INFORMATICS EDUCATION LTD AND ITS SUBSIDIARIES
COMPANY REGISTRATION NUMBER: 198303419G

CONDENSED FINANCIAL STATEMENTS
FOR FINANCIAL YEAR ENDED 30 JUNE 2021

Informatics Education Ltd and its subsidiaries

Condensed consolidated income statement for financial year ended 30 June 2021

(In Singapore Dollars)

	Note	1 July 2020 to 30 June 2021 $'000	1 April 2019 to 30 June 2020 $'000	Change %
Revenue	5.2	7,225	10,863	-33%
Other operating income	6	204	189	8%
Staff costs		(4,630)	(5,899)	-22%
Depreciation of property, plant and equipment	11	(324)	(443)	-27%
Allowance for expected credit loss on receivables		(175)	(29)	N/M
Other operating expenses		(3,781)	(5,226)	-28%
Loss before taxation	6	(1,481)	(545)	N/M
Taxation	7	(15)	(7)	N/M
Loss for the financial year/period		(1,496)	(552)	N/M
Loss attributable to:				
Equity holders of the Company		(1,496)	(552)	N/M
Loss per share attributable to equity holders of the Company (cents)				
Basic		(0.84)	(0.38)	N/M
Diluted		(0.84)	(0.38)	N/M

Condensed consolidated statement of comprehensive income for financial year ended 30 June 2021

(In Singapore Dollars)

	1 July 2020 to 30 June 2021 $'000	1 April 2019 to 30 June 2020 $'000	Change %
Loss for the financial year/period	(1,496)	(552)	N/M
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	(153)	(70)	N/M
Other comprehensive income for the financial year/period	(153)	(70)	N/M
Total comprehensive income for the financial year/period	(1,649)	(622)	N/M
Total comprehensive income attributable to:			
Equity holders of the Company	(1,649)	(622)	N/M
	(1,649)	(622)	N/M

N/M: Not meaningful

Informatics Education Ltd and its subsidiaries
Condensed statements of financial position as at 30 June 2021
(In Singapore Dollars)

	Note	Group 30 June 2021 $'000	Group 30 June 2020 $'000	Change %	Company 30 June 2021 $'000	Company 30 June 2020 $'000	Change %
Non-current assets							
Property, plant and equipment	11	70	500	-86%	-	-	N/M
Intangible assets	12	285	129	N/M	-	-	N/M
Investment in subsidiaries		-	-	N/M	557	-	N/M
		355	629		557	-	
Current assets							
Prepayments		268	228	18%	6	42	-86%
Trade and other receivables		1,010	1,450	-30%	914	141	N/M
Cash and bank balances		2,039	3,692	-45%	1,055	1,212	-13%
		3,317	5,370		1,975	1,395	
Total assets		3,672	5,999		2,532	1,395	
Current liabilities							
Deferred income and fees		1,783	2,339	-24%	120	201	-40%
Trade and other payables		2,165	1,494	45%	4,399	3,029	45%
Interest-bearing borrowings	13	1,019	1,000	2%	1,000	1,000	N/M
Lease liabilities		210	759	-72%	-	-	N/M
Provision for reinstatement cost		26	109	-76%	-	-	N/M
		5,203	5,701		5,519	4,230	
Net current liabilities		(1,886)	(331)		(3,544)	(2,835)	
Non-current liabilities							
Interest-bearing borrowings	13	74	86	-14%	-	-	N/M
Lease liabilities		-	168	-100%	-	-	N/M
		74	254		-	-	
Total net (liabilities)/assets		(1,605)	44		(2,987)	(2,835)	
Equity attributable to equity holders of the Company							
Share capital	14	34,667	34,667	N/M	34,667	34,667	N/M
Reserves		(36,272)	(34,623)	5%	(37,654)	(37,502)	0%
Total equity		(1,605)	44		(2,987)	(2,835)	

N/M: Not meaningful

Informatics Education Ltd and its subsidiaries
Condensed consolidated cash flow statement for financial year ended 30 June 2021
(In Singapore Dollars)

	Note	1 July 2020 to 30 June 2021 $'000	1 April 2019 to 30 June 2020 $'000
Cash flow from operating activities			
Loss before taxation		(1,481)	(545)
Adjustments for:			
Depreciation of property, plant and equipment	11	324	443
Amortisation of intangible assets		32	15
Net gain on disposal of property, plant and equipment		(4)	-
Intangible assets written-off		-	7
Impairment of property, plant and equipment	11	155	-
Allowance for expected credit loss on receivables		175	29
Write-off of bad debts		13	20
Interest expense on lease liabilities		12	41
Finance costs		13	45
Interest income		(8)	(23)
Government grants and subsidies		(53)	(158)
Unrealised exchange gain		(198)	(46)
Operating loss before working capital changes		(1,020)	(172)
Decrease/(increase) in prepayments, trade and other receivables		158	(61)
Decrease in deferred income and fees		(556)	(901)
Increase/(decrease) in trade and other payables		592	(256)
Cash used in operations		(826)	(1,390)
Interest received		11	18
Interest paid		(13)	(12)
Tax paid		(13)	(7)
Net cash flows used in operating activities		(841)	(1,391)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(9)	(14)
Expenditure on intangible assets	12	(174)	(133)
Proceeds from disposal of property, plant and equipment		4	-
Net cash flows used in investing activities		(179)	(147)
Cash flows from financing activities			
(Repayment)/amount due to an indirect controlling shareholder		-	(418)
(Repayment)/amount due to a director		-	(500)
Repayment of lease liabilities (net of government grants and subsidies)		(669)	(1,039)
Proceeds from issuance of shares		-	5,256
Expenses for rights issue paid		-	(497)
Interest paid for amount due to an indirect controlling shareholder and amount due to a director (non-trade)		-	(44)
Proceeds from interest-bearing borrowings		-	1,086
Fixed deposit pledged as security for borrowings		-	(1,000)
Net cash flows generated from financing activities		(669)	2,844

Informatics Education Ltd and its subsidiaries
Condensed consolidated cash flow statement for financial year ended 30 June 2021
(In Singapore Dollars)

	1 July 2020 to 30 June 2021	1 April 2019 to 30 June 2020
	$'000	$'000
Net (decrease)/increase in cash and cash equivalents	(1,689)	1,306
Cash and cash equivalents at beginning of the financial year/period	2,692	1,396
Effects of exchange rate changes on opening cash and cash equivalents	36	(10)
Cash and cash equivalents at end of the financial year/period	1,039	2,692

Note:
Cash and bank balances as at end of financial year/period are as follow:

Cash at bank and on hand	1,031	1,683
Short term deposits	1,008	2,009
	2,039	3,692

For the purpose of the condensed consolidated cash flow statement, cash and cash equivalents comprised:

Cash at bank and on hand	1,031	1,683
Short term deposits	1,008	2,009
(-) Fixed deposit pledged as security for borrowings	(1,000)	(1,000)
	1,039	2,692

Informatics Education Ltd and its subsidiaries
Condensed statements of changes in equity for financial year ended 30 June 2021
(In Singapore Dollars)

Group	Share capital $'000	Attributable to equity holders of the Company: Translation reserve $'000	Attributable to equity holders of the Company: Accumulated losses $'000	Attributable to equity holders of the Company: Total reserves $'000	Total equity $'000
At 1 July 2020	34,667	153	(34,776)	(34,623)	44
Loss for the financial year	-	-	(1,496)	(1,496)	(1,496)
Other comprehensive income for the financial year	-	(153)	-	(153)	(153)
Total comprehensive income for the financial year	-	(153)	(1,496)	(1,649)	(1,649)
At 30 June 2021	34,667	-	(36,272)	(36,272)	(1,605)
At 1 April 2019	29,908	223	(34,224)	(34,001)	(4,093)
Loss for the financial period	-	-	(552)	(552)	(552)
Other comprehensive income for the financial period	-	(70)	-	(70)	(70)
Total comprehensive income for the financial period	-	(70)	(552)	(622)	(622)
Shares issued pursuant to rights issue	5,256	-	-	-	5,256
Rights issue expenses	(497)	-	-	-	(497)
Transactions with owners, recognised directly in equity	4,759	-	-	-	4,759
At 30 June 2020	34,667	153	(34,776)	(34,623)	44

Company	Share capital $'000	Accumulated losses $'000	Total equity $'000
At 1 July 2020	34,667	(37,502)	(2,835)
Loss for the financial year, representing total comprehensive income for the financial year	-	(152)	(152)
At 30 June 2021	34,667	(37,654)	(2,987)
At 1 April 2019	29,908	(36,578)	(6,670)
Loss for the financial period, representing total comprehensive income for the financial period	-	(924)	(924)
Shares issued pursuant to rights issue	5,256	-	5,256
Rights issue expenses	(497)	-	(497)
Transactions with owners, recognised directly in equity	4,759	-	4,759
At 30 June 2020	34,667	(37,502)	(2,835)

1. Corporate information

Informatics Education Ltd (the "Company") is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The registered office and principal place of business of the Company is located at 133 Cecil Street, #17-01B Keck Seng Tower, Singapore 069535.

Berjaya Leisure Capital (Cayman) Limited, incorporated in the Cayman Islands is the immediate holding company of the Company. The penultimate holding company and ultimate holding company are Berjaya Land Berhad and Berjaya Corporation Berhad respectively, which are incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. Subsidiaries of Berjaya Corporation Berhad are related corporations of the Company and its subsidiaries.

The principal activities of the Group are those relating to investment holding, franchisor and licensor for computer and commercial training centres, provision of computer and business education and training, examination facilitators, and educational and business management consultancy.

During the previous financial period, the Company changed its financial year end from 31 March to 30 June. Accordingly, the comparative figures in the financial statements cover a period of 15 months from 1 April 2019 to 30 June 2020.

2. Going concern assessment

For the financial year ended 30 June 2021, the Group incurred net loss of $1,496,000 (2020: $552,000) and recorded cash outflow of $841,000 (2020: $1,391,000) from its operating activities.

As at 30 June 2021, the Group has net current liabilities and net liabilities of $1,886,000 (2020: $331,000) and $1,605,000 (2020: net assets of $44,000) respectively, while the Company has net current liabilities and net liabilities of $3,544,000 (2020: $2,835,000) and $2,987,000 (2020: $2,835,000) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group’s and the Company’s ability to continue as going concern.

Notwithstanding the above, the financial statements of the Group and the Company are prepared on a going concern basis as the Group received letter of financial support from its penultimate holding company, Berjaya Land Berhad, to provide continuing financial support to the Group to enable it to continue its operations and meet its liabilities as and when they fall due.

If the Group and Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

3. Basis of preparation

The condensed consolidated financial statements for the financial year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial period from 1 April 2019 to 30 June 2020.

The accounting policies adopted are consistent with those of the previous financial period which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 3.1.

The condensed consolidated financial statements are presented in Singapore dollar which is the Company's functional currency.

3.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

3.2 Use of judgements and estimates

In preparing the condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial period from 1 April 2019 to 30 June 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year/period.

5. Segment and revenue information

For management purposes, the Group is organised into business units based on their business segments, and has two reportable operating segments: Higher Education segment and Corporate Training segment.

The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, and is measured differently from operating profit or loss in the condensed consolidated financial statements.

5.1 Reportable segments

	Higher Education		Corporate Training		Note	Total	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June**		**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June**
	$'000	$'000	$'000	$'000		$'000	$'000
Revenue:							
Sales to external customers	5,486	8,880	1,739	1,983		7,225	10,863
Results:							
Sundry income	182	159	10	7		192	166
Interest income	8	23	-	-		8	23
Staff costs	(4,334)	(5,465)	(296)	(434)		(4,630)	(5,899)
Depreciation and amortisation							-
- Depreciation	(168)	(237)	(156)	(206)		(324)	(443)
- Amortisation	(32)	(15)	-	-		(32)	(15)
Allowance for expected credit loss on receivables and bad debts written-off	(188)	(49)	-	-		(188)	(49)
Interest expenses on lease liabilities	(8)	(32)	(4)	(9)		(12)	(41)
Finance costs	(13)	(45)	-	-		(13)	(45)
Net gain on disposal of property, plant and equipment	4	-	-	-		4	-
Property, plant and equipment written-off	-	-	-	-		-	-
Intangible assets written-off	-	(7)	-	-		-	(7)
Impairment of property, plant and equipment	(155)	-	-	-		(155)	-
Lease expenses	(67)	(98)	(7)	(8)		(74)	(106)
Other non-cash income/(expenses)	234	182	(190)	153	(i)	44	335
Segment (loss)/profit before tax	(1,856)	(1,233)	375	688		(1,481)	(545)
Assets:							
Capital expenditure	212	203	5	35	(ii)	217	238
Segment assets	3,186	5,552	486	447		3,672	5,999
Total assets	3,186	5,552	486	447		3,672	5,999
Liabilities:							
Segment liabilities	5,052	5,544	225	411		5,277	5,955
Total liabilities	5,052	5,544	225	411		5,277	5,955

Notes: Nature of adjustments to arrive at amounts reported in the condensed consolidated financial statements:
(i) Other non-cash expenses and income consist mainly of unrealised foreign exchange gain/loss and non-cash government grants and subsidies.
(ii) Additions to non-current assets consist of additions to property, plant and equipment, intangible assets and right-of-use assets.

5.2 Disaggregation of revenue

a) Segments

	Course fees		Examination fees		Franchise and license fee income		Total revenue	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets								
Asia	2,598	3,859	1,536	2,677	185	463	4,319	6,999
Europe	-	-	759	650	292	165	1,051	815
Africa	-	-	1,671	2,730	184	319	1,855	3,049
	2,598	**3,859**	**3,966**	**6,057**	**661**	**947**	**7,225**	**10,863**
Timing of transfer of goods or services								
At a point in time	-	-	3,966	6,057	563	789	4,529	6,846
Over time	2,598	3,859	-	-	98	158	2,696	4,017
	2,598	**3,859**	**3,966**	**6,057**	**661**	**947**	**7,225**	**10,863**

b) A breakdown of sales as follow :-

	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Sales reported for the first half year	3,495	6,850
Operating loss after tax for first half year	(701)	(675)
Sales reported for the second half year (1 January to 30 June)	3,730	4,013
Operating (loss)/profit after tax for second half year (1 January to 30 June)	(795)	123

Note: Period for the first half year for FY2021 is from 1 July 2020 to 31 December 2020 while FY2020 is from 1 April 2019 to 31 December 2019.

c) Information about major customers

There are no major customers that contribute more than 10% (2020: 10%) of the Group's revenue for the financial year ended 30 June 2021.

6. Loss before taxation

	Group	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Other income		
Government grants and subsidies	157	165
Interest income	8	23
Net gain on disposal of property, plant and equipment	4	-
Sundry income	35	1
	204	189

The following items have been charged/(credited) in arriving at other operating expenses:

Government grants and subsidies (credited against staff costs)	(515)	(327)
Retrenchment benefit (included in staff costs)	314	-
Depreciation of property, plant and equipment	324	443
Amortisation of intangible assets	32	15
Intangible assets written off	-	7
Impairment of property, plant and equipment	155	-
Interest expense on lease liabilities	12	41
Finance costs	13	45
Allowance for expected credit loss on receivables	175	29
Write-off of bad debts	13	20
Foreign exchange gain, net	(10)	(188)
Lease expenses	74	106

7. Taxation

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated income statement are as follows:

	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Current income tax:		
- current year	10	9
- under/(over) provided in respect of prior years	5	(2)
Income tax expense recognised in profit or loss	15	7

8. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed consolidated financial statements.

9. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 June 2020:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	$'000	$'000	$'000	$'000
Financial assets measured at amortised cost				
Trade and other receivables	1,010	1,450	914	141
Cash and bank balances	2,039	3,692	1,055	1,212
	3,049	5,142	1,969	1,353
Less: Goods and services/value added tax receivable	(24)	(15)	(9)	(19)
	3,025	5,127	1,960	1,334
Financial liabilities measured at amortised cost				
Trade and other payables	2,165	1,494	4,399	3,029
Interest-bearing borrowings	1,093	1,086	1,000	1,000
	3,258	2,580	5,399	4,029

10. Net asset value

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	cents	cents	cents	cents
Net asset value per ordinary share	(0.91)	0.02	(1.68)	(1.60)

11. Property, plant and equipment

Group	Furniture and fittings, office and computer equipment $'000	Improvement to premises $'000	Right-of-use assets - School and office premises $'000	Total $'000
Cost:				
At 1 April 2019	2,517	578	1,964	5,059
Additions	14	25	66	105
Disposals/write-off	(14)	-	-	(14)
Exchange differences	(16)	2	6	(8)
At 30 June 2020 and 1 July 2020	2,501	605	2,036	5,142
Additions	9	-	34	43
Disposals/write-off	(688)	(393)	(1,231)	(2,312)
Exchange differences	55	2	18	75
At 30 June 2021	1,877	214	857	2,948
Accumulated depreciation and impairment:				
At 1 April 2019	2,418	578	1,231	4,227
Charge for the financial period	80	12	351	443
Disposals/write-off	(14)	-	-	(14)
Exchange differences	(16)	1	1	(14)
At 30 June 2020 and 1 July 2020	2,468	591	1,583	4,642
Charge for the financial year	24	10	290	324
Impairment loss	8	-	147	155
Disposals/write-off	(687)	(394)	(1,231)	(2,312)
Exchange differences	54	3	12	69
At 30 June 2021	1,867	210	801	2,878
Net carrying amount:				
At 30 June 2021	10	4	56	70
At 30 June 2020	33	14	453	500

Following the intention to gradually cease the Group's private education business which is operated through Informatics Academy Pte Ltd in Singapore, the property, plant and equipment related to this business has been fully impaired as at 30 June 2021. Impairment loss recognised on property, plant and equipment for this business amounted to $3,000.

As the Group's higher education business in the United Kingdom which is operated through its subsidiary, NCC Education Ltd, was operating at a loss for financial year ended 30 June 2021, the Group has assessed the recoverable amount of the property, plant and equipment of this subsidiary.

The recoverable amount of the subsidiary's property, plant and equipment was determined to be nil based on the cash flow projection prepared by management. Accordingly, an impairment charge of $152,000 has been recognised for the financial year ended 30 June 2021.

11. Property, plant and equipment (cont'd)

The recoverable amount of the property, plant and equipment was based on its value in use, which was determined by discounting cash flow projection of the subsidiary for the next financial year (as the subsidiary's property, plant and equipment comprised mainly right-of-use assets with remaining lease term of less than a year). Management has also taken into consideration the possibility of lower recovery rates post-pandemic due to the pro-longed impact of the COVID-19 pandemic on the Group's higher education business in the United Kingdom. The pre-tax discount rate applied to the cash flow projection was 8.2% per annum (2020: 8.2% per annum).

There are no significant acquisitions/disposals of property, plant and equipment for the Company during the year.

12. Intangible assets

During the year, the Group capitalised the following intangible assets:

	Group	
	30 June 2021	**30 June 2020**
	$'000	$'000
Software	49	-
Software under development (Note b)	-	92
Development costs (Note a)	125	41
	174	133

Note:

a. Development costs relate to costs incurred on courseware products capitalised by a subsidiary.

b. Software under development as of 30 June 2020 have been transferred to software upon completion of the development and implementation of the software during the financial year ended 30 June 2021.

13. Borrowings

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	$'000	$'000	$'000	$'000
Amount repayable within one year or on demand				
- Secured	1,000	1,000	1,000	1,000
- Unsecured	19	-	-	-
	1,019	1,000	1,000	1,000
Amount repayable after one year				
- Unsecured	74	86	-	-

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

14. Share capital

	Group and Company			
	30 June 2021		**30 June 2020**	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid:				
At beginning of the financial year/period	177,339	34,667	72,215	29,908
Issue of shares	-	-	105,124	4,759
At end of the financial year/period	177,339	34,667	177,339	34,667

The Company did not hold any treasury shares as at 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 30 June 2020.

On 22 August 2019, the Company completed a renounceable non-underwritten rights cum warrants issue and allotted and issued 105,124,182 shares at an issue price of $0.05 per share and 35,041,371 warrants. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at the exercise price of $0.05 for each share. The warrants expire on 21 August 2024. Following that, the number of issued and paid up shares in the Company has increased from 72,215,467 to 177,339,649 shares. The number of ordinary shares that may be issued on conversion of all outstanding warrants are 35,041,371 shares as at 30 June 2021 and 30 June 2020.

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

<u>Other Information Required by Listing Rule (Appendix 7.2)</u>

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

The condensed consolidated statement of financial position of Informatics Education Ltd and its subsidiaries as at 30 June 2021 and the related consolidated profit or loss and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended 30 June 2021 and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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.

2. Review of performance of the Group

<u>Glossary:</u>
Financial year ended 30 June 2021 (i.e. from 1 July 2020 to 30 June 2021): **12M FY2021**
Financial period from 1 April 2019 to 30 June 2020: **15M FY2020**

(a) The Group recorded a decrease in revenue of $3.6 million (33%) from $10.9 million for 15M FY2020 to $7.2 million for 12M FY2021. This represents a 17% drop against the annualised revenue for 15M FY2020. The decrease in revenue was mainly attributed to the Singapore and the United Kingdom operations, due mainly to decline in students' enrolments for courses and assessments as a result of the COVID-19 pandemic and closure of borders. In addition, the Group's subsidiary in Singapore, Informatics Academy, has ceased accepting new students with effect from 1 April 2021. Meanwhile, the Group's operations in Hong Kong recorded an increase in revenue of 11% for 12M FY2021, against the annualised revenue for 15M FY2020.

(b) Staff costs decreased by $1.3 million (22%) from $5.9 million for 15M FY2020 to $4.6 million for 12M FY2021. The decrease was a 2% drop against the annualised staff costs for 15M FY2020. The decrease was mainly due to lower average employee headcount for the year (partially contributed by redundancy of employees for the Singapore operations during the last quarter of the financial year), and higher receipt of grants and subsidies from the Singapore, Hong Kong and the United Kingdom government to help companies defray their wage costs amidst the COVID-19 pandemic. The decrease was partially offset by redundancy costs incurred for 12M FY2021 of $0.3 million.

(c) The depreciation of property, plant and equipment were lower for 12M FY2021 as compared to 15M FY2020 due to more assets becoming fully depreciated and there were minimal property, plant and equipment investments during the periods.

(d) The allowances for expected credit loss on the Group's trade receivables for 12M FY2021 were mainly relating to the United Kingdom operations, and higher allowances made in 12M FY2021 was mainly attributable to slower repayments from customers (particularly from the Africa region) due to the COVID-19 pandemic.

(e) Other operating expenses decreased by $1.4 million (28%) from $5.2 million for 15M FY2020 to $3.8 million for 12M FY2021. This represents a drop of 10% against the annualised other operating expenses for 15M FY2020. The decrease was mainly due to lower level of business activities for 12M FY2021 and the Group's continuous effort to manage its costs during the pandemic period. During the last quarter of the financial year, the Singapore operations had undertaken a restructuring exercise, vacated its leased school premises and had taken measures to further cut its operating costs during the last quarter of the financial year. The decreases were partially offset by a lower foreign exchange gains recorded for 12M FY2021.

2. Review of performance of the Group (cont'd)

(f) The Group recorded an increase in loss before tax of $0.9 million for 12M FY2021 as compared to 15M FY2020. On an annualised basis, the Group’s loss before tax increased by $1.0 million, and this was mainly contributed by the higher losses recorded for the Singapore operations and the United Kingdom operations. The Group's Hong Kong operations recorded slight improvements in results from operations, but these were offset by lower exchange gains recorded by the Group for 12M FY2021, as compared to annualised 15M FY2020.

(g) As at 30 June 2021, the Group's property, plant and equipment decreased by $0.4 million (86%) as compared to 30 June 2020, due mainly to depreciation charge and impairment loss recognised for 12M FY2021.

(h) The Group's intangible assets increased by $0.2 million from $0.1 million as at 30 June 2020 to $0.3 million as at 30 June 2021 as the United Kingdom operations continued to invest in courseware and software development during 12M FY2021.

(i) The increase in the Company's investment in subsidiaries was mainly due to the conversion of inter-company loans and advances to NCC Education Ltd, the Company's subsidiary in the United Kingdom, into equity. The debt-to-equity conversion was completed on 6 March 2021.

(j) The increase in the Group's prepayments were due to higher prepayments recorded for the Group's overseas operations, while the Company's prepayments was reduced due to cost-cutting measures.

(k) The decrease in the Group's trade and other receivables was mainly due to the Singapore operations, with drop in trade receivables ($0.1 million), tenancy deposit refunded ($0.1 million) and decrease in accrued grant receivable ($0.2 million). The increase in the Company's trade and other receivables was due mainly to fair value adjustments and write-back of provision for expected credit loss on the restructured loan and balances owing from the Hong Kong subsidiary.

(l) The Group's cash and bank balances decreased by $1.7 million (45%) from $3.7 million as at 30 June 2020 to $2.0 million as at 30 June 2021 due mainly to cash utilisation for operations of $0.8 million, net payment of lease liabilities of $0.7 million and payment of capital expenditure of $0.2 million during 12M FY2021.

(m) The Group's deferred income and fees decreased by $0.5 million (24%) from $2.3 million as at 30 June 2020 to $1.8 million as at 30 June 2021, due mainly to revenue recognition relating to examination fees and recognition of deferred grant income to profit or loss, and lower billing for examination fees during 12M FY2021. The decrease in the Company's deferred income and fees was due to amortisation of deferred franchise fees and deferred grant income to profit or loss during 12M FY2021.

(n) The Group's trade and other payables increased by $0.7 million (45%) mainly due to the higher unbilled university fees accrued (due to late billing by a university partner) for the current financial year and deferred payments to creditors during 12M FY2021. The Company's trade and other payables increased by $1.4 million (45%) mainly due to the novation of inter-company loans during 12M FY2021.

(o) The Group's lease liabilities totalled $0.2 million as at 30 June 2021. The decrease in lease liabilities was due mainly to lease liabilities paid down during 12M FY2021.

(p) The decrease in provision for reinstatement costs was due to utilisation of the provision for reinstatement works undertaken by the Singapore operations during 12M FY2021.

(q) The Group's total outstanding interest-bearing borrowings as at 30 June 2021 and 30 June 2020 was $1.1 million. There was no drawdown of additional loans during 12M FY2021.

(r) The Group's net current liabilities and net liabilities position stood at $1.9 million and $1.6 million respectively as at 30 June 2021. The deficit was mainly due to deterioration in working capital and losses recorded for 12M FY2021.

2. Review of performance of the Group (cont'd)

(s) 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.

On 11 September 2020 and 9 February 2021, the Group announced that it has reallocated a total of $1.0 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 to weather through the COVID-19 pandemic. Further to the Group announcing the restructuring of operations for its subsidiary, Informatics Academy Pte Ltd ("IAPL") on 1 April 2021, the Group has on 27 August 2021, reallocated a further $0.3 million of the net proceeds from the Rights Issue originally allocated to support the Group's business expansion to general corporate and working capital (the "Re-allocation") to fund the operating cash flows for IAPL up to the full cessation of operations. 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 reallocated following Re-allocation	Revised amount allocated
	$ million	$ million	$ million	$ million
(i) Support the business expansion	2.35	2.35	-1.30	1.05
(ii) Funding new projects to enhance capabilities	0.22	0.22	-	0.22
(iii) Capital improvements	0.35	0.35	-	0.35
(iv) General corporate and working capital requirements	1.94	1.84	1.30	3.14
Total	4.86	4.76 [(a)]	0.00	4.76

[(a)] 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
	$ million	$ million	$ million
(i) Support the business expansion	1.05	0.09	0.96
(ii) Funding new projects to enhance capabilities	0.22	0.11	0.11
(iii) Capital improvements*	0.35	0.19	0.16
(iv) General corporate and working capital requirements	3.14	2.76 [(b)]	0.38
Total	4.76	3.15	1.61

** Amounts designated for capital improvements have been utilised for restructuring of operations (including redundancy payments to employees, and costs incurred for reinstatement/vacation of premises) for the Group's Singapore operations, amounting to $0.17 million.*

2. Review of performance of the Group (cont'd)

(s) Use of proceeds from Rights Issue (cont'd)

[(b)] Breakdown for the amounts utilised for general working capital is summarised as follows:

Description	$ million
Payments to university partners, contractors and agents	0.71
Payments for staff costs	0.88
Payments for facility-related expenses	0.51
Payments for selling, general and administrative expenses	0.66
Total	2.76

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.

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

Not applicable

4. 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 27 August 2021, in relation to the quarterly update given pursuant to Rule 1313(2) of the SGX Listing Manual.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

5c. 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.

6. Interested person transaction

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

7. 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.

8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Higher Education Business Segment

Higher Education business revenue decreased by $3.4 million from $8.9 million in 15M FY2020 to $5.5 million in 12M FY2021. On an annualised basis, the revenue for this segment decreased by $1.6 million (23%) due mainly to the Singapore and the United Kingdom operations, as there were decreases in students' enrolments for courses and assessments as a result of the COVID-19 pandemic and closure of borders. In addition, the Group's subsidiary in Singapore, Informatics Academy, has ceased accepting new students with effect from 1 April 2021.

The Higher Education business recorded an increase in losses before tax of $0.7 million from $1.2 million in 15M FY2020 to $1.9 million for 12M FY2021 (annualised increase in losses before tax of 88%). This was mainly contributed by the drop in revenue, despite the Group's concerted effort to manage costs during the financial year. Additionally, there were restructuring costs incurred on the Singapore operations and impairment losses recorded for the United Kingdom operations during 12M FY2021.

Corporate Training Business Segment

Corporate Training business revenue decreased by $0.3 million from $2.0 million for 15M FY2020 to $1.7 million for 12M FY2021. On an annualised basis, the revenue for this segment increased by $0.2 million (10%) due mainly to higher enrolments for Hong Kong's operations as the programmes continue to run online.

On an annualised basis, the Corporate Training segment recorded 32% decrease in segment profit for 12M FY2021, due mainly to higher exchange losses suffered in 12M FY2021. Disregarding the impact of exchange differences, the profit for this segment increased by $0.1 million (32%) as compared to annualised profit for the previous financial period.

Geographical analysis

In terms of the primary geographical markets, there is a general drop in revenue for the Asia and Africa regions, due mainly to the following reasons:-

a) The Singapore operations suffered a drop in enrolment from international students due to borders closure and subsequently ceased accepting new students with effect from 1 April 2021 after receiving the outcome of its EduTrust assessment in March 2021; and

b) The COVID-19 pandemic has led to closure of the Group's partner centres located across the Asia and Africa regions due to lock-down and/or other COVID-19 restrictive measures imposed in these regions. As a result, students' enrolment for examinations across the Asia and Africa regions have dropped.

The increase in revenue from the Europe region was mainly due to the Group's efforts to expand its online diploma, degree, pre-masters programme during the financial year.

Other Information Required by Listing Rule (Appendix 7.2) (cont'd)

9. 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.

Name	Dato' Sri Robin Tan Yeong Ching
Age	47
Family relationship with any current director and/or substantial shareholder	Son of Tan Sri Dato' Seri Vincent Tan Chee Yioun, substantial shareholder
Current position and duties, and the year the position was held	Non-executive Chairman since 2011
Details of changes in duties and position held, if any, during the year	Not applicable

BY ORDER OF THE BOARD

Yau Su Peng
Executive Director
27 August 2021