 April 2017 and 1 April 2018.

Review of operating results

FY2018 vs FY2017 (SFRS)

Revenue decreased by S\$2.0 million or approximately 18.2% from S\$10.8 million in FY2017 to S\$8.8 million in FY2018 due mainly to lower number of students enrolled in Singapore and United Kingdom operations.

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Other operating income decreased by S\$0.1 million or approximately 37.7% from S\$0.2 million in FY2017 to S\$0.1 million in FY2018 due mainly to a decrease of Productivity and Innovation Credits (PIC) and other government grants received by the Singapore subsidiaries in FY2018.

Staff costs decreased by S\$1.0 million or approximately 12.5% from S\$7.9 million in FY2017 to S\$6.9 million in FY2018 due to headcount reductions in Singapore.

Depreciation of property, plant and equipment increased marginally by S\$36,000 or approximately 18.0% to S\$0.2 million in FY2018 due mainly to premises improvement to consolidate the corporate office in Singapore in the first quarter of FY2018 in order to reduce operating lease expenses.

Other operating expenses decreased by S\$0.9 million or approximately 10.3% from S\$8.6 million in FY2017 to S\$7.7 million in FY2018 due mainly to lower cost of sales (assessment cost and university fees) and rental.

Interest income decreased by S\$0.1 million or approximately 93.6% from S\$0.1 million in FY2017 to S\$7,000 in FY2018 due mainly to a lower cash held as fixed deposit balance, as compared to FY2017.

As a result of the above, the loss for the year attributable to equity holders of the Company increased by S\$0.3 million or approximately 5.8% from S\$5.5 million in FY2017 to S\$5.8 million in FY2018.

FY2019 vs FY2018 (SFRS(I))

Revenue decreased by S\$1.0 million or approximately 11.8% from S\$8.6 million in FY2018 to S\$7.6 million in FY2019 due mainly to lower completion of examinations for candidates enrolled during FY2019, particularly for the United Kingdom operations.

Other operating income decreased by S\$52,000 or approximately 37.4% from S\$139,000 in FY2018 to S\$87,000 in FY2019 due mainly to less government grants received for FY2019.

Staff costs decreased by S\$1.6 million or approximately 23.0% from S\$6.9 million in FY2018 to S\$5.3 million in FY2019 due mainly to headcount reduction for the Singapore operations.

Depreciation of property, plant and equipment decreased by S\$0.1 million or approximately 53.4% from S\$0.2 million in FY2018 to S\$0.1 million in FY2019 due mainly to disposal and provision for impairment of property, plant and equipment in the second half of FY2018.

Other operating expenses decreased by S\$2.0 million or approximately 25.9% from S\$7.8 million in FY2018 to S\$5.8 million in FY2019 due mainly to lower cost of sales (assessment costs and university fees) in line with lower revenue, lower allowance for expected credit loss, lower operating lease expenses, lower marketing expenses and favourable foreign exchange rate movements.

As a result of the above, the loss for the year attributable to equity holders of the Company decreased by S\$2.6 million or approximately 41.8% from S\$6.1 million in FY2018 to S\$3.6 million in FY2019.

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Financial position of the Group

The financial position of the Group as at 31 March 2019 is set out as follows:

(S\$'000)	Audited As at 31 March 2019
Non-current assets	
Property, plant and equipment	99
Intangible assets	20
Total non-current assets	119
 Current assets	
Prepayments	339
Trade and other receivables	1,270
Cash and cash equivalents	1,396
Total current assets	3,005
 Current liabilities	
Deferred income and fees	3,240
Trade and other payables	2,664
Provision for reinstatement cost	82
Total current liabilities	5,986
 Net current (liabilities)	 (2,981)
Total net (liabilities)	(2,862)
 Equity attributable to equity holders of the Company	
Share capital	29,908
Reserves	(32,770)
Total equity	(2,862)

Source: Company's annual report for FY2019

Review of financial position

As at 31 March 2019

The assets of the Group as at 31 March 2019 comprised mainly: (i) trade and other receivables of approximately S\$1.3 million; and (ii) cash and cash equivalents of approximately S\$1.4 million, representing 40.7% and 44.7% of the total assets respectively.

Trade and other receivables are non-interest bearing and are generally on 30 days' terms or repayable on demand. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

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The liabilities of the Group as at 31 March 2019 comprised mainly: (i) deferred income and fees of approximately S\$3.2 million; and (ii) trade and other payables of approximately S\$2.7 million, representing 54.1% and 44.5% of the total liabilities respectively.

Deferred income and fees comprise mainly of course fees received prior to the commencement of the courses and examination fees received prior to the completion of examinations.

Trade and other payables include amount due to the Company's director and indirect controlling shareholder, both of which are interest-bearing.

4. KEY TERMS OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE AND IRREVOCABLE UNDERTAKING

4.1 Key terms of the Proposed Rights cum Warrants Issue

The detailed terms of the Proposed Rights cum Warrants Issue are set out in Section 3.2 of the Circular.

The Proposed Rights cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis, with up to 216,646,401 Rights Shares at the Issue Price for each Rights Share, with up to 72,215,467 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price, on the basis of three (3) Rights Shares with one (1) Warrant for every one (1) Share held by the Shareholders as at the Books Closure Date.

The Issue Price for each Rights Share of S\$0.05 represents:

- (i) a premium of approximately 16.3% over the closing price of S\$0.043 per Share on the Mainboard of the SGX-ST on 7 March 2019 (being the last market day on which the Shares were traded immediately preceding the Announcement Date); and
- (ii) a premium of approximately 4.2% over the theoretical ex-rights price⁽¹⁾ of approximately S\$0.048 per Share.

Note:

- (1) The theoretical ex-rights trading price is the theoretical market price of each Share assuming the maximum 216,646,401 Rights Shares with 72,215,467 Warrants are issued pursuant to the Proposed Rights cum Warrants Issue and is computed based on the last transacted price of S\$0.043 per Share on the Mainboard of the SGX-ST on 7 March 2019, being the last trading day on which the Shares were traded immediately preceding the Announcement Date.

Entitled Shareholders will be at liberty to accept (in full or in part), or decline their provisional allotments of Rights Shares with Warrants, and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Proposed Rights cum Warrants Issue. As the Proposed Rights cum Warrants Issue is made on a renounceable basis, entitled Shareholders should note that they will be able to renounce in part or in whole, and/or trade their provisional allotments of the Rights Shares with Warrants.

In the allotment of excess Rights Shares with Warrants, preference will be given to the Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders (including the Undertaking Shareholder and its concert parties) who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and the allotment of excess Rights Shares with Warrants. The Company will not make any allotment and issuance of any excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by the Shareholders in a general meeting.

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The Rights Shares when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the record date of which falls on or after the date of issue of the Rights Shares.

The New Shares to be issued on exercise of the Warrants will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the record date of which falls on or after the date of issue of the New Shares.

For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or Central Depository (Pte) Limited, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

The Company had on 24 June 2019, received the approval in-principle from the SGX-ST for the permission to deal in and for the listing and quotation of up to 216,646,401 Rights Shares with 72,215,467 Warrants and 72,215,467 New Shares on the Mainboard of the SGX-ST pursuant to the Proposed Rights cum Warrants Issue.

Shareholders should note that the Proposed Rights cum Warrants Issue is subject to, *inter alia*, the following conditions:

- (i) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Mainboard of the SGX-ST;
- (ii) the Whitewash Waiver being granted by the SIC and not having been withdrawn or revoked as at the date of completion of the Proposed Rights cum Warrants Issue;
- (iii) the Proposed Rights cum Warrants Issue and the issue of the Rights Shares with Warrants being approved by Shareholders at the EGM;
- (iv) the Proposed Whitewash Resolution being approved by the Independent Shareholders at the EGM; and
- (v) the lodgement of the Offer Information Statement in respect of the Proposed Rights cum Warrants Issue, by the Company with the Monetary Authority of Singapore.

4.2 Irrevocable Undertaking

As at the Latest Practicable Date, the Undertaking Shareholder directly holds 19,563,515 Shares, representing approximately 27.09% of the total number of issued Shares of the Company.

As an indication of its support and commitment to the Company and the Proposed Rights cum Warrants Issue, the Undertaking Shareholder has on 13 May 2019, provided an Irrevocable Undertaking in favour of the Company, pursuant to which the Undertaking Shareholder has, subject to certain conditions, irrevocably undertaken to the Company that, among others:

- (i) as at the Books Closure Date, the number of Shares held by the Undertaking Shareholder will not be less than the number of Shares held by it as at the date of the Irrevocable Undertaking;
- (ii) it will vote in favour of the Proposed Rights cum Warrants Issue and the issue of the Rights Shares, the Warrants and the New Shares at the EGM (including any adjournment thereof); and

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- (iii) it will, not later than the last day for acceptance and payment of the Rights Shares with Warrants and subject to the approval of the Independent Shareholders of the Proposed Whitewash Resolution, subscribe for and pay in full for and/or procure the subscription of and payment in full for its *pro rata* entitlement to the Rights Shares with Warrants in relation to Shares held by it as at the Books Closure Date, and the Excess Rights Shares with Warrants pursuant to the Irrevocable Undertaking, and in accordance with the terms and conditions of the Proposed Rights cum Warrants Issue.

The Irrevocable Undertaking is conditional upon, among others, the following:

- (i) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Mainboard of the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Proposed Rights cum Warrants Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company and the Undertaking Shareholder;
- (ii) the Whitewash Waiver being granted by the SIC and not having been withdrawn or revoked as at the date of completion of the Proposed Rights cum Warrants Issue;
- (iii) the Proposed Rights cum Warrants Issue and the issue of the Rights Shares with Warrants being approved by Shareholders at the EGM;
- (iv) the Proposed Whitewash Resolution being approved by the Independent Shareholders at the EGM; and
- (v) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable) in connection with the Proposed Rights cum Warrants Issue with the Monetary Authority of Singapore.

Further details on the Irrevocable Undertaking are set out in Section 3.7 of the Circular.

5. THE PROPOSED WHITEWASH RESOLUTION

As at the Latest Practicable Date, the Concert Party Group is interested in an aggregate 20,493,577 Shares, representing approximately 28.38% of the total number of issued Shares of the Company.

Assuming the Minimum Scenario, the shareholding interest of the Undertaking Shareholder will increase from approximately 27.09% to 69.43% immediately following the allotment and issue of such Rights Shares. In the event that the Undertaking Shareholder were to exercise all of the Warrants obtained pursuant to the Proposed Rights cum Warrants Issue, the Undertaking Shareholder's shareholding interest will further increase to 74.38% of enlarged share capital of the Company of 205,548,800 Shares.

Accordingly, the fulfilment by the Undertaking Shareholder of its obligations pursuant to the Irrevocable Undertaking and the subscription of the Rights Shares and exercise of the Warrants in connection with the Proposed Rights cum Warrants Issue may result in the Concert Party Group acquiring 30.0% or more of the voting rights of the Company, thereby crossing the Mandatory Offer Threshold and resulting in the Concert Party Group being required to make a Mandatory Offer unless such requirements is waived by the SIC.

As a result, the Company had applied to the SIC for the Whitewash Waiver. The SIC had, on 8 May 2019, granted the Whitewash Waiver to the Concert Party Group, subject to the satisfaction of the conditions from SIC including, *inter alia*, the following:

- (i) a majority of holders of voting rights of the Company approve at a general meeting, before the Proposed Rights cum Warrants Issue, a resolution by way of a poll to waive their rights to receive a general offer from the Concert Party Group;

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- (ii) the Proposed Whitewash Resolution is separate from other resolutions;
- (iii) the Concert Party Group as well as parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (iv) the Concert Party Group did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares which have been disclosed in the Circular):
 - (a) during the period between the date of the Announcement and the date Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (b) in the six (6) months prior to the date of the Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the Proposed Rights cum Warrants Issue;
- (v) the Company appoints an IFA to advise its Independent Shareholders on the Proposed Whitewash Resolution;
- (vi) the Company sets out clearly in the Circular to its Shareholders:
 - (a) details of the Proposed Rights cum Warrants Issue and the Irrevocable Undertaking to be given by the Undertaking Shareholder;
 - (b) the dilution effect to existing holders of voting rights upon the subscription of the Rights Shares and the exercise of the Warrants by the Undertaking Shareholder;
 - (c) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares in the Company held by the Concert Party Group as at the Latest Practicable Date;
 - (d) the number and percentage of voting rights to be acquired by the Undertaking Shareholder as a result of its subscription of the Rights Shares and exercise of the Warrants; and
 - (e) specific and prominent reference to the fact that the subscription of the Rights Shares and exercise of the Warrants could result in the Concert Party Group holding Shares carrying over 49.0% of the voting rights of the Company and to the fact that the Concert Party Group would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;
 - (f) specific and prominent reference to the possibility that Shareholders, by voting for the Proposed Whitewash Resolution, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants; and
 - (g) specific and prominent reference to the fact that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Concert Party Group at the highest price paid by any of them for the Company's Shares in the past six (6) months preceding the commencement of the offer;

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- (vii) the Circular by the Company to its Shareholders states that the waiver granted by the SIC to the Concert Party Group from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated in paragraphs (i) to (vi) above;
- (viii) the Company obtains SIC's approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution;
- (ix) to rely on the Proposed Whitewash Resolution, the subscription of the Rights Shares with Warrants by the Undertaking Shareholder must be completed within three (3) months of the date of the approval of the Proposed Whitewash Resolution and the acquisition of the shares upon exercise of the Warrants must be completed within five (5) years from the issue of the Warrants; and
- (x) the Undertaking Shareholder will comply or procure the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code.

As at the Latest Practicable Date, save for conditions (i), (iii), (iv)(a), (ix) and (x), all the above conditions imposed by the SIC have been satisfied.

The Independent Shareholders are therefore asked to vote by way of a poll, on the Proposed Whitewash Resolution set out as Ordinary Resolution 2 in the notice of EGM, included in the Circular.

The Independent Directors should advise the Independent Shareholders that:

- (a) **by voting in favour of the Proposed Whitewash Resolution (Ordinary Resolution 2), they will be waiving their rights to receive a general offer for their Shares from the Concert Party Group at the highest price paid by the Concert Party Group in the six (6) months preceding the commencement of the Proposed Rights cum Warrants Issue which they would otherwise have been obliged to make for the Shares in accordance with Rule 14 of the Code;**
- (b) **the subscription by the Undertaking Shareholder of its provisional allotment of the Rights Shares and exercise of the Warrants into New Shares could result in the Concert Party Group holding Shares carrying over 49% of the voting rights of the Company based on the Minimum Scenario and the Concert Party Group would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company;**
- (c) **by voting in favour of the Proposed Whitewash Resolution, they could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants; and**
- (d) **in the context of the Whitewash Waiver, the Proposed Rights cum Warrants Issue is conditional upon them voting in favour of the Proposed Whitewash Resolution (Ordinary Resolution 2). In view of this, in the event that the Proposed Whitewash Resolution (Ordinary Resolution 2) is not passed by the Independent Shareholders, the Proposed Rights cum Warrants Issue will not take place.**

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6. EVALUATION OF THE PROPOSED WHITEWASH RESOLUTION

In our evaluation of the Proposed Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors:

- (i) rationale of the Proposed Rights cum Warrants Issue and the use of proceeds;
- (ii) the Proposed Rights cum Warrants Issue being offered to all entitled Shareholders on a *pro rata* basis;
- (iii) assessment of the Issue Price of the Rights Shares;
- (iv) valuation of the Warrants;
- (v) financial effects of the Proposed Rights cum Warrants Issue;
- (vi) dilution effect of the Proposed Rights cum Warrants Issue on the Independent Shareholders; and
- (vii) other relevant considerations.

6.1 Rationale of the Proposed Rights cum Warrants Issue and the use of proceeds

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Rights cum Warrants Issue or the future prospects of the Group after the Proposed Rights cum Warrants Issue.

Nevertheless, we have reviewed the rationale of the Proposed Rights cum Warrants Issue as set out in Section 3.6.1 of the Circular, and is reproduced in italics below:

“3.6.1 Rationale for the Rights cum Warrants Issue

The Company is undertaking the Rights cum Warrants Issue to raise funds to strengthen the Group’s financial position and expand the capital base of the Group. In view of the current financial circumstances, the Company believes that the Rights cum Warrants Issue will strengthen the Company’s balance sheet, and a stronger financial position will also allow the Group to seize opportunities through the expansion of its existing business in a timely manner and as and when the opportunities arise.

The Rights cum Warrants Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company. As and when the Warrants are exercised, the Group’s financial position will be improved further.”

Assuming all the Shareholders subscribe for their *pro rata* entitlements to the Rights Shares under the Proposed Rights cum Warrants Issue (“**Maximum Scenario**”), the Company will raise net proceeds of approximately S\$10.43 million, after deducting estimated expenses of approximately S\$0.40 million incurred in connection with the Proposed Rights cum Warrants Issue.

Assuming the Minimum Scenario, the Company will raise net proceeds of approximately S\$4.60 million, after deducting estimated expenses of approximately S\$0.40 million incurred in connection with the Proposed Rights cum Warrants Issue.

Assuming all the 72,215,467 Warrants are exercised into New Shares under the Maximum Scenario, the Company will raise additional gross proceeds of approximately S\$3.61 million (“**Warrants Proceeds**”).

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The Company expects to deploy the net proceeds from the issuance of the Rights Shares in the following manner:

Use of proceeds	Maximum Scenario		Minimum Scenario	
	S\$' million	%	S\$' million	%
Support the Business Expansion	6.00	57.53	2.35	51.09
Funding new projects to enhance capabilities	1.00	9.59	0.22	4.78
Capital improvements	0.50	4.79	0.35	7.61
Making strategic investments and/or opportunistic acquisitions	0.92	8.82	-	-
General corporate and working capital requirements of the Group	2.01	19.27	1.68	36.52
Total	10.43	100.00	4.60	100.00

We note that the Company will be utilising net proceeds from the Proposed Rights cum Warrants Issue specifically for the purposes set out in Section 3.6.2 of the Circular, extracted and reproduced below for reference:

“3.6.2 Use of Net Proceeds and Warrants Proceeds

The Company intends to utilise the Net Proceeds from the Rights cum Warrants Issue for the following purposes, details of the breakdown are set out below:

- (a) *to support the expansion of the Company’s business activities (the “**Business Expansion**”) including but not limited to:*
 - (i) *developing a broad range of new computing and business-related academic programs including new related specialisms, as well as expanding the reach of its programs through the development of digital and online as well as partner and in-house delivery capabilities;*
 - (ii) *extending the development of the existing education programs to digital and online delivery platforms in addition to refreshing the existing education programs;*
 - (iii) *enlarging the licensing of existing and new education programs through the current and expanded global partner network in over fifty (50) countries worldwide; and*
 - (iv) *(if feasible) obtaining the “Taught Degree Awarding Powers”², thus giving the Group’s subsidiary based in the United Kingdom the ability to award its own honours and masters degrees;*
- (b) *funding new projects to enhance capabilities;*
- (c) *capital improvements;*
- (d) *making strategic investments and/or opportunistic acquisitions; and*

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- (e) *the balance for general corporate and working capital requirements of the Group.”*

In addition, the Company intends to utilise the net Warrants Proceeds for its general corporate and working capital requirements and/or such other purposes as the Directors may in their absolute discretion deem fit.

As further set out in Section 2.2 of the Circular, the Company believes that the Proposed Rights cum Warrants Issue will place the Group in a stronger financial position to seize opportunities through the expansion of its existing business in a timely manner and as and when the opportunities arise. The Proposed Rights cum Warrants Issue is therefore expected to support the Company’s application for its removal from the SGX-ST watch-list.

6.2 The Proposed Rights cum Warrants Issue being offered to all entitled Shareholders on a *pro rata* basis

The Rights Shares with Warrants are being offered on a *pro rata* basis to entitled Shareholders who will get the right of first refusal to subscribe to the Rights Shares with Warrants based on their provisional allotments of the Rights Shares with Warrants.

In the allotment of Excess Rights Shares, Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and the allotment of Excess Rights Shares with Warrants. As the Concert Party Group comprises a controlling Shareholder of the Company who has control or influence over the Company in connection with the day-to-day affairs of the Company, the Concert Party Group will rank last in priority for the rounding of odd lots and the allotment of the Excess Rights Shares with Warrants.

Accordingly, the Independent Shareholders will not be at a disadvantage or prejudiced in the allocation of their application for their entitlements of Rights Shares with Warrants and Excess Rights Shares with Warrants pursuant to the Proposed Rights cum Warrants Issue.

Further, in the event that all Shareholders subscribe in full for their entitled Rights Shares with Warrants, the current shareholding structure of the Company will remain unchanged.

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6.3 Assessment of the Issue Price of the Rights Shares

The Issue Price of the Rights Shares is S\$0.05 per Rights Share.

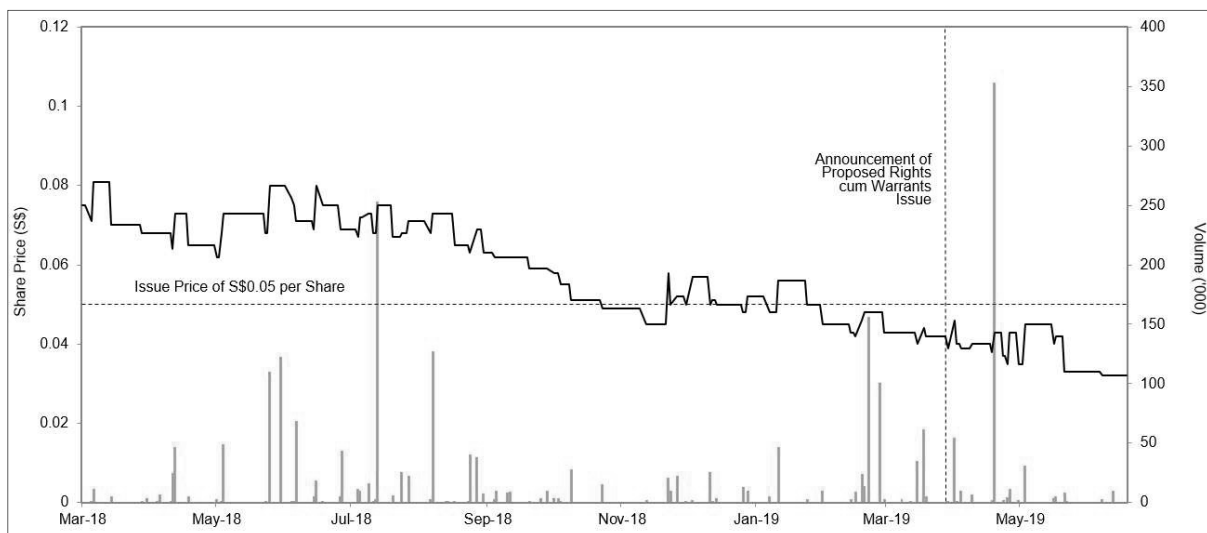
In assessing the Issue Price, we have considered the following:

- (i) market quotation and trading activity of the Shares;
- (ii) market statistics; and
- (iii) statistics of selected completed rights issues of shares.

6.3.1 Market quotation and trading activity of the Shares

In assessing the Issue Price, we have compared the Issue Price against the historical market price performance of the Shares and the historical share trading volume of the Shares. As such, we set out below a chart showing the Issue Price relative to the daily last transacted prices and trading volume of the Shares from 8 March 2018, being the one-year period before the last trading date of the Shares on 7 March 2019, to the Latest Practicable Date (“**Period Under Review**”).

**Price movement and traded volume of the Shares
for the Period Under Review**



Source: Bloomberg L.P.

We note that the Share price had traded within a range of S\$0.032 to S\$0.081 during the Period Under Review and was on a decreasing trend prior to the Announcement Date.

Following the Announcement on 14 March 2019, the Share price remained constant at S\$0.043 compared to the closing price on 7 March 2019, being the last trading date prior to the release of the Announcement. The Issue Price represents a premium of 56.3% over the Share price of S\$0.032 as at the Latest Practicable Date.

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6.3.2 Market statistics

In addition, we have tabulated below additional statistical information on the share price performance and trading liquidity of the Shares for the 12-month period prior to the release of the Announcement, commencing from 15 March 2018 (being one (1) year prior to the Announcement Date) and ending on the Latest Practicable Date:

	Highest transacted price (S\$)	Lowest transacted price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium / (Discount) of Issue Price over / (to) VWAP (%)	Number of traded Days	Average daily traded volume ⁽²⁾ ('000)	Average daily traded volume as a percentage of free float ⁽³⁾ (%)
Prior to the release of the Announcement							
Last 1 month	0.048	0.041	0.047	6.4	7	44	0.1
Last 3 months	0.056	0.041	0.048	4.2	16	26	0.1
Last 6 months	0.062	0.041	0.050	0.0	32	17	0.0
Last 1 year	0.088	0.041	0.064	(21.9)	75	22	0.1
7 March 2019, being the last traded day prior to the Announcement	0.043	0.043	0.043	16.3	1	3	0.0
After the release of the Announcement to the Latest Practicable Date							
After the release of the Announcement to the Latest Practicable Date	0.046	0.032	0.039	28.2	23	26	0.1
19 June 2019, being the last traded day as at the Latest Practicable Date	0.032	0.032	0.032	56.3	1	10	0.0

Source: Bloomberg L.P.

Notes:

- (1) The VWAP is calculated based on the turnover divided by volume of the Shares as extracted from Bloomberg L.P.
- (2) The average daily traded volume of the Shares was computed based on the total volume of Shares traded during the relevant periods, divided by the number of days that were open for trading (excluding public holidays and days with full day trading halts on the Shares) during that period.
- (3) Free float refers to the Shares other than those held by the Directors, chief executive officer, controlling Shareholders or substantial Shareholders of the Company and amounts to approximately 36.8 million Shares representing approximately 50.89% of the issued Shares as disclosed in the Company's annual report for FY2019.

Based on the information above, we note that:

- (i) during the 12-month period prior to the Announcement, the transacted prices of the Shares ranged between a low of S\$0.041 and a high of S\$0.088. The Issue Price represents a premium of approximately 22.0% over the lowest transacted price and represents a discount of approximately 43.2% to the highest transacted price of the Shares over a 12-month period prior to the release of the Announcement; and

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- (ii) during the period after the release of the Announcement and up to the Latest Practicable Date, the transacted prices of the Shares ranged between a low of S\$0.032 and a high of S\$0.046. The Issue Price represents a premium of approximately 56.3% over the lowest transacted price and represents a premium of approximately 8.7% over the highest transacted price of the Shares during the period after the release of the Announcement to the Latest Practicable Date.

The Issue Price represents:

- (i) a premium of 6.4% and 4.2% over the VWAP of the Shares for the 1-month and 3-month periods prior to the release of the Announcement respectively,
- (ii) the VWAP of the Shares for the 6-month period prior to the release of the Announcement;
- (iii) a discount of 21.9% to the VWAP of the Shares for the 12-month period prior to the release of the Announcement;
- (iv) a premium of 28.2% over the VWAP of the Shares during the period between the Announcement and the Latest Practicable Date; and
- (v) as at the Latest Practicable Date, the Issue Price represents a premium of 56.3% over the last traded price of the Shares of S\$0.032;

The theoretical ex-rights price is S\$0.048 per Share based on the last transacted Share price of S\$0.043 on 7 March 2019, being the last traded day prior to the release of the Announcement. Therefore, the Issue Price of S\$0.05 is at a premium of 4.2% over the theoretical ex-rights price.

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6.3.3 Statistics of selected completed rights issues of shares

In assessing the reasonableness of the Issue Price, we have also looked at the salient statistics of selected completed rights issues of shares with and without free detachable warrants by companies listed on the SGX-ST (“**Completed Rights Issues**”), that were announced since 15 March 2018 and up to the Latest Practicable Date.

Shareholders should note that the business activities, size of operations, risk profile, geographical spread, operating and financial leverage, market capitalisation, composition of business activities, cash flow requirement, track record, future prospects and other relevant criteria of each of the above companies are not identical to the Group. Accordingly, any inference that can be drawn from the comparison of the relevant discount to theoretical ex-rights prices may not be directly comparable to the Proposed Rights cum Warrants Issue and should not be conclusively relied upon.

Company	Date of Announcement	Terms of rights issue	Issue price of rights share (S\$)	Last transacted share price prior to announcement (S\$)	Premium / (Discount) of issue price over / (to) last transacted share price prior to announcement (%)	Theoretical ex-rights price (“TERP”) ⁽¹⁾ (S\$)	Premium / (Discount) of issue price over / (to) TERP (%)
AusGroup Limited	6 Apr 18	One (1) rights share for every two (2) existing ordinary shares	0.035	0.0469	(25.4)	0.043	(18.6)
Asia-Pacific Strategic Investments Limited	4 May 18	Two (2) rights shares and two (2) warrants for every one (1) existing ordinary share	0.002	0.003	(33.3)	0.002	0.0
Hotel Royal Limited	11 May 18	One (1) rights share for every five (5) existing ordinary shares	3.000	4.000	(25.0)	3.833	(21.7)
Moya Holdings Asia Limited	22 May 18	One (1) rights share for every two (2) existing ordinary shares	0.095	0.095	0.0	0.095	0.0
Ocean Sky International Limited	22 May 18	One (1) rights share and one (1) warrant for every two (2) existing ordinary shares	0.062	0.084	(26.2)	0.077	(19.5)
International Press Softcom Limited	1 Jun 18	Two (2) rights shares for every three (3) existing ordinary shares	0.011	0.012	(8.3)	0.0116	(5.2)
Envictus International Holdings Limited	18 Jun 18	Four (4) rights shares and four (4) warrants for every five (5) existing ordinary shares	0.16	0.37	(56.8)	0.2767	(42.2)
Koh Brothers Eco Engineering Limited	29 Jun 18	One (1) rights share and one (1) warrant for every two (2) existing ordinary shares	0.045	0.069	(34.8)	0.061	(26.2)
Hong Leong Asia Ltd.	14 Aug 18	One (1) rights share for every one (1) existing ordinary share	0.54	0.82	(34.1)	0.68	(20.6)
MS Holdings Limited	21 Aug 18	Four (4) rights shares and one (1) warrant for every five (5) existing ordinary shares	0.062	0.074	(16.2)	0.069	(10.1)
Manhattan Resources Limited	5 Sep 18	One (1) rights share for every one (1) existing ordinary share	0.0245	0.08	(69.4)	0.052	(52.9)
OUE Lippo Healthcare Limited	18 Sep 18	One (1) rights share for every one (1) existing ordinary share	0.0675	0.12	(43.8)	0.094	(28.2)
BH Global Corporation Limited	28 Sep 18	Three (3) rights shares for every two (2) existing ordinary shares	0.085	0.16	(46.9)	0.115	(26.1)
Arion Entertainment Singapore Limited	29 Sep 18	One (1) rights share for every one (1) existing ordinary share	0.008	0.01	(20.0)	0.009	(11.1)

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Company	Date of Announcement	Terms of rights issue	Issue price of rights share (S\$)	Last transacted share price prior to announcement (S\$)	Premium / (Discount) of issue price over / (to) last transacted share price prior to announcement (%)	Theoretical ex-rights price ("TERP") ⁽¹⁾ (S\$)	Premium / (Discount) of issue price over / (to) TERP (%)
Tee International Limited	29 Nov 18	Thirty-eight (38) rights shares for every one hundred (100) existing ordinary shares	0.10	0.183	(45.4)	0.160	(37.5)
China Star Food Group Limited	10 Dec 18	One (1) rights share for every one (1) existing ordinary share	0.015	0.039	(61.5)	0.027	(44.4)
Lifebrandz Ltd.	14 Dec 18	One (1) rights share for every two (2) existing ordinary shares	0.007	0.013	(46.2)	0.011	(36.4)
Sapphire Corporation Limited	30 Dec 18	One (1) rights share for every four (4) existing ordinary shares	0.128	0.144	(11.1)	0.1408	(9.1)
Global Dragon Limited	31 Dec 18	One (1) rights share for every three (3) existing ordinary shares	0.0675	0.06	12.5	0.062	8.9
Raffles Holdings Ltd	9 Jan 19	One (1) rights share for every one (1) existing ordinary share	0.05	0.082	(39.0)	0.082	(39.0)
				High	12.5	8.9	
				Low	(69.4)	(52.9)	
				Mean	(31.5)	(22.0)	
				Median	(33.7)	(21.2)	
Informatics Education Ltd.	14 Mar 19	Three (3) Rights Shares and one (1) Warrant for every one (1) existing ordinary share	0.05	0.043	16.3	0.048	4.2

Sources: Bloomberg L.P., announcements and circulars of the respective companies and RHTC's calculations

Note:

- (1) Computed based on the respective last transacted price immediately prior to the announcement of the rights issue.

We note the following:

- (i) the Issue Price is at a premium of 16.3% over the last transacted Share price of S\$0.043 prior to the release of the Announcement, which is above the range of the Completed Rights Issues; and
- (ii) the Issue Price is at a premium of 4.2% over the theoretical ex-rights price, based on the last trading price of the Shares of S\$0.043 prior to the release of the Announcement, which is within the range of the Completed Rights Issues.

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6.4 Valuation of the Warrants

The Warrants are issued free with the Rights Shares on the basis of one (1) free detachable Warrant for every three (3) Rights Shares validly subscribed. Based solely on the Exercise Price of S\$0.05 and the theoretical ex-rights price of the Shares of S\$0.048 (based on the last transacted price of the Shares of S\$0.043 preceding the Announcement) and without consideration of the exercise period, the warrants would be out-of-the-money and would have zero intrinsic value.

However, given that the Warrants are exercisable over a 5-year period commencing on the date of issue of the Warrants and expiring on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, there is time value to the Warrants in addition to the aforesaid intrinsic value. In this regard, we have considered the valuation of the Warrants using the theoretical value of the Warrants based on the Black-Scholes model, which is a common methodology used in the calculation of call warrants. The theoretical value of the Warrants is a function of, *inter alia*, the Exercise Price *vis-à-vis* the current price of the underlying Shares, the life period of the Warrants, the nature of the call option as to whether it is a European call option (which is only exercisable on a predetermined exercise date) or an American call option (which can be exercised at any time prior to the expiry date of the Warrant), the risk-free interest rate and the price volatility of the underlying Shares. Accordingly, the theoretical value of the Warrants computed based on the Black-Scholes model may fluctuate significantly depending on the input to the above factors, and the actual market value of the Warrants may deviate significantly from the theoretical value of the Warrants.

Based on the risk-free interest rate and the price volatility of the Shares, as provided by Bloomberg L.P., the Exercise Price of S\$0.05, the theoretical ex-rights price of the Shares of S\$0.048 (based on the last transacted price of the Shares of S\$0.043 on 7 March 2019, being the last trading day prior to the release of the Announcement), the 5-year option period, as well as taking into account that the Warrants can be exercised any time commencing on the date of issue of the Warrants to its expiry, the theoretical value of the Warrants as computed by Bloomberg L.P. based on the Black-Scholes model would be approximately S\$0.0004 for each Warrant.

It should be noted that the theoretical value of the Warrants using the Black-Scholes model may not reflect the actual value of the Warrants to be transacted on the SGX-ST, and there can be no assurance that an active trading of the Warrants will ensue or will trade at or close to the theoretical value as suggested by the Black-Scholes model. Notwithstanding the theoretical value of the Warrants, Independent Shareholders should note that the Warrants are issued at no consideration.

We further note from Section 3.2 (2) of the Circular that, apart from being detachable from the Rights Shares upon issuance and allotment, the Warrants will be listed and traded separately on the SGX-ST.

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6.5 Financial effects of the Proposed Rights cum Warrants Issue

The financial effects of the Proposed Rights cum Warrants Issue and the assumptions relating to the preparation of the financial effects are set out in Section 3.8 of the Circular. The financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Rights cum Warrants Issue.

We set out below the summary of the financial effects of the Proposed Rights cum Warrants Issue, in both the Maximum Scenario and Minimum Scenario:

Share capital

- (a) Under the Maximum Scenario, the issued share capital of the Company will increase from S\$29.9 million comprising 72,215,467 Shares to S\$40.7 million comprising 288,861,868 Shares after the completion of the Proposed Rights cum Warrants Issue (assuming that none of the Warrants are exercised) and further increase to S\$44.0 million comprising 361,077,335 Shares assuming all the Warrants are exercised and after deducting expenses of approximately S\$0.40 million incurred in connection with the Proposed Rights cum Warrants Issue; and
- (b) Under the Minimum Scenario, the issued share capital of the Company will increase from S\$29.9 million comprising 72,215,467 Shares to S\$34.9 million comprising 172,215,467 Shares after the completion of the Proposed Rights cum Warrants Issue (assuming that none of the Warrants are exercised) and further increase to S\$36.2 million comprising 205,548,800 Shares assuming all the Warrants are exercised and after deducting expenses of approximately S\$0.40 million incurred in connection with the Proposed Rights cum Warrants Issue.

Net tangible assets (“NTA”) per Share

- (a) Under the Maximum Scenario, the NTA per Share of the Group will increase from negative 3.99 cents as at 31 March 2019 to positive 2.61 cents after the completion of the Proposed Rights cum Warrants Issue (assuming that none of the Warrants are exercised) and increase to positive 3.09 cents assuming all the Warrants are exercised; and
- (b) Under the Minimum Scenario, the NTA per Share of the Group will increase from negative 3.99 cents as at 31 March 2019 to positive 1.00 cents after the completion of the Proposed Rights cum Warrants Issue (assuming that none of the Warrants are exercised) and increase to positive 1.65 cents assuming all the Warrants are exercised.

Net asset value (“NAV”) per Share

- (a) Under the Maximum Scenario, the NAV per Share of the Group will increase from negative 3.96 cents as at 31 March 2019 to positive 2.62 cents after the completion of the Proposed Rights cum Warrants Issue (assuming that none of the Warrants are exercised) and increase to positive 3.10 cents assuming all the Warrants are exercised; and
- (b) Under the Minimum Scenario, the NAV per Share of the Group will increase from negative 3.96 cents as at 31 March 2019 to positive 1.01 cents after the completion of the Proposed Rights cum Warrants Issue (assuming that none of the Warrants are exercised) and increase to positive 1.66 cents assuming all the Warrants are exercised.

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Earnings per Share (“EPS”)

- (a) Under the Maximum Scenario, the EPS of the Group will increase from negative 4.95 cents for FY2019 to negative 1.24 cents after the completion of the Proposed Rights cum Warrants Issue (assuming that none of the Warrants are exercised) and increase to negative 0.99 cents assuming all the Warrants are exercised; and
- (b) Under the Minimum Scenario, the EPS of the Group will increase from negative 4.95 cents for FY2019 to negative 2.08 cents after the completion of the Proposed Rights cum Warrants Issue (assuming that none of the Warrants are exercised) and increase to negative 1.74 cents assuming all the Warrants are exercised.

Gearing

As at the Latest Practicable Date, the Group had no bank borrowings. Hence, the Proposed Rights cum Warrants Issue will have no effect on the Group’s gearing.

6.6 Dilution effect of the Proposed Rights cum Warrants Issue on the Independent Shareholders

The Proposed Rights cum Warrants Issue will not result in any shareholding dilution of the Independent Shareholders if all Independent Shareholders subscribe for their full entitlements of Rights Shares with Warrants pursuant to the Proposed Rights cum Warrants Issue. A dilution impact will only occur for the Independent Shareholders who do not subscribe for their full entitlements of the Rights Shares with Warrants pursuant to the Proposed Rights cum Warrants Issue.

We have considered the following key scenarios:

Scenario	Assuming that none of the Warrants are exercised	Assuming all the Warrants are exercised	Remarks
Maximum Scenario	The issued share capital of the Company will comprise 288,861,868 issued Shares and all Shareholders subscribe for their <i>pro rata</i> entitlements of Rights Shares with Warrants. In this scenario, the Proposed Rights cum Warrants Issue will be fully subscribed.	The issued share capital of the Company will comprise 361,077,335 issued Shares and all Shareholders subscribe for their <i>pro rata</i> entitlements of Rights Shares with Warrants. In this scenario, the Proposed Rights cum Warrants Issue will be fully subscribed.	No shareholding dilution.
Minimum Scenario	The issued share capital of the Company will comprise 172,215,467 issued Shares and only the Undertaking Shareholder subscribes for its <i>pro rata</i> entitlements of 58,690,545 Rights Shares with 19,563,515 Warrants, and up to a maximum of 41,309,455 Excess Rights Shares with up to a maximum of 13,769,818 Warrants pursuant to the Irrevocable Undertaking. In this scenario, the Proposed Rights cum Warrants Issue will not be fully subscribed.	The issued share capital of the Company will comprise 205,548,800 issued Shares and only the Undertaking Shareholder subscribes for its <i>pro rata</i> entitlements of 58,690,545 Rights Shares with 19,563,515 Warrants, and up to a maximum of 41,309,455 Excess Rights Shares with up to a maximum of 13,769,818 Warrants pursuant to the Irrevocable Undertaking. In this scenario, the Proposed Rights cum Warrants Issue will not be fully subscribed.	Shareholders other than the Undertaking Shareholder will face dilution in their shareholdings.

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The potential changes in the shareholder structure of the Company, based on the total number of issued Shares of the Company as at the Latest Practicable Date, arising from the Proposed Rights cum Warrants Issue assuming: (i) the Maximum Scenario; and (ii) the Minimum Scenario, are set out below:

	Before the Proposed Rights cum Warrants Issue		After the Proposed Rights cum Warrants Issue but before exercise of the Warrants				After the Proposed Rights cum Warrants Issue and after exercise of the Warrants			
	As at the Latest Practicable Date		Maximum Scenario		Minimum Scenario		Maximum Scenario		Minimum Scenario	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Undertaking Shareholder	19,563,515	27.09	78,254,060	27.09	119,563,515	69.43	97,817,575	27.09	152,896,848	74.38
Rantau Embun	930,062	1.29	3,720,248	1.29	930,062	0.54	4,650,310	1.29	930,062	0.45
Independent Shareholders	51,721,890	71.62	206,887,560	71.62	51,721,890	30.03	258,609,450	71.62	51,721,890	25.16
Total	72,215,467	100.00	288,861,868	100.00	172,215,467	100.00	361,077,335	100.00	205,548,800	100.00⁽¹⁾

Note:

- (1) Does not add due to rounding.

Pursuant to the Proposed Rights cum Warrants Issue and upon exercising the Warrants, the Undertaking Shareholder may potentially hold up to approximately 74.38% of the enlarged issued share capital of the Company. Correspondingly, the aggregate shareholding interests of the Independent Shareholders could potentially be subjected to a dilution of 46.46%, from approximately 71.62% to approximately 25.16% following the completion of the Proposed Rights cum Warrants Issue and after exercise of the Warrants.

6.7 Other relevant considerations

6.7.1 Requirements by SGX-ST to maintain listing status of the Company

As mentioned in Section 3.3 of this Letter, the Company was placed on the SGX-ST watch-list under the MTP entry criteria and the financial entry criteria on 5 June 2017 and 5 December 2017, respectively. The Company may be removed from the watch-list if it satisfies the following requirements, where applicable:

- (1) MTP exit criteria

The Company records a volume-weighted average price of at least S\$0.20 and an average daily market capitalisation of S\$40 million or more over the last six (6) months.

- (2) Financial exit criteria

The Company records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S\$40 million or more over the last six (6) months.

The Company has until 4 June 2020 and 4 December 2020 to satisfy the MTP exit criteria and financial exit criteria respectively. Should the Company fail to do so, the SGX-ST may either remove the Company from the Official List of the SGX-ST, or suspend trading of the Shares with a view to removing the Company from the Official List of the SGX-ST. In the event that the SGX-ST exercises its power to remove the Company from the Official List, the Company is required to comply with the requirements of Rule 1309 of the Listing Manual to make a reasonable exit offer to the Shareholders. Such an exit offer may be made by the Company or a controlling Shareholder of the Company and could take the form of a voluntary liquidation of the Company's assets and distribution of cash back to Shareholders.

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6.7.2 Commentaries from the Company's quarterly update announcement

We wish to highlight an extract of the following statement made by the Company in its latest quarterly update dated 30 May 2019 pursuant to Rule 1313(2) of the Listing Manual:

“3. Future Direction

The Board is confident that the business has positioned itself to enter the recovery and growth phase of its business plan, especially with the undertaking from the substantial shareholder Berjaya Leisure Capital (Cayman) Limited, to guarantee exercising its rights and subscribe to additional excess rights up to \$5.0 million. This commitment to the Group will allow for it to undertake a cautious but aggressive approach to growth, with a level of confidence that has been lacking in recent periods, due to cash flow constraints.

The Board is further boosted by business improvements during the quarter that is further accelerating a return to sustainable financial viability. The completed quarter student recruitment intake at Informatics Academy for its computing degree pathway programs, has been the highest of any quarter in over four years, with students enrolled representing an annual growth rate of 30.0%. With Management having completed numerous recurring cost control initiatives during the last year, this has contributed to the improved operating results.

The Group continues to pursue new revenue streams to generate cash flow growth and has started revenue generating short and vocational based programs during the quarter, and developing partnerships to continue and expand these in future quarters.

Informatics Academy signed an MOU in January to license its IT programs with a university partner in Thailand, Rajamangala University of Technology (RMUTT) which if successful in Thanyaburi campus initially, with scope for expansion to a further eight RMUTT universities across the country.

NCC Education is close now to marketing and student recruitment for its industry partnered Cyber Security program, which will include degree pathways options, which will also give students the ability to undertake industry certification qualifications globally”

The statement above underscores the Group's commitment to move forward and remove itself from the SGX-ST watch-list. The Group's future plans and current developments are in line with the intended use of proceeds of the Proposed Rights cum Warrants Issue, as set out in Section 3.6.2 of the Circular.

6.7.3 Support from the Undertaking Shareholder

As shown in Section 3.2 of this Letter, the Undertaking Shareholder has been committed in the business and operational matters of the Company by rendering financial assistance as and when required. Majority of the Board is also represented by directors who are connected to the Berjaya Corporation Group.

As at the Latest Practicable Date, the Undertaking Shareholder directly holds 19,563,515 Shares, representing approximately 27.09% of the total number of issued Shares of the Company. As an indication of its support and commitment to the Company and the Proposed Rights cum Warrants Issue, the Undertaking Shareholder has provided the Irrevocable Undertaking for the subscription of all its entitlements of 58,690,545 Rights Shares with 19,563,515 Warrants, and up to a maximum of 41,309,455 Excess Rights Shares with up to a maximum of 13,769,818 Warrants, which will help to raise net proceeds of at least approximately S\$4.60 million, after deducting estimated expenses of approximately S\$0.40 million. The gross Warrants Proceeds upon the exercise of the Warrants into New Shares will amount to S\$1.67 million.

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We believe that the Irrevocable Undertaking demonstrates the Undertaking Shareholder's support for the Proposed Rights cum Warrants Issue and proves its commitment to and confidence in the prospects of the Group.

6.7.4 No material changes to the existing management of the Group

We understand from the Company that following the completion of the Proposed Rights cum Warrants Issue, it is not envisaged that there will be material changes to the existing management of the Group which may affect the operation of the Group's business activities.

6.7.5 Alternative fund-raising options

We understand from the Company that the Directors have been exploring various means of fundraising including external borrowings and debt instruments prior to proceeding with the Proposed Rights cum Warrants Issue. However, as the Group does not have substantial fixed assets or assets that can be pledged as collaterals for external borrowings, the Proposed Rights cum Warrants Issue would be a more suitable equity fundraising solution to strengthen the financial position and capital base of the Group and allow Shareholders with an opportunity to invest in new equity of the Company.

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7. OUR OPINION

In arriving at our recommendation in respect of the Proposed Whitewash Resolution, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

- (a) the rationale of the Proposed Rights cum Warrants Issue and the use of net proceeds from the Proposed Rights cum Warrants Issue;
- (b) the Rights Shares with Warrants being offered to all entitled Shareholders on a *pro rata* basis;
- (c) an assessment of the Issue Price of the Rights Shares as follows:
 - (i) a premium of 6.4% and 4.2% over the VWAP of the Shares for the 1-month and 3-month periods prior to the release of the Announcement respectively;
 - (ii) represents the VWAP of the Shares for the 6-month period prior to the release of the Announcement;
 - (iii) a discount of 21.9% to the VWAP of the Shares for the 12-month period prior to the release of the Announcement;
 - (iv) a premium of 28.2% over the VWAP of the Shares during the period between the Announcement and the Latest Practicable Date; and
 - (v) as at the Latest Practicable Date, the Issue Price represents a premium of 56.3% over the last traded price of the Shares of S\$0.032;
- (d) comparison of the Issue Price with the market statistics of the Completed Rights Issues as follows:
 - (i) the Issue Price is at a premium of 16.3% over the last transacted Share price of S\$0.043 prior to the release of the Announcement, which is above the range of the Completed Rights Issues; and
 - (ii) the Issue Price is at a premium of 4.2% over the theoretical ex-rights price of approximately S\$0.048, based on the last trading price of the Shares of S\$0.043 prior to the release of the Announcement, which is within the range of the Completed Rights Issues,
- (e) the valuation of the Warrants;
- (f) the financial effects of the Proposed Rights cum Warrants Issue;
- (g) the maximum potential dilution in the shareholding interests of the Independent Shareholders from 71.62% to 25.16%; and
- (h) other relevant considerations as set out in Section 6.7 of this Letter, namely:
 - (i) requirements by SGX-ST to maintain listing status of the Company;
 - (ii) commentaries from the Company's quarterly update announcement; (iii) support from the Undertaking Shareholder; (iv) no material changes to the existing management of the Group; and (v) alternative fund-raising options.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Rights cum Warrants Issue, which is the subject of the Proposed Whitewash Resolution, is fair and reasonable.

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We therefore advise the Independent Directors to recommend to the Independent Shareholders to vote in favour of the Proposed Whitewash Resolution.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed Rights cum Warrants Issue, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Rights cum Warrants Issue, and we do not warrant the merits of the Proposed Rights cum Warrants Issue.

We have prepared this Letter for the use of the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Whitewash Resolution and should not be relied on by any other party. The recommendation made by the Independent Directors to the Shareholders in relation to the Proposed Whitewash Resolution shall remain the sole responsibility of the Independent Directors.

We have prepared this Letter for the use of the Independent Directors in connection with and for the purposes of their consideration of the Proposed Rights cum Warrants Issue. The recommendation made by them to the Independent Shareholders in relation to the Proposed Rights cum Warrants Issue shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM at any time and in any manner without prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely
For and on behalf of
RHT Capital Pte. Ltd.

Khong Choun Mun
Chief Executive Officer

Mah How Soon
Managing Director

APPENDIX B – FINANCIAL INFORMATION OF THE GROUP

Certain financial information extracted from the audited consolidated financial statements of the Group for FY2017, FY2018 and FY2019 is set out below. The financial information should be read in conjunction with the audited consolidated financial statements of the Group for FY2017, FY2018 and FY2019 (copies of which are available for inspection as mentioned in Section 14 of this Circular).

1. Consolidated Income Statements

The audited consolidated income statements of the Group for FY2017, FY2018 and FY2019 are set out below:

Consolidated Income Statements

	SFRS(I) ⁽¹⁾		SFRS ⁽²⁾	
	FY2019 S\$'000	FY2018 S\$'000	FY2018 S\$'000	FY2017 S\$'000
Revenue	7,617	8,634	8,832	10,800
Other operating income	87	139	132	212
Staff costs	(5,299)	(6,879)	(6,879)	(7,862)
Depreciation of property, plant and equipment	(110)	(236)	(236)	(200)
Other operating expenses	(5,778)	(7,796)	(7,677)	(8,559)
Interest income	–	–	7	110
Loss before taxation	(3,483)	(6,138)	(5,821)	(5,499)
Taxation	(91)	(5)	(5)	(7)
Loss for the year	(3,574)	(6,143)	(5,826)	(5,506)
Loss attributable to:				
Equity holders of the Company	(3,574)	(6,143)	(5,826)	(5,506)
Earnings per Share attributable to equity holders of the Company (cents)				
Basic	(4.95)	(8.51)	(8.07)	(7.62)
Diluted	(4.95)	(8.51)	(8.07)	(7.62)

Notes:

- (1) The financial statements were prepared under Singapore Financial Reporting Standards (International) (“SFRS(I)”), which was effective for the financial period beginning on 1 April 2018. Please refer to FY2019 audited financial statements for the impact arising from first-time adoption of SFRS(I) including application of the new accounting standards on 1 April 2017 and 1 April 2018.
- (2) The financial statements were prepared under Singapore Financial Reporting Standards (“SFRS”).

APPENDIX B – FINANCIAL INFORMATION OF THE GROUP

A review of the operations, business and financial performance of the Group is set out below:

FY2019 vs FY2018 (SFRS(I))

The Group recorded a revenue of S\$7.6 million for FY2019, a decrease of S\$1.0 million or 12% as compared to S\$8.6 million for FY2018. The lower revenue was mainly due to lower completion of examinations for candidates enrolled during FY2019, particularly for the United Kingdom operations. Despite the growth in enrolments for the United Kingdom operations, this has not translated to an immediate increase in revenue for FY2019 as revenue recognition had to be deferred to subsequent years in accordance with SFRS(I) 15 *Revenue from Contracts with Customers* which was effective on 1 April 2018. This was evident from the increase in deferred income and fees as at 31 March 2019.

Other operating income decreased by approximately S\$0.1 million or 37% in FY2019 mainly due to less government grants received for FY2019.

Staff costs decreased by S\$1.6 million or 23% from S\$6.9 million in FY2018 to S\$5.3 million in FY2019, mainly due to headcount reduction for the Singapore operations. Depreciation of property, plant and equipment decreased by S\$0.1 million or 53% from S\$0.2 million in FY2018 to S\$0.1 million in FY2019. This was mainly due to disposal and provision for impairment of property, plant and equipment in the second half of FY2018.

Other operating expenses decreased by S\$2.0 million or 26% from S\$7.8 million in FY2018 to S\$5.8 million in FY2019. The decrease was mainly due to lower cost of sales (assessment costs and university fees) in line with lower revenue, lower allowance for expected credit loss, lower operating lease expenses, lower marketing expenses and favourable foreign exchange rate movements.

The Group recorded a loss before tax of S\$3.5 million for FY2019, a decrease of S\$2.6 million or 43% as compared to loss before tax of S\$6.1 million for FY2018. This was mainly due to lower staff costs and operating expenses.

FY2018 vs FY2017 (SFRS)

The Group recorded a revenue of S\$8.8 million, a decrease of S\$2.0 million or 18% as compared with S\$10.8 million in prior year. The decrease was mainly due to the lower number of students enrolled in the Singapore and United Kingdom operations.

Other operating income decreased by S\$0.1 million or 38% mainly due to a decrease of Productivity and Innovation Credits (PIC) and other government grants received by the Singapore subsidiaries in FY2018.

Staff costs decreased by S\$1.0 million or 13% to S\$6.9 million, mainly due to headcount reduction for Singapore, as compared to the prior year. Depreciation of property, plant and equipment increased by 9% to S\$0.2 million, mainly due to premises improvement to consolidate the corporate office in Singapore in the first quarter of FY2018 in order to reduce operating lease expenses.

Other operating expenses decreased by S\$0.9 million or 10% to S\$7.7 million as compared with FY2017. The decrease was attributed by lower cost of sales (assessment cost and university fees) and rental.

Interest income decreased by S\$0.1 million or 94% due to lower cash held as fixed deposit balance, as compared to FY2017.

The Group recorded a loss before tax of S\$5.8 million, an increase of S\$0.3 million, or 6% compared with S\$5.5 million loss in FY2017. This was mainly due to lower revenue, other operating income and interest income. This was partially offset by lower staff costs and operating expenses in FY2018.

APPENDIX B – FINANCIAL INFORMATION OF THE GROUP

2. Consolidated Balance Sheets

The audited consolidated balance sheets of the Group as at 31 March 2017, 31 March 2018 and 31 March 2019 are set out below:

Consolidated Balance Sheets

	SFRS(I) ⁽¹⁾		SFRS ⁽²⁾	
	As at 31 March 2019 S\$'000	As at 31 March 2018 S\$'000	As at 31 March 2018 S\$'000	As at 31 March 2017 S\$'000
Non-current assets				
Property, plant and equipment	99	184	184	364
Intangible assets	20	38	38	181
Investment in subsidiaries	–	–	–	–
Other investments	–	–	–	–
	119	222	222	545
Current assets				
Prepayments	339	344	344	585
Trade and other receivables	1,270	1,400	1,400	2,358
Restricted cash at bank	–	138	138	138
Cash and cash equivalents	1,396	3,137	3,137	8,403
	3,005	5,019	5,019	11,484
Current liabilities				
Deferred income and fees	3,240	2,281	400	565
Trade and other payables	2,664	2,061	2,581	3,618
Provision for reinstatement cost	82	171	171	230
Income tax payable	–	–	–	1
	5,986	4,513	3,152	4,414
Net current (liabilities)/assets	(2,981)	506	1,867	7,070
Total net (liabilities)/assets	(2,862)	728	2,089	7,615
Equity attributable to equity holders of the Company				
Share capital	29,908	29,908	29,908	29,908
Reserves	(32,770)	(29,180)	(27,819)	(22,293)
Total equity	(2,862)	728	2,089	7,615

Notes:

- (1) The financial statements were prepared under Singapore Financial Reporting Standards (International) (“SFRS(I)”), which was effective for the financial period beginning on 1 April 2018. Please refer to FY2019 audited financial statements for the impact arising from first-time adoption of SFRS(I) including application of the new accounting standards on 1 April 2017 and 1 April 2018.
- (2) The financial statements were prepared under Singapore Financial Reporting Standards (“SFRS”).

APPENDIX B – FINANCIAL INFORMATION OF THE GROUP

As at 31 March 2019 vs 31 March 2018 (SFRS(I))

As at 31 March 2019, the Group's property, plant and equipment decreased by S\$0.1 million, or 46% as compared to 31 March 2018. The reduction was mainly due to depreciation charge for the current year.

The Group's intangible assets, relating to coursework development cost for the United Kingdom's operations, decreased by 47% mainly due to amortisation charge for the current year.

The Group's trade and other receivables decreased by S\$0.1 million or 9% from S\$1.4 million as at 31 March 2018 to S\$1.3 million as at 31 March 2019 mainly due to refund of the corporate office lease deposit and deposit for Student Fee Protection Scheme of S\$0.2 million for Singapore operations during FY2019, partially off-set by increase in trade receivables for the Singapore and United Kingdom operations.

A subsidiary is required under CaseTrust for Education Scheme to maintain an Escrow bank account where course fees paid by its international students are held in trust and disbursed by the Escrow bank account to the subsidiary. Such balances are excluded from cash and cash equivalents for statement of cash flows presentation. As at 31 March 2018, the amount was S\$0.1 million. During the financial year ended 31 March 2019, the funds had been released to the subsidiary.

The Group's cash and cash equivalents decreased by S\$1.7 million or 55% from S\$3.1 million as at 31 March 2018 to S\$1.4 million as at 31 March 2019 mainly due to cash utilisation for operations, partially mitigated by amounts extended by a director of the Company and an indirect controlling shareholder for working capital purposes.

The Group's deferred income and fees increased by S\$0.9 million or 42% from S\$2.3 million as at 31 March 2018 to S\$3.2 million as at 31 March 2019, mainly arising from higher deferred income recognition for the United Kingdom operations.

The Group's trade and other payables increased by S\$0.6 million or 29% from S\$2.1 million as at 31 March 2018 to S\$2.7 million as at 31 March 2019. This was mainly due to amounts extended by the Company's director and indirect controlling shareholder amounting to S\$0.9 million, partially offset by decreases in trade and other payables of S\$0.3 million.

As at 31 March 2019, the Group's provision for reinstatement cost decreased by S\$0.1 million or 52% as compared to 31 March 2018. The Company has consolidated its Singapore corporate office with its campus and utilised the provision to reinstate the previous corporate office premise during FY2019.

As at 31 March 2018 vs 31 March 2017 (SFRS)

The Group's intangible assets decreased by S\$0.1 million, or 79% to S\$38,000 as at 31 March 2018. This was due to the amortisation and impairment of software in the Singapore and United Kingdom operations.

The Group's prepayments decreased by S\$0.2 million or 41% to S\$0.3 million as at 31 March 2018, mainly due to utilisation of prepaid university fees and other operating expenses.

The Group's trade and other receivables decreased by S\$1.0 million or 41% to S\$1.4 million as at 31 March 2018, mainly due to increase in allowance for doubtful debts and collections made during FY2018.

The Group's cash and cash equivalents declined by S\$5.3 million or 63% to S\$3.1 million as at 31 March 2018, mainly due to cash utilisation for operations.

APPENDIX B – FINANCIAL INFORMATION OF THE GROUP

The Group's deferred income and fees decreased by S\$0.2 million or 29% to S\$0.4 million as at 31 March 2018. This is mainly due to lower number of students enrolled in the Singapore operations.

The Group's trade and other payables decreased by S\$1.0 million or 29% to S\$2.6 million as at 31 March 2018, mainly due to repayment of creditors, university fees and cost-reduction measures.

The Group's provision for reinstatement cost decreased by S\$0.1 million to S\$0.2 million, as at 31 March 2018, due to the consolidation of the corporate office in Singapore during the financial year.

3. Working Capital

The working capital of the Group as at 31 March 2017, 31 March 2018 and 31 March 2019 are set out below:

	SFRS(I) ⁽¹⁾		SFRS ⁽²⁾	
	As at 31 March 2019 S\$'000	As at 31 March 2018 S\$'000	As at 31 March 2018 S\$'000	As at 31 March 2017 S\$'000
Current assets	3,005	5,019	5,019	11,484
Current liabilities	5,986	4,513	3,152	4,414
Net current (liabilities)/assets	(2,981)	506	1,867	7,070

Notes:

- (1) The financial statements were prepared under Singapore Financial Reporting Standards (International) ("SFRS(I)", which was effective for the financial period beginning on 1 April 2018. Please refer to FY2019 audited financial statements for the impact arising from first-time adoption of SFRS(I) including application of the new accounting standards on 1 April 2017 and 1 April 2018.
- (2) The financial statements were prepared under Singapore Financial Reporting Standards ("SFRS").

A review of the working capital of the Group is set out below:

As at 31 March 2019 vs 31 March 2018 (SFRS(I))

As the Group continued to incur operation loss for FY2019, this had led to further decrease in working capital of the Group.

As at 31 March 2018 vs 31 March 2017 (SFRS)

The decrease in working capital is a result of slowdown in the Group's businesses.

APPENDIX B – FINANCIAL INFORMATION OF THE GROUP

4. Consolidated Statements of Cash Flow

The consolidated cash flow statements of the Group for FY2017, FY2018 and FY2019 are set out below:

Consolidated Statements of Cash Flow

	SFRS(I) ⁽¹⁾		SFRS ⁽²⁾	
	FY2019 S\$'000	FY2018 S\$'000	FY2018 S\$'000	FY2017 S\$'000
Cash flow from operating activities				
Loss before taxation	(3,483)	(6,138)	(5,821)	(5,499)
Adjustments for:				
Depreciation of property, plant and equipment	110	236	236	200
Amortisation of intangible assets	25	70	70	19
Net (gain)/loss on disposal of property, plant and equipment	(2)	1	1	(4)
Impairment loss of property, plant and equipment	–	101	101	119
Impairment loss of intangible assets	–	230	230	–
Property, plant and equipment written off	7	–	–	–
Allowance/(write-back) for doubtful debts	80	207	207	(38)
Write-off/(write-back) for bad debts	59	(19)	(19)	2
Loss on liquidation of subsidiaries	–	–	–	12
Interest expense	12	–	–	–
Interest income	(1)	(7)	(7)	(110)
Unrealised exchange loss	(23)	173	234	123
Operating loss before working capital changes	(3,216)	(5,146)	(4,768)	(5,176)
Decrease in restricted cash at bank	138	–	–	–
Decrease/(increase) in prepayments, trade and other receivables	–	992	992	(410)
Increase/(decrease) in deferred income and fees	959	127	(165)	(888)
(Decrease)/increase in trade and other payables	(404)	(1,010)	(1,096)	23
Cash used in operations	(2,523)	(5,037)	(5,037)	(6,451)
Interest received	1	27	27	230
Tax paid	(91)	(6)	(6)	(7)
Net cash flows used in operating activities	(2,613)	(5,016)	(5,016)	(6,228)
Cash flow from investing activities				
Purchase of property, plant and equipment	(35)	(149)	(149)	(401)
Expenditure on intangible assets	–	(155)	(155)	(193)
Proceeds from disposal of property, plant and equipment	6	4	4	5
Withdrawal of fixed deposits	–	–	–	10,000
Net cash flows (used in)/generated from investing activities	(29)	(300)	(300)	9,411

APPENDIX B – FINANCIAL INFORMATION OF THE GROUP

	SFRS(I) ⁽¹⁾		SFRS ⁽²⁾	
	FY2019 S\$'000	FY2018 S\$'000	FY2018 S\$'000	FY2017 S\$'000
Cash flows from financing activities				
Amount due to an indirect controlling shareholder	418	–	–	–
Amount due to a director	500	–	–	–
Net cash generated from financing activities	918	–	–	–
Net (decrease)/increase in cash and cash equivalents	(1,724)	(5,316)	(5,316)	3,183
Cash and cash equivalents at beginning of the financial year	3,137	8,403	8,403	5,286
Effects of exchange rate changes on opening cash and cash equivalents	(17)	50	50	66
Cash and cash equivalents at end of the financial year	1,396	3,137	3,137	8,403

Notes:

- (1) The financial statements were prepared under Singapore Financial Reporting Standards (International) (“SFRS(I)”), which was effective for the financial period beginning on 1 April 2018. Please refer to FY2019 audited financial statements for the impact arising from first-time adoption of SFRS(I) including application of the new accounting standards on 1 April 2017 and 1 April 2018.
- (2) The financial statements were prepared under Singapore Financial Reporting Standards (“SFRS”).

A review of the cash flow position of the Group is set out below:

Review of cash flow for FY2019

A subsidiary is required under CaseTrust for Education Scheme to maintain an escrow bank account where course fees paid by its international students are held in trust and disbursed by the escrow bank account to the subsidiary. Such balances are excluded from cash and cash equivalents for statement of cash flows presentation. As at 31 March 2018, the amount was S\$0.1 million. During the financial year ended 31 March 2019, the funds had been released to the subsidiary.

The Group’s cash and cash equivalents decreased by S\$1.7 million or 55% from S\$3.1 million as at 31 March 2018 to S\$1.4 million as at 31 March 2019 mainly due to cash utilisation for operations, partially mitigated by amounts extended by a director of the Company and an indirect controlling shareholder for working capital purposes.

Review of cash flow for FY2018

A subsidiary is required under Case Trust for Education Scheme to maintain S\$0.1 million (31 March 2017: S\$0.1 million) in an escrow bank account where tuition fees paid by its international students are held in trust and disbursed by the escrow bank account to the subsidiary. Such balances are excluded from cash and cash equivalents for statement of cash flows presentation.

The Group’s cash and cash equivalents declined by S\$5.3 million or 63% to S\$3.1 million as at 31 March 2018, mainly due to cash utilisation for operations.

APPENDIX B – FINANCIAL INFORMATION OF THE GROUP

Review of cash flow for FY2017

The Group's cash and cash equivalents increased by S\$3.2 million to S\$8.4 million as at 31 March 2017 due mainly to drawdown of long-term fixed deposits of S\$10.0 million, partially offset by cash utilisation for operations of S\$6.2 million.

NOTICE OF EXTRAORDINARY GENERAL MEETING

INFORMATICS EDUCATION LTD.

(Company Registration Number: 198303419G)
(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Informatics Education Ltd. (the “**Company**”) will be held at Enabling Village, UOB Ability Hub Hall 1, 20 Lengkok Bahru, Singapore 159053 on 18 July 2019 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without amendments, the following ordinary resolutions.

All capitalised terms in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular to shareholders of the Company dated 3 July 2019.

ORDINARY RESOLUTION 1 – THE RIGHTS CUM WARRANTS ISSUE

That, contingent upon the passing of Ordinary Resolution 2, the renounceable non-underwritten rights cum warrants issue (the “**Rights cum Warrants Issue**”) of up to 216,646,401 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.05 for each Rights Share (the “**Issue Price**”), with up to 72,215,467 free detachable and transferable warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“**New Share**”) at the exercise price of S\$0.05 for each New Share, on the basis of three (3) Rights Shares with one (1) Warrant for every one (1) existing ordinary share (the “**Shares**”) in the capital of the Company held by entitled shareholders of the Company (“**Shareholders**”) as at a books closure date to be determined by the Directors (the “**Books Closure Date**”), be and is hereby approved and authority be and is hereby given to the Directors or any of them to:

- (a) create and issue:
 - (i) such number of Rights Shares as the Directors may determine, up to a maximum of 216,646,401 Rights Shares at an issue price of S\$0.05 for each Rights Share;
 - (ii) such number of free detachable Warrants as the Directors may determine, up to a maximum of 72,215,467 free Warrants to be issued together with the Rights Shares, each Warrant carrying the right to subscribe for one (1) New Share at an exercise price of S\$0.05 for each New Share during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, subject to the terms and conditions of the deed poll constituting the Warrants (“**Deed Poll**”) to be executed by the Company on such terms and conditions as the Directors may deem fit; and
 - (iii) such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such further Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Deed Poll);
- (b) provisionally allot and issue up to 216,646,401 Rights Shares with up to 72,215,467 free Warrants, on the basis of three (3) Rights Shares with one (1) Warrant for every one (1) existing Share held by Shareholders whose names appear in the register of members of the Company or the records of The Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date (“**Entitled Shareholders**”) with registered addresses in Singapore or who have, not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, provided to the CDP or the share registrar of the Company (“**Share Registrar**”), as the case may be, addresses in Singapore for the service of notices and documents, on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (i) the provisional allotments of the Rights Shares with Warrants under the Rights cum Warrants Issue shall be made on a renounceable non-underwritten basis to the Entitled Shareholders;
 - (ii) no provisional allotment of the Rights Shares with Warrants shall be made in favour of, and no application form or other documents in respect thereof shall be issued or sent to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”);
 - (iii) the entitlements to the Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders shall be disposed of or dealt with by the Company in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit, including without limitation to be sold “nil-paid” on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and to pool and thereafter distribute the net proceeds thereof, if any (after deducting all expenses), proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
 - (iv) provisional allotments of the Rights Shares with Warrants not taken up or cannot be sold or are not sold on the SGX-ST for any reason shall be used to satisfy applications for excess Rights Shares with Warrants or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
 - (v) the Rights Shares when issued and fully paid-up will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls on or after the date of issue of the Rights Shares; and
 - (vi) the New Shares to be issued on exercise of the Warrants will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls on or after the date of issue of the New Shares;
- (c) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (i) a maximum of 72,215,467 New Shares on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such New Shares (when issued and paid) to rank *pari passu* in all respects with the then existing Shares (save as may otherwise be provided in the terms and conditions of the Deed Poll) for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls on or after the date of issue of the New Shares; and
 - (ii) on the same basis as paragraph (c)(i) above, such further New Shares as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (a) above; and
- (d) the Directors be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Rights cum Warrants Issue, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Rights cum Warrants Issue.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2 – THE WHITEWASH RESOLUTION

That, contingent upon the passing of Ordinary Resolution 1, the Independent Shareholders of the Company hereby (on a poll taken) unconditionally and irrevocably waive their rights under Rule 14.1 of the Code to receive a mandatory general offer from Berjaya Leisure Capital (Cayman) Limited (“**BLCC**”) and parties acting in concert with it, in the event that BLCC’s subscription of the Rights Shares and the New Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue results in BLCC incurring an obligation to make a mandatory general offer pursuant to Rule 14.1 of the Code.

Voting Exclusion: The Company will, in accordance with the conditional waiver by the SIC, disregard any votes cast on this resolution by BLCC and its concert parties, as well as parties not independent of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD

Yau Su Peng
Executive Director
Singapore, 3 July 2019

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member’s proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage as a whole) shall be specified in the proxy form.
- (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s proxy form appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

“**Relevant Intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies (the “**Proxy Form**”) must be deposited at the registered office of the Company at 100 Victoria Street, #13-01/02, National Library Building, Singapore 188064 not less than 48 hours before the time appointed for the EGM. The completion and return of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.
5. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for the EGM.
6. Pursuant to Rule 730A(2) of the Listing Manual of SGX-ST, the Ordinary Resolutions proposed at the EGM shall be voted on by way of a poll.
7. To allow for a more efficient voting system, polling will be done by way of an electronic poll voting system. With poll voting, members present in person or represented by proxy at the EGM will be entitled to vote on a ‘one-share, one-vote’ basis. The detailed procedures for the electronic poll voting will be explained at the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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INFORMATICS EDUCATION LTD.

(Company Registration Number: 198303419G)
(Incorporated in Singapore)

**PROXY FORM
EXTRAORDINARY GENERAL MEETING****IMPORTANT:**

1. Relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the EGM.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 July 2019.

*I/We, (name) _____ with NRIC/Passport No. _____

of (address) _____

being *a member/members of INFORMATICS EDUCATION LTD. (the “**Company**”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

As *my/our *proxy/proxies to attend, speak and vote on *my/our behalf at the extraordinary general meeting (“**EGM**”) of the Company to be held at Enabling Village, UOB Ability Hub Hall 1, 20 Lengkok Bahru, Singapore 159053 on 18 July 2019 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) and at any adjournment thereof in the following manner as specified below. My/our proxy/proxies may vote or abstain from voting at his/their discretion on the resolution where I/we have not specified the voting instruction, and on any other matter arising at the EGM and at any adjournment thereof.

ORDINARY RESOLUTION	No. of votes FOR*	No. of votes AGAINST*
The Rights cum Warrants Issue		
The Whitewash Resolution		

NOTE: If you wish to exercise 100% of your votes **For** or **Against** the resolution, please tick (✓) in the corresponding box provided against the resolution. If you wish to split your votes, please indicate the number of votes **For** and/or **Against** the resolution.

Dated this _____ day of _____ 2019.

Total No. of Shares Held

Signature(s)/Common Seal of Member(s)**NOTES: SEE OVERLEAF**

NOTES:-

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by the Central Depository (Pte) Limited), you should insert that number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
4. This form of proxy must be signed by the appointor or his attorney duly authorised in writing. Where the form of proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a form of proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the form of proxy, failing which the form of proxy may be treated as invalid.
5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.
6. Completion and return of this form of proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this form of proxy to the EGM.
7. This form of proxy must be deposited at the registered office of the Company at 100 Victoria Street, #13-01/02, National Library Building, Singapore 188064, not less than 48 hours before the time fixed for holding the EGM.
8. The Company shall be entitled to reject the form of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the form of proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any form of proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 July 2019.

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