

# INFORMATICS EDUCATION LTD.

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

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

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### 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. 15M FY2020 Financial Results

On 11 September 2020, the Group has released its unaudited financial results for the financial year ended 30 June 2020 (“**15M FY2020**”). Please refer to the announcement for further details.

The Group recorded an increase in revenue of \$3.3 million (43%) from \$7.6 million for the financial year ended 31 March 2019 (“**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.

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. 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 as a result of COVID-19 pandemic, while 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. As a result, the Group's loss before tax decreased by \$3.0 million (87%) on an annualised basis.

### 3. Future Direction and Business Updates

On 3 December 2019, the Board had announced the change of the Company's financial year end from 31 March to 30 June to align the Company's financial year with that of Berjaya Land Berhad (“**Berjaya Land**”), which became the Company's ultimate holding company in August 2019, following the subscription of renounceable non-underwritten rights cum warrants by Berjaya Leisure Capital (Cayman) Ltd, a wholly-owned subsidiary of Berjaya Land, and whose financial year closes on 30 June each year.

As the COVID-19 pandemic spreads around the world, various COVID-19 containment measures have been implemented in the countries in which the Group operates. These range from social distancing to complete “lock-downs”. These containment/restriction measures see signs of easing subsequently although different countries are in different phases for the lifting of restrictions imposed in response to COVID-19.

### 3. Future Direction and Business Updates (cont'd)

With the net proceeds raised from the Rights Issue amounting to \$4.8 million, this has strengthened the Group's financial position and allow the Group to be in a better position to manage operations through the pandemic. There was no significant disruptions to the Group's operations, although demand for the Group's education programmes and services have weakened.

#### ***Updates on COVID-19 impact on the Group's operations, financial performance, financial position and cash flows***

##### Singapore

The circuit breaker measures were put in place on 7<sup>th</sup> April 2020, and concluded on 1<sup>st</sup> June 2020. During the circuit breaker period, Informatics Academy Pte Ltd ("**IAPL**") implemented the Teaching and Learning contingency plan, to ensure minimum disruption to students' learning. This is done through curriculum delivery via online platforms. Following that, students enrolled in programmes with lab-based/practical/coursework components have the option to return to campus for these sessions. This is in line with the Committee for Private Education's advisory. Employees are still on telecommuting and/or work from home arrangements. IAPL continued to face a decline in demand from new international students for its programmes due to borders restrictions imposed by Singapore and travel restrictions in various countries, resulting in deferring of studies until these travel restrictions are lifted.

The decline in demand for new enrolments from international students, including strict travel restrictions is starting to have an impact on IAPL's revenue and profitability. In response to that, IAPL has focused more on domestic enrolments, and stepped up its efforts to build up new partnership arrangements for delivery of short course programmes. Additionally, IAPL is working on developing and expanding the usability of further online capabilities, and embarking on business transformation initiatives. While IAPL is unable to predict when the business conditions will improve, IAPL is putting appropriate cost control measures in place, and strategically reviewing and re-examining its policies, processes and business model to capitalise on any potential business opportunities.

##### United Kingdom

The Group's subsidiary in United Kingdom, NCC Education Ltd ("**NCC**"), is involved in the running of examinations and awarding of qualifications. As a result of the COVID-19 pandemic, some of NCC's network of accredited partner centres are still encountering difficulties in resuming delivery of its programmes, while some centres who have resumed operations remain cautious of the possibility of closure depending on infection rates in the country where they operate. This has translated to slowdown in collections from centres in certain regions, slight decline in students' registrations for examinations in some but not all centres, and for NCC to consider flexible or waiver options on annual accreditation fees. Notwithstanding that, the delivery of examinations results to students who have registered for examinations with NCC has not been interrupted for the last examination cycle administered. NCC continues to register students for the next examination cycle, where NCC will administer a mixture of remote exam invigilation and time constrained assessment to ensure minimal disruptions to students' examinations.

On 30 July 2020, there was an outbreak of COVID-19 cases in parts of Greater Manchester leading to local lockdowns being initiated in the affected area. While people are still allowed to travel in and out for work, workplaces must now, implement strict COVID-19 secure guidance. Most of the employees are still on telecommuting and/or work from home arrangements, to limit the transmission of COVID-19 at the workplace.

### 3. Future Direction and Business Updates (cont'd)

#### United Kingdom (cont'd)

The slowdown of collections from centres, potential decline in students' registrations for examinations and the possibility in centres asking for waivers on annual accreditation fees may have an impact on revenue and profitability, and results in uncertainties in terms of cash flows. To mitigate the loss in revenue/profitability as a result of the above, NCC continues its efforts to expand into new markets, and enhance its product offerings (including development of its short course portfolio) to existing centres, and actively market its existing online university top-up programmes. In addition, NCC is embarking on development of a new online remote assessment solution for international students looking to further their studies in the United Kingdom, with funding support from the United Kingdom Government, in addition to accelerating the migration of traditional face-to-face programmes to have online delivery capabilities.

Additionally, NCC continues to put in place appropriate cost control measures to manage the impact of the COVID-19 pandemic. NCC has drawn down an interest-free bank loan for working capital purposes, as the interest costs on the bank loan are borne by the United Kingdom Government to support local operations to weather through the COVID-19 pandemic.

#### Hong Kong

The Group's subsidiary in Hong Kong, Informatics Education (HK) Ltd ("**IEHK**") has ensured continuity in the delivery of its programmes through online live classes and online recruitment activities through the use of webinars.

IEHK does not expect any adverse impact on its financial performance, cash flows and financial position due to the COVID-19 restrictions which had been imposed by the government in Hong Kong.

The COVID-19 pandemic had reinforced the vital importance of having a business continuity plan in place and the digitalisation of the Group's business. The use of cloud-based systems and technologies has minimised the disruptions to the Group's operations despite the challenges imposed by the COVID-19 pandemic.

Whilst the COVID-19 global pandemic may lead to potential declines in revenue for the Group for a longer than expected period, and put pressures on the Group's cash flows over the next few months, the extent of the impact on the Group's financial performance, cash flows and financial position cannot be reasonably determined at this point in time in view of the fluidity of the COVID-19 pandemic globally, and is dependent on the extent of the easing measures across the various regions and countries. Nonetheless, the Board would like to assure shareholders that the Group will continue to exercise disciplined control over its costs, conserve the Group's cash and manage the working capital carefully during this period.

### **3. Future Direction and Business Updates (cont'd)**

In addition, the Group will continue its pursue of the revenue growth strategy, to include pursuing new revenue streams with strategic partners and international universities, further expanding its suite of short courses and vocational-based programmes, forming more strategic partnerships including with companies within the Berjaya Group, and enhancing its online delivery capabilities for its programmes. Additionally, the Group will continue to leverage further on technology to improve the delivery of its programmes and services to students and centres, and embark on business transformation initiatives to streamline its current operations.

#### **BY ORDER OF THE BOARD**

Yau Su Peng  
Executive Director  
11 September 2020