

**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 third quarter and nine-month period ended 31 March 2021**

(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 Announcements**

- 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 ended 31 March 2021 S\$'000	Q4 ended 31 March 2020 <sup>(1)</sup> S\$'000	Change %	9M ended 31 March 2021 S\$'000	9M ended 31 March 2020 <sup>(1)</sup> S\$'000	Change %
<b>Revenue</b>	2,098	2,474	-15%	5,593	7,318	-24%
Other operating income	13	9	44%	88	17	N/M
Staff costs	(1,054)	(1,237)	-15%	(3,310)	(3,745)	-12%
Depreciation of property, plant and equipment	(84)	(100)	-16%	(253)	(306)	-17%
Other operating expenses	(888)	(923)	-4%	(2,727)	(3,293)	-17%
<b>Profit/(loss) before taxation</b>	<u>85</u>	<u>223</u>	-62%	<u>(609)</u>	<u>(9)</u>	N/M
Taxation	(1)	-	N/M	(8)	(3)	N/M
<b>Profit/(loss) for the financial period</b>	<u>84</u>	<u>223</u>	-62%	<u>(617)</u>	<u>(12)</u>	N/M
<b>Profit/(loss) attributable to:</b>						
Equity holders of the Company	<u>84</u>	<u>223</u>	-62%	<u>(617)</u>	<u>(12)</u>	N/M

**Consolidated Statement of Comprehensive Income**

	Group			Group		
	Q3 ended 31 March 2021 S\$'000	Q4 ended 31 March 2020 <sup>(1)</sup> S\$'000	Change %	9M ended 31 March 2021 S\$'000	9M ended 31 March 2020 <sup>(1)</sup> S\$'000	Change %
<b>Profit/(loss) for the financial period</b>	84	223	-62%	(617)	(12)	N/M
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	(162)	(212)	-24%	(134)	(404)	-67%
Other comprehensive income for the financial period, net of tax	(162)	(212)	-24%	(134)	(404)	-67%
<b>Total comprehensive income for the financial period</b>	<u>(78)</u>	<u>11</u>	N/M	<u>(751)</u>	<u>(416)</u>	81%
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	<u>(78)</u>	<u>11</u>	N/M	<u>(751)</u>	<u>(416)</u>	81%

<sup>(1)</sup> The comparative numbers for Q4 ended 31 March 2020 and 9M ended 31 March 2020 had been adjusted to reflect the impairment loss recognised on a right-of-use asset of a subsidiary of the Group on initial date of adoption (i.e. 1 April 2019) of SFRS(I) 16 *Leases* for comparability purpose. Earlier reported numbers for Q4 ended 31 March 2020 and 9M period from 1 July 2019 to 31 March 2020 did not reflect the recognition of the above-mentioned impairment loss on 1 April 2019.

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 ended 31 March 2021 S\$'000	Q4 ended 31 March 2020 <sup>(1)</sup> S\$'000	Change %	9M ended 31 March 2021 S\$'000	9M ended 31 March 2020 <sup>(1)</sup> S\$'000	Change %

(a)(i) Notes to income statement

**Profit/(loss) for the period is stated after charging/(crediting):**

Allowance for expected credit loss on receivables	134	65	N/M	87	239	-64%
Write-off of bad debts	-	16	-100%	7	20	-65%
Amortisation of intangible assets	5	1	N/M	13	7	86%
Property, plant and equipment expensed-off	-	-	N/M	3	-	N/M
Intangible assets written-off	-	-	N/M	-	7	-100%
Net gain on disposal of property, plant and equipment	(4)	-	N/M	(4)	-	N/M
Foreign exchange gain, net	(145)	(322)	-55%	(6)	(417)	-99%
Lease expenses	17	18	-6%	49	62	-21%
Finance costs (including interest expense on lease liabilities)	4	23	-83%	19	72	-74%
Interest income	(1)	(8)	-88%	(7)	(16)	-56%
Government grants/incentives						
- Recognised in other operating income	(11)	-	N/M	(80)	-	N/M
- Credited against staff costs	(166)	(42)	N/M	(389)	(43)	N/M

- (a)(ii) Other operating income for 9M ended 31 March 2021 increased by \$0.1 million as compared to 9M ended 31 March 2020 mainly due to rental waivers and grants received for the Group's Singapore and Hong Kong operations, in line with the measures introduced by governments in these countries in response to the COVID-19 pandemic.
- (a)(iii) Staff costs decreased by \$0.1 million (15%) from \$1.2 million for Q4 FY2020 to \$1.1 million for Q3 FY2021, and decreased by \$0.4 million (12%) from \$3.7 million for 9M ended 31 March 2020 to \$3.3 million for 9M ended 31 March 2021. This was due mainly to receipt of grants and subsidies from Singapore, Hong Kong and the United Kingdom government to help companies defray their wage costs amidst the COVID-19 pandemic, and also a decrease in staff headcounts as a result of consolidation of roles and outsourcing of certain functions to contractors.
- (a)(iv) The depreciation of property, plant and equipment were lower for Q3 FY2021 and 9M ended 31 March 2021 due to more assets becoming fully depreciated and there were minimal property, plant and equipment investments during the periods.
- (a)(v) Other operating expenses decreased by \$0.5 million (17%) from \$3.2 million for 9M ended 31 March 2020 to \$2.7 million for 9M ended 31 March 2021. The decrease was mainly due to lower level of business activities and the Group's continuous effort to manage its costs during the pandemic period, lower allowances for expected credit loss made during 9M ended 31 March 2021 (explained in 1(a)(vi)), and lower finance cost incurred in 9M ended 31 March 2021 (explained in 1(a)(ix)). The decreases were partially offset by an lower foreign exchange gains recorded for 9M ended 31 March 2021 (refer 1(a)(vii)).
- (a)(vi) The allowances for expected credit loss on Group's trade receivables for Q3 FY2021 and 9M ended 31 March 2021 were mainly relating to the United Kingdom operations, in line with its increase in trade receivables balance.
- (a)(vii) The Group recorded lower net foreign exchange gains for Q3 FY2021 and 9M ended 31 March 2021, as a result of foreign exchange rate movements for the Group's overseas operations.
- (a)(viii) Lease expenses decreased by 21% for 9M ended 31 March 2021 due mainly to lease expenses incurred on a short-term lease contract which ended during 9M ended 31 March 2020.
- (a)(ix) The Group's finance costs decreased by 83% for Q3 FY2021 and 74% for 9M ended 31 March 2021. These were due mainly to repayment of amounts owing to an indirect controlling shareholder and a director of the Company in 9M ended 31 March 2020. The finance costs for Q3 FY2021 and 9M ended 31 March 2021 comprised interests incurred on the interest-bearing borrowings and interest expense on the Group's lease liabilities.
- (a)(x) Government grants/incentives received for 9M ended 31 March 2021 relate mainly to subsidies received from Job Support Scheme and 1-month rental waiver received from the landlord for Singapore operations, subsidies received from the Hong Kong government under Anti-epidemic Fund and the United Kingdom government under Coronavirus Job Retention Scheme to defray manpower and operational costs due to COVID-19 pandemic.

- 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		
	31.03.2021 S\$'000	30.06.2020 S\$'000	Change %	31.03.2021 S\$'000	30.06.2020 S\$'000	Change %
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	260	500	-48%	-	-	N/M
Intangible assets	286	129	N/M	-	-	N/M
Investment in subsidiaries *	-	-	N/M	1,466	-	N/M
	546	629	-13%	1,466	-	N/M
<b>CURRENT ASSETS</b>						
Prepayments	196	228	-14%	35	42	-17%
Trade and other receivables	1,390	1,450	-4%	153	141	9%
Cash and bank balances	2,389	3,692	-35%	1,153	1,212	-5%
	3,975	5,370	-26%	1,341	1,395	-4%
<b>CURRENT LIABILITIES</b>						
Deferred income and fees	2,120	2,339	-9%	248	201	23%
Trade and other payables	1,659	1,494	11%	4,500	3,029	49%
Lease liabilities	221	759	-71%	-	-	N/M
Provision for reinstatement cost	108	109	-1%	-	-	N/M
Interest-bearing borrowings	1,014	1,000	1%	1,000	1,000	N/M
	5,122	5,701	-10%	5,748	4,230	36%
<b>NET CURRENT LIABILITIES</b>	(1,147)	(331)	N/M	(4,407)	(2,835)	55%
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities	27	168	-84%	-	-	N/M
Interest-bearing borrowings	79	86	-8%	-	-	N/M
	106	254	-58%	-	-	N/M
<b>TOTAL NET (LIABILITIES)/ASSETS</b>	(707)	44	N/M	(2,941)	(2,835)	4%
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>						
Share capital	34,667	34,667	N/M	34,667	34,667	N/M
Reserves	(35,374)	(34,623)	2%	(37,608)	(37,502)	0%
<b>TOTAL EQUITY</b>	(707)	44	N/M	(2,941)	(2,835)	4%

\* The investment in subsidiaries were fully impaired as at 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 31.03.2021		Group 30.06.2020	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>Current</b>				
Amount repayable in one year or less, or on demand	1,000	14	1,000	-
<b>Non-current</b>				
Amount repayable after one year	-	79	-	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		Group	
	Q3 ended 31 March 2021 S\$'000	Q4 ended 31 March 2020 <sup>(1)</sup> S\$'000	9M ended 31 March 2021 S\$'000	9M ended 31 March 2020 <sup>(1)</sup> S\$'000
<b>Cash flow from operating activities</b>				
Profit/(loss) before taxation	85	223	(609)	(9)
Adjustments for:				
Depreciation of property, plant and equipment	84	100	253	306
Amortisation of intangible assets	5	1	13	7
Net gain on disposal of property, plant and equipment	(4)	-	(4)	-
Property, plant and equipment expensed-off	-	-	3	-
Intangible assets written-off	-	-	-	7
Allowance for expected credit loss on receivables	134	65	87	239
Write-off of bad debts	-	16	7	20
Finance costs	4	23	19	72
Interest income	(1)	(8)	(7)	(16)
Rental waivers received (non-cash)	-	-	(53)	-
Unrealised exchange gain	(181)	(223)	(172)	(326)
<b>Operating profit/(loss) before working capital changes</b>	<b>126</b>	<b>197</b>	<b>(463)</b>	<b>300</b>
Increase in prepayments, trade and other receivables	(468)	(307)	(58)	(474)
Increase/(decrease) in deferred income and fees	277	(124)	(219)	(305)
Increase/(decrease) in trade and other payables and provision for reinstatement cost	169	(87)	116	(446)
<b>Cash from/(used in) operations</b>	<b>104</b>	<b>(321)</b>	<b>(624)</b>	<b>(925)</b>
Interest received	-	8	11	15
Interest paid	(3)	(6)	(10)	(8)
Tax paid	(1)	-	(8)	(3)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>100</b>	<b>(319)</b>	<b>(631)</b>	<b>(921)</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment	(3)	(4)	(10)	(4)
Expenditure on intangible assets	(47)	(21)	(155)	(21)
Proceeds from disposal of property, plant and equipment	4	-	4	-
<b>Net cash flows used in investing activities</b>	<b>(46)</b>	<b>(25)</b>	<b>(161)</b>	<b>(25)</b>
<b>Cash flow from financing activities</b>				
Repayment of lease liabilities (net of government grants and subsidies)	(127)	(251)	(542)	(772)
Proceeds from issuance of shares	-	-	-	5,256
Expenses for rights issue paid	-	-	-	(495)
Repayment of amount due to an indirect controlling shareholder	-	-	-	(418)
Repayment of amount due to a director	-	-	-	(500)
Interest paid	-	-	-	(44)
Proceeds from interest bearing borrowings	-	-	-	1,000
Fixed deposit pledged as security for borrowings	-	-	-	(1,000)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(127)</b>	<b>(251)</b>	<b>(542)</b>	<b>3,027</b>
Net (decrease)/increase in cash and cash equivalents	(73)	(595)	(1,334)	2,081
Cash and cash equivalents at the beginning of the financial period	1,446	3,544	2,692	859
Effects of exchange rate changes on opening cash and cash equivalents	16	16	31	25
<b>Cash and cash equivalents at end of the financial period<sup>#</sup></b>	<b>1,389</b>	<b>2,965</b>	<b>1,389</b>	<b>2,965</b>
<sup>#</sup> Cash and bank balances as at end of reported period are as follows:				
Cash at bank and on hand	1,381	951	1,381	951
Short term deposits	1,008	3,014	1,008	3,014
	<b>2,389</b>	<b>3,965</b>	<b>2,389</b>	<b>3,965</b>
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:				
Cash at bank and on hand	1,381	951	1,381	951
Short term deposits	1,008	3,014	1,008	3,014
(-) Fixed deposit pledged as security for borrowings	(1,000)	(1,000)	(1,000)	(1,000)
	<b>1,389</b>	<b>2,965</b>	<b>1,389</b>	<b>2,965</b>

- 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**

	Attributable to equity holders of the Company				Total Equity S\$'000
	Share Capital S\$'000	Translation Reserve S\$'000	Accumulated Losses S\$'000	Total Reserves S\$'000	
<b>Group</b>					
<b>At 1 July 2020</b>	34,667	153	(34,776)	(34,623)	44
Loss for the financial period	-	-	(701)	(701)	(701)
Other comprehensive income for the financial period	-	28	-	28	28
Total comprehensive income for the financial period	-	28	(701)	(673)	(673)
<b>At 31 December 2020</b>	34,667	181	(35,477)	(35,296)	(629)
Profit for the financial period	-	-	84	84	84
Other comprehensive income for the financial period	-	(162)	-	(162)	(162)
Total comprehensive income for the financial period	-	(162)	84	(78)	(78)
<b>At 31 March 2021</b>	34,667	19	(35,393)	(35,374)	(707)
<b>At 1 April 2019</b>	29,908	223	(34,224)	(34,001)	(4,093)
Loss for the financial period	-	-	(675)	(675)	(675)
Other comprehensive income for the financial period	-	(69)	-	(69)	(69)
Total comprehensive income for the financial period	-	(69)	(675)	(744)	(744)
Shares issued pursuant to rights issue	5,256	-	-	-	5,256
Rights issue expenses	(495)	-	-	-	(495)
<b>At 31 December 2019</b>	34,669	154	(34,899)	(34,745)	(76)
Profit for the financial period	-	-	223	223	223
Other comprehensive income for the financial period	-	(212)	-	(212)	(212)
Total comprehensive income for the financial period	-	(212)	223	11	11
<b>At 31 March 2020</b>	34,669	(58)	(34,676)	(34,734)	(65)

	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
	34,667	(37,502)	(2,835)
	-	(88)	(88)
	34,667	(37,590)	(2,923)
	-	(18)	(18)
	34,667	(37,608)	(2,941)
	29,908	(36,578)	(6,670)
	-	(553)	(553)
	5,256	-	5,256
	(495)	-	(495)
	34,669	(37,131)	(2,462)
	-	48	48
	34,669	(37,083)	(2,414)

**Company**

<b>At 1 July 2020</b>	Loss for the financial period, representing total comprehensive income for the financial period
<b>At 31 December 2020</b>	Loss for the financial period, representing total comprehensive income for the financial period
<b>At 31 March 2021</b>	
<b>At 1 April 2019</b>	Loss for the financial period, representing total comprehensive income for the financial period
	Shares issued pursuant to rights issue
	Rights issue expenses
<b>At 31 December 2019</b>	Profit for the financial period, representing total comprehensive income for the financial period
<b>At 31 March 2020</b>	

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

There is no change in the number of ordinary shares since the preceding financial period ended 31 December 2020.

The details of the outstanding Warrants as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year are as follows:

	As at 31 March 2021	As at 31 March 2020
Number of ordinary shares that may be issued on conversion of all outstanding Warrants	35,041,371	35,041,371
Exercise price	\$0.05	\$0.05
Expiry date	21 August 2024	21 August 2024

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 corresponding financial period ended 31 March 2020.

- 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 31 March 2021	As at 30 June 2020
Total number of ordinary shares issued	177,339,649	177,339,649

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 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 audited financial statements for the financial period from 1 April 2019 to 30 June 2020 was 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 period as in the audited financial statements as at 30 June 2020, 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 July 2020. The adoption of the new and revised SFRS(I)s did not result in any material impact on the Group's financial statements.

- 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.

Not applicable.

- 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 ended 31 March 2021	Q4 ended 31 March 2020 <sup>(1)</sup>	Change %	9M ended 31 March 2021	9M ended 31 March 2020 <sup>(1)</sup>	Change %
Profit/(loss) attributable to equity holders of the Company (S\$'000)	84	223	-62%	(617)	(12)	N/M
Weighted average number of ordinary shares in issue	177,339,649	177,339,649	-	177,339,649	157,461,621	13%
Earnings per ordinary share:						
(a) Based on weighted average number of ordinary shares in issue (cents)	0.05	0.13	-62%	(0.35)	(0.01)	N/M
(b) On a fully diluted basis (cents)	0.05 <sup>(2)</sup>	0.13	-62%	(0.35) <sup>(2)</sup>	(0.01)	N/M

<sup>(1)</sup> The comparative numbers for Q4 ended 31 March 2020 and 9M ended 31 March 2020 had been adjusted to reflect the impairment loss recognised on a right-of-use asset of a subsidiary of the Group on initial date of adoption (i.e. 1 April 2019) of SFRS(I) 16 Leases for comparability purpose. Earlier reported numbers for Q4 ended 31 March 2020 and 9M period from 1 July 2019 to 31 March 2020 did not reflect the recognition of the above-mentioned impairment loss on 1 April 2019.

<sup>(2)</sup> 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 %
	31.03.2021	30.06.2020		31.03.2021	30.06.2020	
NAV per ordinary share (cents)	(0.40)	0.02	N/M	(1.66)	(1.60)	4%

- 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 a decrease in revenue of \$0.4 million (15%) from \$2.5 million for Q4 FY2020 to \$2.1 million for Q3 FY2021, and a decrease in revenue of \$1.7 million (24%) from \$7.3 million for 9M ended 31 March 2020 to \$5.6 million for 9M ended 31 March 2021. The decreases in revenue for both periods were mainly attributed to declines in revenue for 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 while the Group's operations in Hong Kong recorded a modest growth in revenue for 9M ended 31 March 2021.
- (a)(ii) The Group recorded a decrease in profit before tax of \$0.1 million from \$0.2 million for Q4 FY2020 to \$0.1 million for Q3 FY2021, and an increase in loss before tax of \$0.6 million for 9M ended 31 March 2021. The Group's loss before tax for 9M ended 31 March 2021 was mainly contributed by the decrease in revenue for the Singapore operations as the Singapore operations continued to face difficulty recruiting international students due to borders closure, and also lower foreign exchange gains recognised by the Group for 9M ended 31 March 2021. The Group's operations in the United Kingdom and Hong Kong recorded slight improvements in results from operations (disregarding the impact of exchange gains/losses recorded for the period) for 9M ended 31 March 2021.
- (b)(i) As at 31 March 2021, the Group's property, plant and equipment decreased by \$0.2 million (48%) as compared to 30 June 2020, due mainly to depreciation charge for 9M ended 31 March 2021.
- (b)(ii) 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 31 March 2021 as the United Kingdom operations continued to invest in courseware and software development during 9M ended 31 March 2021.
- (b)(iii) 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.
- (b)(iv) The decreases in the Group's and Company's prepayments by 14% and 17% respectively were mainly due to the amortisation of prepaid expenses during 9M ended 31 March 2021.
- (b)(v) The Group's cash and bank balances decreased by \$1.3 million (35%) from \$3.7 million as at 30 June 2020 to \$2.4 million as at 31 March 2021 due mainly to cash utilisation for operations of \$0.6 million, net payment of lease liabilities of \$0.5 million and payment of capital expenditure of \$0.2 million during 9M ended 31 March 2021.
- (b)(vi) The Group's deferred income and fees decreased by \$0.2 million (9%) from \$2.3 million as at 30 June 2020 to \$2.1 million as at 31 March 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 9M ended 31 March 2021. The increase in the Company's deferred income and fees was due to the increase in billing of examination fees to a customer, partially off-set by the recognition of government subsidies to profit or loss during 9M ended 31 March 2021.
- (b)(vii) The Group's trade and other payables increased by \$0.2 million (11%) mainly due to the deferred payments to creditors during 9M ended 31 March 2021. The Company's trade and other payables increased by \$1.5 million (49%) mainly due to the novation of inter-company loans during 9M ended 31 March 2021, as announced by the Company on 11 March 2021.
- (b)(viii) The Group's lease liabilities totalled \$0.2 million as at 31 March 2021 (current lease liabilities: \$221,000, non-current lease liabilities: \$27,000). The decrease in lease liabilities was due to lease liabilities paid down during 9M ended 31 March 2021.
- (b)(ix) The Group's total outstanding interest-bearing borrowings as at 31 March 2021 and 30 June 2020 was \$1.1 million. There was no drawdown of additional loans during 9M ended 31 March 2021.
- (b)(x) The Group's net current liabilities and net liabilities position stood at \$1.1 million and \$0.7 million respectively as at 31 March 2021. The deficit was mainly due to deterioration in working capital and losses recorded for 9M ended 31 March 2021.

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.

On 9 February 2021, after a review of the Group's cash flows needs to weather through the COVID-19 pandemic at least for the next three to six months, the Group announced that it has reallocated a total of \$1.0 million (\$0.5 million previously reallocated on 11 September 2020) 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 S\$ million	Intended use of proceeds allocated based on final results of Rights Issue S\$ million	Amount reallocated on 11 September 2020 and 9 February 2021 S\$ million	Revised amount allocated S\$ million
(i) Support the business expansion	2.35	2.35	-1.00	1.35
(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	1.00	2.84
<b>Total</b>	<b>4.86</b>	<b>4.76<sup>(a)</sup></b>	<b>0.00</b>	<b>4.76</b>

<sup>(a)</sup> 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 S\$ million	Amount utilised as at the date of this announcement S\$ million	Balance proceeds S\$ million
(i) Support the business expansion	1.35	0.09	1.26
(ii) Funding new projects to enhance capabilities	0.22	0.11	0.11
(iii) Capital improvements	0.35	-	0.35
(iv) General corporate and working capital requirements	2.84	2.48 <sup>(b)</sup>	0.36
<b>Total</b>	<b>4.76</b>	<b>2.68</b>	<b>2.08</b>

<sup>(b)</sup> Breakdown for the amounts utilised for general working capital is summarised as follows:

Description	S\$ million
Payments to university partners, contractors and agents	0.69
Payments for staff costs	0.65
Payments for facility-related expenses	0.50
Payments for selling, general and administrative expenses	0.64
<b>Total</b>	<b>2.48</b>

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 12 May 2021, 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 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  
12 May 2021