

**QUARTERLY FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT**

**INFORMATICS EDUCATION LTD**

(Company Registration Number: 198303419G)

**Requirement To Perform Quarterly Reporting**

Following the amendments to SGX-ST Listing Rules (Mainboard) ("Amended Listing Rules") which has taken effect as of 7 February 2020, the Company will be required to continue to do quarterly reporting of financial statements in view of the material uncertainty relating to going concern issued by the Company's statutory auditor in its latest annual report. The quarterly reporting announcement is mandatory, made pursuant to the SGX-ST's requirements, as required under Listing Rule 705(2C).

The Company can cease to do quarterly reporting if it is able to resolve the issues raised by the statutory auditors in the next annual report and obtain an unqualified opinion without any material uncertainty relating to going concern.

**The Board of Directors of Informatics Education Ltd is pleased to announce the unaudited consolidated results for the financial period ended 31 December 2019 :-**

- 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			Group		
	Q3 FY2020 S\$'000	Q3 FY2019 S\$'000	Change %	9M FY2020 S\$'000	9M FY2019 S\$'000	Change %
<b>Revenue</b>	2,301	1,850	24%	6,850	6,060	13%
Other operating income	7	1	N/M	8	84	-90%
Staff costs	(1,257)	(1,269)	-1%	(3,773)	(4,054)	-7%
Depreciation of property, plant and equipment	(251)	(24)	N/M	(748)	(79)	N/M
Other operating expenses	(1,252)	(1,351)	-7%	(3,458)	(4,457)	-22%
<b>Loss before taxation</b>	<u>(452)</u>	<u>(793)</u>	-43%	<u>(1,121)</u>	<u>(2,446)</u>	-54%
Taxation	-	(5)	-100%	(3)	(6)	-50%
<b>Loss for the period</b>	<u>(452)</u>	<u>(798)</u>	-43%	<u>(1,124)</u>	<u>(2,452)</u>	-54%
<b>Loss attributable to :</b>						
Equity holders of the Company	<u>(452)</u>	<u>(798)</u>	-43%	<u>(1,124)</u>	<u>(2,452)</u>	-54%

**Consolidated Statement of Comprehensive Income**

	Group			Group		
	Q3 FY2020 S\$'000	Q3 FY2019 S\$'000	Change %	9M FY2020 S\$'000	9M FY2019 S\$'000	Change %
<b>Loss for the period</b>	(452)	(798)	-43%	(1,124)	(2,452)	-54%
<b>Other comprehensive income :</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	(100)	93	N/M	(69)	(47)	47%
Other comprehensive income for the financial period, net of tax	(100)	93	N/M	(69)	(47)	47%
<b>Total comprehensive income for the financial period</b>	<u>(552)</u>	<u>(705)</u>	-22%	<u>(1,193)</u>	<u>(2,499)</u>	-52%
<b>Total comprehensive income attributable to :</b>						
Equity holders of the Company	<u>(552)</u>	<u>(705)</u>	-22%	<u>(1,193)</u>	<u>(2,499)</u>	-52%

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			Group		
Q3 FY2020	Q3 FY2019	Change	9M FY2020	9M FY2019	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%

(a)(i) Notes to income statement

Loss is stated after charging / (crediting) :

Allowance for expected credit loss on receivables	83	78	6%	37	49	-24%
Write-off / (write-back) of bad debts	1	(73)	N/M	4	49	-92%
Amortisation of intangible assets	3	6	-50%	12	19	-37%
Property, plant and equipment written-off	-	-	-	-	16	-100%
Intangible assets written-off	-	-	-	7	-	N/M
Net gain on disposal of property, plant and equipment	-	(1)	-100%	-	(2)	-100%
Foreign exchange (gain) / loss, net	(30)	59	N/M	(30)	(108)	-72%
Operating lease expenses	1	299	-100%	46	1,024	-96%
Finance costs (including interest expense on lease liabilities)	29	-	N/M	86	-	N/M
Interest income	(7)	(1)	N/M	(8)	(1)	N/M

(a)(ii) Other operating income in 9M FY2020 decreased by 90% mainly because there was no government grants received by Singapore operations in 9M FY2020. The Group received PIC cash payouts amounting to \$0.1 million in 9M FY2019.

(a)(iii) Staff costs decreased by \$0.3 million (7%) from \$4.1 million for 9M FY2019 to \$3.8 million for 9M FY2020, mainly due to headcount reductions for the Group.

(a)(iv) Depreciation of property, plant and equipment increased to \$0.3 million for Q3 FY2020 and increased to \$0.7 million for 9M FY2020, mainly due to adoption of the new financial reporting standards SFRS(I) 16 Leases. The depreciation relating to the right-of-use asset was recorded within depreciation of property, plant and equipment.

(a)(v) Other operating expenses decreased by \$1.0 million (22%) from \$4.5 million in 9M FY2019 to \$3.5 million in 9M FY2020 mainly due to lower operating lease expenses in 9M FY2020 (explained in 1(a)(viii)), partially offset by a decrease in exchange gains recognised in 9M FY2020 (as explained in 1(a)(vii)).

(a)(vi) The allowance for expected credit loss made on the Group's trade receivables was mainly relating to the United Kingdom operations. The write-back of bad debts in Q3 FY2019 of \$0.1 million was due to recovery of debts for the United Kingdom operations.

(a)(vii) The Group recorded a decrease in foreign exchange gain of \$0.1 million for 9M FY2020. The exchange gains recorded were mainly attributable to favorable foreign exchange rate movements for overseas subsidiaries' operation.

(a)(viii) Operating lease expenses decreased by \$1.0 million for 9M FY2020 mainly due to consolidation of the corporate office with the campus in Singapore in the previous year, and the adoption of SFRS(I) 16 Leases. Operating lease expenses decreased by \$0.3 million for Q3 FY2020 due to the adoption of SFRS(I) 16. As a result of the adoption of SFRS(I) 16, 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 relates 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.

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		
	31.12.2019	31.03.2019	Change	31.12.2019	31.03.2019	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	2,731	99	N/M	-	4	N/M
Intangible assets	1	20	-95%	-	-	N/M
Investment in subsidiaries *	-	-	N/M	-	-	N/M
	2,732	119	N/M	-	4	N/M
<b>CURRENT ASSETS</b>						
Prepayments	221	339	-35%	32	88	-64%
Trade and other receivables	1,175	1,270	-7%	117	189	-38%
Cash and cash equivalents	4,544	1,396	N/M	1,583	200	N/M
	5,940	3,005	98%	1,732	477	N/M
<b>CURRENT LIABILITIES</b>						
Deferred income and fees	2,590	3,240	-20%	281	270	4%
Trade and other payables	1,590	2,664	-40%	2,913	6,881	-58%
Lease liabilities	931	-	N/M	-	-	N/M
Provision for reinstatement cost	82	82	-	-	-	N/M
Interest-bearing borrowings	1,000	-	N/M	1,000	-	N/M
	6,193	5,986	3%	4,194	7,151	-41%
<b>NET CURRENT LIABILITIES</b>	(253)	(2,981)	-92%	(2,462)	(6,674)	-63%
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities	1,773	-	N/M	-	-	N/M
<b>TOTAL NET ASSETS / (LIABILITIES)</b>	<u>706</u>	<u>(2,862)</u>	N/M	<u>(2,462)</u>	<u>(6,670)</u>	-63%
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>						
Share capital	34,669	29,908	16%	34,669	29,908	16%
Reserves	(33,963)	(32,770)	4%	(37,131)	(36,578)	2%
<b>TOTAL EQUITY</b>	<u>706</u>	<u>(2,862)</u>	N/M	<u>(2,462)</u>	<u>(6,670)</u>	-63%

\* The investment in subsidiaries were fully impaired as at 31 March 2019 and 31 December 2019.

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.

As at 31.12.2019		As at 31.03.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000

**Current**

Amount repayable in one year or less, or on demand

1,000 - - -

**Non-current**

Amount repayable after one year

- - - -

**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		Group	
Q3 FY2020	Q3 FY2019	9M FY2020	9M FY2019
S\$'000	S\$'000	S\$'000	S\$'000

**Cash flow from operating activities**

Loss before taxation

(452) (793) (1,121) (2,446)

Adjustments for :

Depreciation of property, plant and equipment

251 24 748 79

Amortisation of intangible assets

3 6 12 19

Net gain on disposal of property, plant and equipment

- (1) - (2)

Property, plant and equipment written-off

- - - 16

Intangible assets written-off

- - 7 -

Allowance for expected credit loss on receivables

83 78 37 49

Write-off / (write-back) of bad debts

1 (73) 4 49

Finance costs

29 - 86 -

Interest income

(7) (1) (8) (1)

Unrealised exchange (gain) / loss

(105) 96 (51) (32)

**Operating cash flows before working capital changes**

(197) (664) (286) (2,269)

Decrease in restricted cash at bank

- 138 - 138

Decrease in prepayments, trade and other receivables

153 673 173 473

Decrease in deferred income and fees

(313) (173) (650) (7)

Decrease in trade and other payables and provision for reinstatement cost

32 (393) (156) (58)

**Net cash flows used in operating activities**

(325) (419) (919) (1,723)

Interest received

7 1 7 1

Interest paid

(2) - (2) -

Tax paid

- (5) (3) (6)

**Net cash flows used in operating activities**

(320) (423) (917) (1,728)

**Cash flow from investing activities**

Purchase of property, plant and equipment

- (21) (9) (30)

Expenditure on intangible assets

- - - (2)

Proceeds from disposal of property, plant and equipment

- 9 2 13

**Net cash flows used in investing activities**

- (12) (7) (19)

**Cash flow from financing activities**

Repayment of lease liabilities

(244) - (719) -

Proceeds from issuance of shares

- - 5,256 -

Expenses for rights issue paid

(8) - (495) -

Repayment of amount due to indirect controlling shareholder

(418) - (418) -

Repayment of amount due to director

(500) - (500) -

Interest paid

(44) - (44) -

Proceeds from interest bearing borrowings

1,000 - 1,000 -

Fixed deposit pledged as security for borrowings

(1,000) - (1,000) -

**Net cash flows (used in) / from financing activities**

(1,214) - 3,080 -

Net (decrease) / increase in cash and cash equivalents

(1,534) (435) 2,156 (1,747)

Cash and cash equivalents at the beginning of the financial period

5,065 1,813 1,396 3,137

Effects of exchange rate changes on opening cash and cash equivalents

13 (12) (8) (24)

**Cash and cash equivalents at end of the financial period #**

3,544 1,366 3,544 1,366

# Cash and cash equivalents as at balance sheet date are as follows:

Cash at bank and on hand

1,538 1,366 1,538 1,366

Short term deposits

3,006 - 3,006 -

4,544 1,366 4,544 1,366

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

Cash at bank and on hand

1,538 1,366 1,538 1,366

Short term deposits

3,006 - 3,006 -

(-) Fixed deposit pledged as security for borrowings

(1,000) - (1,000) -

3,544 1,366 3,544 1,366

- 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**  
Loss for the financial period  
Other comprehensive income for the financial period  
Total comprehensive income for the financial period  
Shares issued pursuant to rights issue  
Rights issue expenses  
**At 30 September 2019**  
Loss for the financial period  
Other comprehensive income for the financial period  
Total comprehensive income for the financial period  
**At 31 December 2019**

**At 1 April 2018**  
Loss for the financial period  
Other comprehensive income for the financial period  
Total comprehensive income for the financial period  
**At 30 September 2018**  
Loss for the financial period  
Other comprehensive income for the financial period  
Total comprehensive income for the financial period  
**At 31 December 2018**

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
29,908	223	(32,993)	(32,770)	(2,862)
-	-	(672)	(672)	(672)
-	31	-	31	31
-	31	(672)	(641)	(641)
5,256	-	-	-	5,256
(495)	-	-	-	(495)
34,669	254	(33,665)	(33,411)	1,258
-	-	(452)	(452)	(452)
-	(100)	-	(100)	(100)
-	(100)	(452)	(552)	(552)
34,669	154	(34,117)	(33,963)	706
29,908	239	(29,419)	(29,180)	728
-	-	(1,654)	(1,654)	(1,654)
-	(140)	-	(140)	(140)
-	(140)	(1,654)	(1,794)	(1,794)
29,908	99	(31,073)	(30,974)	(1,066)
-	-	(798)	(798)	(798)
-	93	-	93	93
-	93	(798)	(705)	(705)
29,908	192	(31,871)	(31,679)	(1,771)

**Company**

**At 1 April 2019**  
Loss for the financial period, representing total comprehensive income for the period  
Shares issued pursuant to rights issue  
Rights issue expenses  
**At 30 September 2019**  
Loss for the financial period, representing total comprehensive income for the period  
**At 31 December 2019**

**At 1 April 2018**  
Loss for the financial period, representing total comprehensive income for the period  
**At 30 September 2018**  
Loss for the financial period, representing total comprehensive income for the period  
**At 31 December 2018**

Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
29,908	(36,578)	(6,670)
-	(519)	(519)
5,256	-	5,256
(495)	-	(495)
34,669	(37,097)	(2,428)
-	(34)	(34)
34,669	(37,131)	(2,462)
29,908	(35,231)	(5,323)
-	(529)	(529)
29,908	(35,760)	(5,852)
-	(452)	(452)
29,908	(36,212)	(6,304)

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, 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 period ended 31 December 2019, 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.

	As at end of current financial period ended 31 December 2019	As at end of financial year ended 31 March 2019
At beginning of the financial period	72,215,467	72,215,467
Issuance of new ordinary shares pursuant to Rights Issue	105,124,182	-
At end of the financial period	177,339,649	72,215,467

Details of outstanding Warrants are as follows:

	As at end of current financial period ended 31 December 2019	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	-

There was no change to the number of ordinary shares since the preceding financial period ended 30 September 2019.

Save as disclosed above, the Company did not have any subsidiary holdings or outstanding share options as at the end of the current financial period 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 current financial period ended 31 December 2019	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 period 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 qualifications or emphasis of matter).

Not Applicable

- 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 period 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 period 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	3,293	3,392
Lease liabilities	-	(3,293)	(3,293)

- 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			Group		
	Q3 FY2020	Q3 FY2019	Change %	9M FY2020	9M FY2019	Change %
Loss attributable to equity holders of the Company (S\$'000)	(452)	(798)	-43%	(1,124)	(2,452)	-54%
Weighted average number of ordinary shares in issue	177,339,649	72,215,467	N/M	122,675,074	72,215,467	70%
Earnings per ordinary share:						
(a) Based on weighted average number of ordinary shares in issue (cents)	(0.25)	(1.11)	-77%	(0.92)	(3.40)	-73%
(b) On a fully diluted basis (cents)	(0.25) #	(1.11)	-77%	(0.92) #	(3.40)	-73%

# 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 period reported on and (b) immediately preceding financial year.

Net asset value (NAV)	Group			Company		
	31.12.2019	31.03.2019	Change %	31.12.2019	31.03.2019	Change %
NAV per ordinary share (cents)	0.40	(3.96)	N/M	(1.39)	(9.24)	-85%

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 \$0.4 million (24%) from \$1.9 million for Q3 FY2019 to \$2.3 million for Q3 FY2020, and an increase in revenue of \$0.8 million (13%) from \$6.1 million in 9M FY2019 to \$6.9 million in 9M FY2020 due to increase in examination fees and accreditation fees income recognised for the United Kingdom operations, and increase in course fees income recognised for the Group's corporate training segment in Hong Kong.
- (a)(ii) The Group recorded a loss before tax of \$0.5 million for Q3 FY2020, a decrease of \$0.3 million (43%) as compared to loss before tax of \$0.8 million for Q3 FY2019 as a result of higher revenue and lower operating costs (as explained in 1(a)(iii) to 1(a)(ix)) recorded by the Group for Q3 FY2020. For 9M FY2020, loss before tax decreased by \$1.3 million (54%) from \$2.4 million in 9M FY2019 to \$1.1 million in 9M FY2020 as the Group continues its efforts to grow its revenue base, while reducing its operating costs.
- (b)(i) As at 31 December 2019, the Group's property, plant and equipment increased by \$2.6 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) The decrease in Company's trade and other receivables of \$0.1 million (7%) was mainly due to lower billings of fees for the quarter ended 31 December 2019, while the decrease in prepayments of \$0.1 million (35%) was due to amortisation of prepayments to profit or loss during 9M FY2020.
- (b)(iii) The Group's cash and cash equivalents increased by \$3.1 million from \$1.4 million as at 31 March 2019 to \$4.5 million as at 31 December 2019 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 \$1.0 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)(iv) The Group's deferred income and fees decreased by \$0.6 million (20%) from \$3.2 million as at 31 March 2019 to \$2.6 million as at 31 December 2019, due mainly to revenue recognition relating to examination fees during 9M FY2020.
- (b)(v) The Group's trade and other payables decreased by \$1.1 million (40%) from \$2.7 million as at 31 March 2019 to \$1.6 million as at 31 December 2019, due mainly to repayments made to a director and an indirect shareholder of \$0.9 million during 9M FY2020. The decrease in the Company's trade and other payables from \$6.9 million as at 31 March 2019 to \$2.9 million as at 31 December 2019 was due to repayments made to subsidiaries amounting to \$3.0 million and repayments made to a director and an indirect shareholder amounting to \$0.9 million during 9M FY2020.
- (b)(vi) The Group's lease liabilities totalling \$2.7 million as at 31 December 2019 (current lease liabilities: \$0.9 million, non-current lease liabilities: \$1.8 million) were lease liabilities recognised in relation to the Group's operating leases in accordance with SFRS(I) 16.
- (b)(vii) The increase in interest-bearing borrowings was due 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.
- (b)(viii) 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)(ix) 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 \$0.7 million as at 31 December 2019, following the completion of the the Company's Rights Issue in August 2019.

(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.

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	Intended use of proceeds allocated as previously announced on 23 August 2019 S\$ million	Intended use of proceeds allocated based on final results of Rights Issue S\$ million	Amount utilised as at the date of this announcement S\$ million	Balance proceeds S\$ million
(a) Support the business expansion	2.35	2.35	-	2.35
(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	0.33 #	1.51
<b>Total</b>	<b>4.86</b>	<b>4.76 ^</b>	<b>0.33</b>	<b>4.43</b>

# Amounts utilised for general working capital includes payments of statutory expenses (such as audit fees and annual general meeting related expenses), payment of listing related expenses, and payments of operational costs/expenses to university partners/external suppliers.

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

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 13 February 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. Provides the reasons for the decision not to declare/recommend any dividend.**  
No dividend has been declared or recommended as the Group recorded a net loss for the current financial period 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 period.
- 14 **Negative Confirmation pursuant to Rule 705 (5)**  
The Board hereby confirmed that, to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial results to be false or misleading.
- 15 **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 period.

**BY ORDER OF THE BOARD**

Yau Su Peng  
Executive Director  
13 February 2020