

**RESPONSE TO SGX QUERY RELATING TO QUARTER RESULTS FOR FINANCIAL PERIOD
ENDED 30 JUNE 2019**

The board of directors (the “Board”) of Informatics Education Ltd. (the “Company”) refers to the Company’s first quarter results for financial period ended 30 June 2019, which was released on 8 August 2019.

The Board would like to provide the Company’s response to the query raised by SGTX-ST on 23 August 2019.

Query

In the Income Statement, the Company reported a write-back of allowance for expected credit loss on receivables amounting to \$0.1 million in Q1 FY2020, as opposed to an allowance for expected credit loss made of \$0.2 million in Q1 FY2019.

- a. Please explain the reason for the write back of allowance for expected credit loss on receivables and why is the Board of the view that the receivables can be recovered.
- b. Please disclose reason for the initial provision made for expected credit loss and who were these customers?

Company’s response

The Group has adopted SFRS(I) 9 *Financial Instruments* on 1 April 2018, which requires the Group to record expected credit losses (“ECL”) on all of its financial assets measured at amortised cost. The Group determines ECL for trade receivables by making debtor-specific assessment for credit-impaired debtors and the Group uses provision matrix method for the remaining group of trade debtors that is based on its historical credit loss experience, adjusted for current and forward-looking factors specific to the debtors and the economic environment. In determining the ECL allowance for the Group’s trade receivables, management has considered various factors such as the age of the outstanding balances, historical payment and credit loss patterns, as well as facts and circumstances specific to the countries and economic environments where the debtors operate.

The write back of allowance for expected credit loss was mainly relating to the United Kingdom operations. Gross trade receivables for the United Kingdom operations had decreased by \$0.3 million from \$1.4 million as at 31 March 2019 to \$1.1 million as at 30 June 2019. As a result, the allowance for expected credit loss required for the trade receivables had decreased by \$0.1 million from \$0.7 million as at 31 March 2019 to \$0.6 million as at 30 June 2019, in line with the drop in gross trade receivables balance.

INFORMATICS EDUCATION LTD.
BY ORDER OF THE BOARD

Yau Su Peng
Executive Director

26 August 2019