

FULL YEAR FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT

INFORMATICS EDUCATION LTD

(Company Registration Number: 198303419G)

The Board of Directors of Informatics Education Ltd is pleased to announce the
 unaudited consolidated results for fifteen-month financial year ended 30 June 2020 :-
 (The financial year end of the Company has been changed from 31 March to 30 June as announced by the Company on 3 December 2019)

Part I - Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcement

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Profit and Loss

	Group		
	15 months ended 30 June 2020 S\$'000	12 months ended 31 March 2019 S\$'000	Change %
Revenue	10,863	7,617	43%
Other operating income	189	87	N/M
Staff costs	(5,899)	(5,299)	11%
Depreciation of property, plant and equipment	(443)	(110)	N/M
Other operating expenses	(5,255)	(5,778)	-9%
Loss before taxation	<u>(545)</u>	<u>(3,483)</u>	-84%
Taxation	(7)	(91)	-92%
Loss for the year	<u><u>(552)</u></u>	<u><u>(3,574)</u></u>	-85%
Loss attributable to:			
Equity holders of the Company	<u><u>(552)</u></u>	<u><u>(3,574)</u></u>	-85%

Consolidated Statement of Comprehensive Income

	Group		
	15 months ended 30 June 2020 S\$'000	12 months ended 31 March 2019 S\$'000	Change %
Loss for the year	(552)	(3,574)	-85%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	<u>(70)</u>	<u>(16)</u>	N/M
Other comprehensive income for the financial year, net of tax	<u>(70)</u>	<u>(16)</u>	N/M
Total comprehensive income for the financial year	<u><u>(622)</u></u>	<u><u>(3,590)</u></u>	-83%
Total comprehensive income attributable to:			
Equity holders of the Company	<u><u>(622)</u></u>	<u><u>(3,590)</u></u>	-83%

N/M: Not meaningful

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

Group		
15 months ended 30 June 2020 S\$'000	12 months ended 31 March 2019 S\$'000	Change %

(a)(i) Notes to income statement

Loss for the year is stated after charging/(crediting):

Allowance for expected credit loss on receivables	29	80	-64%
Write-off of bad debts	20	59	-66%
Amortisation of intangible assets	15	25	-40%
Property, plant and equipment written-off	-	7	-100%
Intangible assets written-off	7	-	N/M
Net gain on disposal of property, plant and equipment	-	(2)	-100%
Foreign exchange gain, net	(188)	(95)	98%
Operating lease expenses	122	1,286	-91%
Finance costs (including interest expense on lease liabilities)	86	12	N/M
Interest income	(23)	(1)	N/M
Government grants/incentives	(492)	(133)	N/M
- Recognised in other operating income	(165)	(83)	99%
- Credited against staff costs	(327)	(50)	N/M
(Over)/under provision of tax in respect of prior years	(2)	86	N/M

- (a)(ii) Other operating income for 15M FY2020 increased by \$0.1 million mainly due to rental waivers received/receivable for the Group's Singapore operations, in line with the budget measures announced by the Singapore government in response to the COVID-19 pandemic, while other operating income for 12M FY2019 relates to PIC cash payouts received in the prior financial year.
- (a)(iii) Staff costs increased by \$0.6 million (11%) from \$5.3 million for 12M FY2019 to \$5.9 million for 15M FY2020. On an annualised basis, staff costs decreased by \$0.6 million (11%), mainly due to consolidation of roles and outsourcing of certain functions to contractors, and receipt of subsidies from governments in the countries where the Company and the Group's subsidiaries operate due to COVID-19 pandemic, which resulted in lock-down measures in various countries.
- (a)(iv) Depreciation of property, plant and equipment increased by \$0.3 million for 15M FY2020, mainly due to adoption of the new financial reporting standards SFRS(I) 16 Leases. The depreciation relating to the right-of-use assets were recorded within depreciation of property, plant and equipment. The right-of-use asset recognised in connection with the lease of the campus facility in Singapore had been fully impaired on 1 April 2019, hence, no depreciation was recorded for the 15M FY2020.
- (a)(v) Other operating expenses decreased by \$0.5 million (9%) from \$5.8 million for 12M FY2019 to \$5.3 million for 15M FY2020 mainly due to lower operating lease expenses (explained in 1(a)(viii)) and increase in foreign exchange gain as explained in 1(a)(vii), partially offset by higher costs of sales in line with the higher revenue recorded for 15M FY2020 and higher general and administrative expenses mainly attributable to a longer financial period for this financial year. On an annualised basis, other operating expenses decreased by \$1.6 million (27%) mainly due to decrease in operating lease expenses and various costs management measures to contain operating costs for the Group.
- (a)(vi) For 15M FY2020, the allowance for expected credit loss made on the Group's trade receivables was mainly relating to the Singapore and the United Kingdom operations while the bad debts written off was relating to the Singapore operations. As for 12M FY2019, both the allowance for expected credit loss on receivables and the bad debts written off were relating to the United Kingdom operations.
- (a)(vii) The Group recorded an increase in foreign exchange gain of \$0.1 million for 15M FY2020. The exchange gains recorded were mainly attributable to favorable foreign exchange rate movements for overseas subsidiaries' operations.
- (a)(viii) Operating lease expenses decreased by \$1.2 million or 91% from \$1.3 million for 12M FY2019 to \$0.1 million for 15M FY2020 mainly due to consolidation of the corporate office with the campus in Singapore in the previous financial year, and the adoption of SFRS(I) 16 Leases. As a result of the adoption of SFRS(I) 16 Leases, right-of-use assets were recognised in the balance sheet with a corresponding depreciation charge recorded in the period, instead of the operating lease expense.
- (a)(ix) Finance costs are related to interest expense incurred on the bank loan, and the amounts owing to a director and an indirect controlling shareholder, and interest expense on the Group's lease liabilities. For 15M FY2020, finance cost was higher as compared to 12M FY2019 due to increase in interest expense on bank loan, lease liabilities, and on the amount owing to a director and amount owing to an indirect controlling shareholder.
- (a)(x) For 15M FY2020 and 12M FY2019, the (over)/under provision of tax in respect of prior years was relating to Malaysia's operations.

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position

	Group			Company		
	30.06.2020 S\$'000	31.03.2019 S\$'000	Change %	30.06.2020 S\$'000	31.03.2019 S\$'000	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	500	99	N/M	-	4	-100%
Intangible assets	129	20	N/M	-	-	N/M
Investment in subsidiaries *	-	-	N/M	-	-	N/M
	629	119	N/M	-	4	-100%
CURRENT ASSETS						
Prepayments	228	339	-33%	42	88	-52%
Trade and other receivables	1,450	1,270	14%	141	189	-25%
Cash and bank balances	3,692	1,396	N/M	1,212	200	N/M
	5,370	3,005	79%	1,395	477	N/M
CURRENT LIABILITIES						
Deferred income and fees	2,339	3,240	-28%	201	270	-26%
Trade and other payables	1,494	2,664	-44%	3,029	6,881	-56%
Lease liabilities	759	-	N/M	-	-	N/M
Provision for reinstatement cost	109	82	33%	-	-	N/M
Interest-bearing borrowings	1,000	-	N/M	1,000	-	N/M
	5,701	5,986	-5%	4,230	7,151	-41%
NET CURRENT LIABILITIES	(331)	(2,981)	-89%	(2,835)	(6,674)	-58%
NON-CURRENT LIABILITIES						
Lease liabilities	168	-	N/M	-	-	N/M
Interest-bearing borrowings	86	-	N/M	-	-	N/M
	254	-		-	-	
TOTAL NET ASSETS/(LIABILITIES)	44	(2,862)	N/M	(2,835)	(6,670)	-57%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	34,667	29,908	16%	34,667	29,908	16%
Reserves	(34,623)	(32,770)	6%	(37,502)	(36,578)	3%
TOTAL EQUITY	44	(2,862)	N/M	(2,835)	(6,670)	-57%

* The investment in subsidiaries were fully impaired as at 31 March 2019 and 30 June 2020.
N/M: Not meaningful

1 (b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group 30.06.2020		Group 31.03.2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Amount repayable in one year or less, or on demand	1,000	-	-	-
Non-current				
Amount repayable after one year	-	86	-	-

Details of any collaterals:

The Group's borrowings are secured by the Company's fixed deposit placed with the bank amounting to \$1.0 million.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

Group	
15 months ended 30 June 2020 S\$'000	12 months ended 31 March 2019 S\$'000

Cash flow from operating activities

Loss before taxation	(545)	(3,483)
Adjustments for:		
Depreciation of property, plant and equipment	443	110
Amortisation of intangible assets	15	25
Net gain on disposal of property, plant and equipment	-	(2)
Property, plant and equipment written-off	-	7
Intangible assets written-off	7	-
Allowance for expected credit loss on receivables	29	80
Write-off of bad debts	20	59
Finance costs	86	12
Interest income	(23)	(1)
Rental waivers received/receivable (non-cash)	(158)	-
Unrealised exchange gain	(46)	(23)

Operating cash flows before working capital changes

Decrease in restricted cash at bank	-	138
Increase in prepayments, trade and other receivables	(61)	-
Decrease in deferred income and fees	(901)	959
Decrease in trade and other payables and provision for reinstatement cost	(256)	(404)

Net cash flows used in operating activities

	(1,390)	(2,523)
Interest received	18	1
Interest paid	(12)	-
Tax paid	(7)	(91)

Net cash flows used in operating activities

Cash flow from investing activities

Purchase of property, plant and equipment	(14)	(35)
Expenditure on intangible assets	(133)	-
Proceeds from disposal of property, plant and equipment	-	6

Net cash flows used in investing activities

Cash flow from financing activities

Amount due to indirect controlling shareholder	-	418
Amount due to director	-	500
Repayment of lease liabilities (net of rental waivers)	(1,039)	-
Proceeds from issuance of shares	5,256	-
Expenses for rights issue paid	(497)	-
Repayment of amount due to indirect controlling shareholder	(418)	-
Repayment of amount due to director	(500)	-
Interest paid	(44)	-
Proceeds from interest bearing borrowings	1,086	-
Fixed deposit pledged as security for borrowings	(1,000)	-

Net cash flows from financing activities

	2,844	918
Net increase/(decrease) in cash and cash equivalents	1,306	(1,724)
Cash and cash equivalents at the beginning of the financial year	1,396	3,137
Effects of exchange rate changes on opening cash and cash equivalents	(10)	(17)

Cash and cash equivalents at end of the financial year #

Cash and bank balances as at balance sheet date are as follows:

Cash at bank and on hand	1,683	1,396
Short term deposits	2,009	-

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Cash at bank and on hand	1,683	1,396
Short term deposits	2,009	-
(-) Fixed deposit pledged as security for borrowings	(1,000)	-

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

Group

At 1 April 2019, as previously reported

Effect of adopting SFRS(I) 16

At 1 April 2019, as restated

Loss for the financial year

Other comprehensive income for the financial year

Total comprehensive income for the financial year

Shares issued pursuant to rights issue

Rights issue expenses

At 30 June 2020

At 1 April 2018

Loss for the financial year

Other comprehensive income for the financial year

Total comprehensive income for the financial year

At 31 March 2019

	Attributable to equity holders of the Company				
	Share Capital S\$'000	Translation Reserve S\$'000	Accumulated Losses S\$'000	Total Reserves S\$'000	Total Equity S\$'000
At 1 April 2019, as previously reported	29,908	223	(32,993)	(32,770)	(2,862)
Effect of adopting SFRS(I) 16	-	-	(1,231)	(1,231)	(1,231)
At 1 April 2019, as restated	29,908	223	(34,224)	(34,001)	(4,093)
Loss for the financial year	-	-	(552)	(552)	(552)
Other comprehensive income for the financial year	-	(70)	-	(70)	(70)
Total comprehensive income for the financial year	-	(70)	(552)	(622)	(622)
Shares issued pursuant to rights issue	5,256	-	-	-	5,256
Rights issue expenses	(497)	-	-	-	(497)
At 30 June 2020	34,667	153	(34,776)	(34,623)	44
At 1 April 2018	29,908	239	(29,419)	(29,180)	728
Loss for the financial year	-	-	(3,574)	(3,574)	(3,574)
Other comprehensive income for the financial year	-	(16)	-	(16)	(16)
Total comprehensive income for the financial year	-	(16)	(3,574)	(3,590)	(3,590)
At 31 March 2019	29,908	223	(32,993)	(32,770)	(2,862)

Company

At 1 April 2019

Loss for the financial year, representing total comprehensive income for the year

Shares issued pursuant to rights issue

Rights issue expenses

At 30 June 2020

At 1 April 2018

Loss for the financial year, representing total comprehensive income for the year

At 31 March 2019

	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
At 1 April 2019	29,908	(36,578)	(6,670)
Loss for the financial year, representing total comprehensive income for the year	-	(924)	(924)
Shares issued pursuant to rights issue	5,256	-	5,256
Rights issue expenses	(497)	-	(497)
At 30 June 2020	34,667	(37,502)	(2,835)
At 1 April 2018	29,908	(35,231)	(5,323)
Loss for the financial year, representing total comprehensive income for the year	-	(1,347)	(1,347)
At 31 March 2019	29,908	(36,578)	(6,670)

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 March 2019, total number of ordinary shares of the Company were 72,215,467 shares.

During the financial year ended 30 June 2020, the Company has undertaken a renounceable non-underwritten rights cum warrants issue (the "Rights Issue") of up to 216,646,401 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of \$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 the exercise price of \$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 held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

On 23 August 2019, the Company announced that pursuant to the Rights Issue, an aggregate of 105,124,182 Rights Shares and 35,041,371 Warrants were allotted and issued by the Company on 22 August 2019. The number of issued Shares in the Company has increased from 72,215,467 to 177,339,649 shares.

	Financial year ended 30 June 2020	Financial year ended 31 March 2019
At beginning of the financial year	72,215,467	72,215,467
Issuance of new ordinary shares pursuant to Rights Issue	105,124,182	-
At end of the financial year	177,339,649	72,215,467

Details of outstanding Warrants are as follows:

	As at end of financial year ended 30 June 2020	As at end of financial year ended 31 March 2019
Number of ordinary shares that may be issued on conversion of all outstanding Warrants	35,041,371	-
Exercise price	\$0.05	-
Expiry date	21 August 2024	-

Except as disclosed above, there was no other changes to the number of ordinary shares since the preceding financial year ended 31 March 2019.

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

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at end of financial year ended 30 June 2020	As at end of financial year ended 31 March 2019
Total number of ordinary shares issued	177,339,649	72,215,467

Note: The Company did not have any treasury shares as at the end of the current financial year and as at the end of the immediate preceding year.

- 1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) updates on the efforts taken to resolve each outstanding audit issue, and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. (This is not required for any audit issue that is a material uncertainty relating to going concern).

Not applicable since the qualification in the Company's latest financial statements is relating to material uncertainty relating to going concern.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as compared with the audited financial statements as at 31 March 2019, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) (SFRS(I)s) which are effective for the financial year beginning 1 April 2019.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the same accounting policies and methods of computation in the presentation of the financial information for the current year as compared with the audited financial statements as at 31 March 2019 except for the adoption of new Singapore Financial Reporting Standards (International) (SFRS(I)s) applicable for the financial year beginning 1 April 2019 as described below.

SFRS(I) 16 Leases

The Group adopted SFRS(I) 16 using the modified retrospective approach, without restating prior years' information. The Group also elected the practical expedients where applicable.

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees - leases of "low value" assets and short term leases. A lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Under SFRS(I) 16, qualifying lease payments were no longer recorded as operating expenses, but will be applied towards reducing the lease liabilities and the associated interest expense. The Group has reported the payment for the interest and principal portion of the lease payments under financing activities for cash flow reporting purposes.

The impact of initial application of SFRS(I) 16 on the balance sheet of the Group as at 1 April 2019 are as follows:

	Group		
	31.03.2019	Effect of SFRS(I) 16	01.04.2019
	S\$'000	S\$'000	S\$'000
Property, plant and equipment	99	758	857
Lease liabilities (current and non-current)	-	(1,989)	(1,989)
Accumulated losses	(32,993)	(1,231)	(34,224)

6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends :-**

	Group		Change %
	15 months ended 30 June 2020	12 months ended 31 March 2019	
Loss attributable to equity holders of the Company (\$S'000)	(552)	(3,574)	-85%
Weighted average number of ordinary shares in issue	144,445,211	72,215,467	N/M
Earnings per ordinary share:			
(a) Based on weighted average number of ordinary shares in issue (cents)	(0.38)	(4.95)	-92%
(b) On a fully diluted basis (cents)	(0.38) #	(4.95)	-92%

For the purpose of calculating diluted earnings per share, it is the same as basic earnings per share as the outstanding warrants have not been included in the calculation given that warrants are anti-dilutive.

7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

Net asset value (NAV)	Group		Change %	Company		Change %
	30.06.2020	31.03.2019		30.06.2020	31.03.2019	
NAV per ordinary share (cents)	0.02	(3.96)	N/M	(1.60)	(9.24)	-83%

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

- (a)(i) The Group recorded an increase in revenue of \$3.3 million (43%) from \$7.6 million for 12M FY2019 to \$10.9 million for 15M FY2020. Revenue growth was recorded across all the Group's operations in the United Kingdom, Singapore and Hong Kong. The Group's annualised revenue for the current financial year showed a growth in revenue of 14%, as revenue growth softens for the last quarter of the 15M FY2020 as result of the COVID-19 pandemic.
- (a)(ii) The Group recorded a loss before tax of \$0.5 million for 15M FY2020 against a loss before tax of \$3.5 million for 12M FY2019 as the Group continues its efforts to grow its revenue base, while reducing its operating costs (as elaborated in 1(a)(iii) to 1(a)(viii)). On an annualised basis, loss before tax has decreased by \$3.0 million (87%).
- (b)(i) As at 30 June 2020, the Group's property, plant and equipment increased by \$0.4 million as compared to 31 March 2019, due mainly to the recognition of right-of-use assets in accordance with SFRS(I) 16. The right-of-use assets are depreciated over the lease term.
- (b)(ii) As at 30 June 2020, the Group's intangible assets increased by \$0.1 million as compared to 31 March 2019, due mainly to capitalisation of software development and expenditure incurred on courseware development.
- (b)(iii) The decrease in the Group's and the Company's prepayments was mainly due to amortisation of prepaid expenses.
- (b)(iv) The increase in the Group's trade and other receivables of \$0.2 million (14%) was mainly due to accrual for subsidies receivable from the government for the Job Support Scheme, and rental waivers recoverable from a landlord for Singapore operations. These are in line with the budget measures announced by the Singapore government to cushion the impact of the COVID-19 pandemic on businesses.
- (b)(v) The Group's cash and bank balances increased by \$2.3 million from \$1.4 million as at 31 March 2019 to \$3.7 million as at 30 June 2020 due mainly to receipt of proceeds from the Company's Rights Issue in August 2019 amounting to \$4.8 million and receipt of proceeds from bank loan amounting to \$1.1 million, partially offset by cash utilisation for operations, repayment of lease liabilities, and repayments of amounts owing to a director and an indirect shareholder.
- (b)(vi) The Group's deferred income and fees decreased by \$0.9 million (28%) from \$3.2 million as at 31 March 2019 to \$2.3 million as at 30 June 2020, due mainly to revenue recognition relating to examination fees during 15M FY2020. Deferred income and fees as at 30 June 2020 included deferred grant income amounting to \$0.3 million.
- (b)(vii) The Group's trade and other payables decreased by \$1.2 million (44%) from \$2.7 million as at 31 March 2019 to \$1.5 million as at 30 June 2020, mainly attributable to repayments made to a director and an indirect shareholder of \$0.9 million, and prompter payments to creditors. The decrease in the Company's trade and other payables from \$6.9 million as at 31 March 2019 to \$3.0 million as at 30 June 2020 was due to repayments made to a subsidiary and repayments made to a director and an indirect shareholder during 15M FY2020.
- (b)(viii) The Group's lease liabilities totalling \$0.9 million as at 30 June 2020 (current lease liabilities: \$0.7 million, non-current lease liabilities: \$0.2 million) were lease liabilities recognised in relation to the Group's operating leases in accordance with SFRS(I) 16.
- (b)(ix) The increase in provision for reinstatement cost by 33% was due to additional provision of restoration costs for the office premises in Hong Kong.
- (b)(x) The increase in current interest-bearing borrowings was due mainly to a bank loan drawn down by the Company to repay amounts owing to a director and an indirect shareholder which were due for repayment, and with the intention of reducing interest costs for the Group. The non-current interest-bearing borrowings relate to a bank support loan drawn down by a subsidiary in the United Kingdom.
- (b)(xi) The Group's and the Company's share capital increased by \$4.8 million mainly due to issuance of new shares pursuant to the Rights Issue (as disclosed in 1(d)(ii)).
- (b)(xii) The Group's net assets position have improved from net liabilities position of \$2.9 million as at 31 March 2019 to net assets position of \$44,000 as at 30 June 2020. The increase in the net assets was mainly due to the completion of the Company's Rights Issue in August 2019, resulting in the increase in share capital by \$4.8 million, partially offset by loss recorded for 15M FY2020 amounting to \$0.6 million and an impairment loss recognised on right-of-use asset amounting to \$1.2 million for the Singapore operations, which is presented as an effect of adopting SFRS(I) 16 as indicators of impairment existed on 1 April 2019.

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Continued)**

(c) **Use of proceeds from Rights Issue**

The Board of Directors refers to its announcements made by the Company on 14 March 2019, 14 May 2019, 24 June 2019, 18 July 2019, 23 August 2019, circular to shareholders dated 3 July 2019 and Offer Information Statement dated 18 July 2019, relating to the renounceable non-underwritten rights cum warrants issue of up to 216,646,401 Rights Shares in the capital of the Company at an issue price of \$0.05 for each Rights Share, with up to 72,215,467 free detachable and transferable Warrants, each Warrant carrying the right to subscribe for one (1) New Share in the capital of the Company at the exercise price of \$0.05 for each New Share, 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, fractional entitlements to be disregarded.

After a review of the Group's cash flows needs to weather through the COVID-19 pandemic at least for the next six months, the Group has reallocated \$0.5 million of the net proceeds from the Rights Issue, originally allocated to support the Group's business expansion to general corporate and working capital requirements (the "Re-allocation"). Consequent to Re-allocation, the use of the net proceeds raised from the Rights Issue is as follows:

Use of proceeds	Intended use of proceeds allocated as previously announced on 23 August 2019	Intended use of proceeds allocated based on final results of Rights Issue	Amount re-allocated	Revised amount allocated
	S\$ million	S\$ million	S\$ million	S\$ million
(a) Support the business expansion	2.35	2.35	-0.50	1.85
(b) Funding new projects to enhance capabilities	0.22	0.22	-	0.22
(c) Capital improvements	0.35	0.35	-	0.35
(d) General corporate and working capital requirements	1.94	1.84	0.50	2.34
Total	4.86	4.76[^]	0.00	4.76

[^] Net proceeds included gross proceeds from Rights Issue amounting to \$5.26 million, net of Rights Issue expenses incurred of \$0.50 million.

After the Re-allocation, the Board wishes to provide an update on the usage of the Rights Issue proceeds of approximately \$4.8 million for the Rights Issue completed on 23 August 2019 as follows:

Use of proceeds	Revised amount allocated	Amount utilised as at the date of this announcement	Balance proceeds
	S\$ million	S\$ million	S\$ million
(a) Support the business expansion	1.85	0.03	1.82
(b) Funding new projects to enhance capabilities	0.22	0.04	0.18
(c) Capital improvements	0.35	-	0.35
(d) General corporate and working capital requirements	2.34	1.22 [#]	1.12
Total	4.76	1.29	3.47

[#] Breakdown for the amounts utilised for general working capital is summarised as follows:

Description	S\$ million
Payments to university partners, contractors and agents	0.54
Payments for facility-related expenses	0.26
Payments for selling, general and administrative expenses	0.42
Total	1.22

Except for the Re-allocation, the utilisation of the Net Proceeds as disclosed above is in accordance with the intended uses as disclosed in the Offer Information Statement.

As announced previously, pending the deployment of the Net Proceeds, 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 Board will continue to provide periodic announcements on the utilisation of the balance of the proceeds from the Rights Issue as and when the proceeds are materially disbursed.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Please refer to our separate announcement released on 11 September 2020, in relation to the quarterly update given pursuant to Rule 1313(2) of the SGX Listing Manual.

11 **If a decision regarding dividend has been made :-**

(a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

(b) (i) **Amount per share (cents)** Not applicable.

(ii) **Previous corresponding period (cents)** Not applicable.

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

(d) **The date the dividend is payable.**

Not applicable.

(e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

12 **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended as the Group recorded a net loss for the current financial year and the Board of Directors deemed appropriate to conserve funds for the Group's business activities.

13 **If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained and there was no material IPTs during the financial year.

14 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).**

The Board hereby confirmed that undertakings from all directors and executive officers have been procured for the financial year.

Part II - Additional Information Required for Full Year Announcement

15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segment information

(a) **Business segments**

	Higher Education \$'000		Corporate Training \$'000		Total \$'000	
	15 months ended 30 June 2020	12 months ended 31 March 2019	15 months ended 30 June 2020	12 months ended 31 March 2019	15 months ended 30 June 2020	12 months ended 31 March 2019
Revenue:						
Sales to external customers	8,880	6,407	1,983	1,210	10,863	7,617
Results:						
Sundry income	159	86	7	-	166	86
Interest income	23	1	-	-	23	1
Staff costs	(5,465)	(4,976)	(434)	(323)	(5,899)	(5,299)
Depreciation and amortisation						
- Depreciation	(237)	(92)	(206)	(18)	(443)	(110)
- Amortisation	(15)	(25)	-	-	(15)	(25)
Allowance for expected credit loss on receivables and bad debts written-off	(49)	(139)	-	-	(49)	(139)
Interest expense	(77)	(12)	(9)	-	(86)	(12)
Net gain on disposal of property, plant and equipment	-	2	-	-	-	2
Property, plant and equipment written-off	-	(7)	-	-	-	(7)
Intangible assets written-off	(7)	-	-	-	(7)	-
Operating lease expenses	(117)	(1,155)	(5)	(131)	(122)	(1,286)
Other non-cash income/(expenses)	182	(53)	153	154	335	101
Segment (loss)/profit before tax	(1,233)	(3,780)	688	297	(545)	(3,483)
Assets:						
Capital expenditure	137	15	10	20	147	35
Segment assets	5,552	2,887	447	237	5,999	3,124
Total assets					5,999	3,124
Liabilities:						
Segment liabilities	5,544	5,812	411	174	5,955	5,986
Total liabilities					5,955	5,986

15 (b) **Geographical information**

	Revenue (Sales to external customers)			Non-current assets		
	15 months ended 30 June 2020 \$'000	12 months ended 31 March 2019 \$'000	Change %	15 months ended 30 June 2020 \$'000	12 months ended 31 March 2019 \$'000	Change %
Singapore	1,978	1,683	18%	6	30	-80%
United Kingdom	6,372	4,409	45%	394	58	N/M
Asia Pacific and others	2,513	1,525	65%	229	31	N/M
	10,863	7,617	43%	629	119	N/M

Non-current assets information presented above consist of property, plant and equipment, and intangible assets as presented in the consolidated balance sheet.

15 (c) **Information about major customers**

There are no major customers that contribute more than 10% of the Group's revenue for the financial year ended 30 June 2020 and the financial year ended 31 March 2019.

- 16 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**
- (a) Higher Education business revenue increased by \$2.5 million (39%) from \$6.4 million in 12M FY2019 to \$8.9 million in 15M FY2020. On an annualised basis, the revenue increased by \$0.7 million (11%) due mainly to higher volume of results release and growth in centre accreditations revenue for the United Kingdom operations in the current financial year.
Corporate Training business revenue increased by \$0.8 million (64%) from \$1.2 million for 12M FY2019 to \$2.0 million for 15M FY2020. On an annualised basis, the revenue for Corporate Training increased by \$0.4 million (31%) due mainly to higher enrolments for Hong Kong's operations as the programmes continue to run online.
- (b) Revenue recorded increases across all geographical segments for 15M FY2020. On an annualised basis, revenue from Singapore declined slightly by 6% due to weaker student intake numbers for Singapore operations towards the last quarter of the financial year due to the travel restrictions imposed by Singapore and many other countries in response to the COVID-19 pandemic. The revenue for the Asia Pacific region and United Kingdom increased by 32% and 16% respectively, on an annualised basis, due mainly to higher students recruited for corporate training programmes in Hong Kong, and higher volume of results release for this financial year, compared to the previous financial year.
The increase in non-current assets for all regions (except Singapore) was mainly attributable to the adoption of SFRS(I) 16 Leases. In addition, the increase in non-current assets for the United Kingdom region was due to capitalisation of expenditure incurred in relation to courseware and software developments.

17 **A breakdown of sales as follow :-**

- (a) Sales reported from 1 April to 30 September
- (b) Loss after taxation reported from 1 April to 30 September
- (c) Sales reported from 1 October 2019 to 30 June 2020 (FY2019: 1 October 2018 to 31 March 2019)
- (d) Profit/(loss) after taxation reported from 1 October 2019 to 30 June 2020 (FY2019: 1 October 2018 to 31 March 2019)

	Group		
	15 months ended 30 June 2020	12 months ended 31 March 2019	Change
	\$'000	\$'000	%
(a)	4,549	4,210	8%
(b)	(672)	(1,654)	-59%
(c)	6,314	3,407	85%
(d)	120	(1,920)	N/M

- 18 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follow (a) ordinary; (b) preference; and (c) total.**
Not applicable.

- 19 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such person, the issuer must make an appropriate negative statement.**

There are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company, except for the following:

Name	Age	Family relationship with any current director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dato' Sri Robin Tan Yeong Ching	46	Son of Tan Sri Dato' Seri Vincent Tan Chee Yioun, substantial shareholder	Non-executive Chairman since 2011	Not applicable

BY ORDER OF THE BOARD

Yau Su Peng
Executive Director
11 September 2020