

INFORMATICS EDUCATION LTD.

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

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

1. Introduction

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

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

2. Q1 FY2020 Financial Results

On 8 August 2019, the Group has released its unaudited financial results for the quarter ended 30 June 2019 (“**Q1 FY2020**”). Please refer to the announcement for further details.

The Group recorded a revenue of \$2.0 million for Q1 FY2020, an increase of \$0.1 million (5%) as compared to \$1.9 million for Q1 FY2019. The increase in revenue was mainly due to higher course/examination fees recognised for the Singapore operations, partially offset by lower examination fees recognised for the United Kingdom operations. In line with SFRS(I) 15 *Revenue from Contracts with Customers*, examination fees are recognised when the Group has delivered/satisfied all its performance obligations in the contract with the customers.

The Group recorded a loss before tax of \$0.6 million for Q1 FY2020, a decrease of \$0.4 million (39%) as compared to loss before tax of \$1.0 million for Q1 FY2019. This was a result of higher revenue and lower operating costs recorded by the Group for Q1 FY2020. This was achieved through reduction in headcount for staff and other recurring operating expenses.

3. Future Direction

For the current financial year ending 31 March 2020, the Board is confident that the Group’s business has positioned itself to enter a recovery and growth phase of its business plan, particularly in view of the Rights cum Warrants Issue which has the potential to raise Net Proceeds of up to \$10.43 million under the Maximum Scenario or a minimum of \$4.60 million under the Minimum Scenario pursuant to the undertaking from the Group’s substantial shareholder, Berjaya Leisure Capital (Cayman) Limited. The Board believes that this will allow the Group 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.

In view of the current financial circumstances, the Board 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.

In Q1 FY2020, Informatics Academy has continued to see encouraging student numbers. Additionally, the Group has entered the burgeoning short course skills-based market with some early but modest revenues.

3. Future Direction (cont'd)

The Group intends to carry on with its strategy, which it has been undertaking since FY2019, of pursuing new revenue streams, expanding its short and vocational-based programs and forming more strategic partnerships to further improve its cash flow growth.

4. Material Development

There are no other material developments that may have a significant impact on the Group's financial position.

BY ORDER OF THE BOARD

Yau Su Peng
Executive Director
8 August 2019