

## **INFORMATICS EDUCATION LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198303419G)

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### **MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

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The Board of Directors (the “**Board**”) of Informatics Education Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 27 August 2021 in relation to its unaudited full year financial results for the financial year ended 30 June 2021 (the “**Unaudited FY2021 Results**”).

Further reference is made to the audited financial statements of the Group for the financial year ended 30 June 2021 (the “**Audited FY2021 Financial Statements**”) set out in the Company’s Annual Report for FY2021 (the “**FY2021 Annual Report**”) which will be released to SGX-ST via SGXNet and published on the Company’s website on 15 December 2021.

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to highlight and clarify the material differences between the Unaudited FY2021 Results and the Audited FY2021 Financial Statements following the finalisation of the audit. Details of the material variances are set out in the attached Appendix A.

Shareholders of the Company are advised to read this announcement in conjunction with the FY2021 Annual Report.

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

Yau Su Peng  
Executive Director  
14 December 2021

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**Appendix A****Consolidated income statement for financial year ended 30 June 2021**

	<b>Audited</b>	<b>Unaudited</b>	<b>Variance</b>	
	\$'000	\$'000	\$'000	<b>Note</b>
Revenue	7,104	7,225	(121)	[a]
Other operating income	204	204	-	
Staff costs	(4,614)	(4,630)	(16)	[b]
Depreciation of property, plant and equipment	(324)	(324)	-	
Allowance for expected credit loss on receivables	(185)	(175)	10	[c]
Other operating expenses	(3,709)	(3,781)	(72)	[d]
<b>Loss before taxation</b>	<u>(1,524)</u>	<u>(1,481)</u>	43	
Taxation	(15)	(15)	-	
<b>Loss for the financial year</b>	<u><u>(1,539)</u></u>	<u><u>(1,496)</u></u>	43	
<b>Loss attributable to:</b>				
Equity holders of the Company	<u><u>(1,539)</u></u>	<u><u>(1,496)</u></u>		
<b>Loss per share attributable to equity holders of the Company (cents)</b>				
Basic	(0.87)	(0.84)		
Diluted	<u><u>(0.87)</u></u>	<u><u>(0.84)</u></u>		

**Explanatory note:**

Variances [a], [b] and [d] were attributable to audit adjustments raised by auditors of the Group's subsidiary in the United Kingdom, upon completion of the audit in November 2021. Significant adjustments made are summarised as follows:-

- (i) Presentation of revenue derived from a new partnership arrangement on a net basis instead of gross basis, leading to decrease in revenue and decrease in other operating expenses;
- (ii) Adjustment to reverse over-recognition of deferred income to profit or loss, leading to decrease in revenue;
- (iii) Adjustment to reverse net over-accrual of staff costs, leading to decrease in staff costs; and
- (iv) Aggregated adjustments for miscellaneous expense items identified by auditors, leading to increase in other operating expenses. These partially offset the decrease in other operating expenses highlighted in (i).

Variance [c] was attributable to additional allowance for expected credit losses made for receivables from students arising from the Group's operations in Singapore.

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**Appendix A****Statements of financial position as at 30 June 2021**

	Group			Note	Company			Note
	Audited \$'000	Unaudited \$'000	Variance \$'000		Audited \$'000	Unaudited \$'000	Variance \$'000	
<b>Non-current assets</b>								
Property, plant and equipment	70	70	-		-	-	-	
Intangible assets	285	285	-		-	-	-	
Investment in subsidiaries	-	-	-		557	557	-	
Trade and other receivables	-	-	-		859	-	859	[f]
	<u>355</u>	<u>355</u>	-		<u>1,416</u>	<u>557</u>	<u>859</u>	
<b>Current assets</b>								
Prepayments	250	268	(18)	[e]	6	6	-	
Trade and other receivables	1,003	1,010	(7)	[e]	138	914	(776)	[g]
Cash and bank balances	2,039	2,039	-		1,055	1,055	-	
	<u>3,292</u>	<u>3,317</u>	(25)		<u>1,199</u>	<u>1,975</u>	<u>(776)</u>	
<b>Total assets</b>	<u>3,647</u>	<u>3,672</u>	(25)		<u>2,615</u>	<u>2,532</u>	<u>83</u>	
<b>Current liabilities</b>								
Deferred income and fees	1,808	1,783	25	[e]	120	120	-	
Trade and other payables	2,161	2,165	(4)	[e]	3,693	4,399	(706)	[h]
Interest-bearing borrowings	1,019	1,019	-		1,000	1,000	-	
Lease liabilities	210	210	-		-	-	-	
Provision for reinstatement cost	26	26	-		-	-	-	
	<u>5,224</u>	<u>5,203</u>	21		<u>4,813</u>	<u>5,519</u>	<u>(706)</u>	
<b>Net current liabilities</b>	<u>(1,932)</u>	<u>(1,886)</u>	46		<u>(3,614)</u>	<u>(3,544)</u>	<u>70</u>	
<b>Non-current liabilities</b>								
Trade and other payables	-	-	-		749	-	749	[f]
Interest-bearing borrowings	74	74	-		-	-	-	
Lease liabilities	-	-	-		-	-	-	
	<u>74</u>	<u>74</u>	-		<u>749</u>	<u>-</u>	<u>749</u>	
<b>Total net liabilities</b>	<u>(1,651)</u>	<u>(1,605)</u>	46		<u>(2,947)</u>	<u>(2,987)</u>	<u>(40)</u>	
<b>Equity attributable to equity holders of the Company</b>								
Share capital	34,667	34,667	-		34,667	34,667	-	
Reserves	(36,318)	(36,272)	46	[e]	(37,614)	(37,654)	(40)	[i]
<b>Total equity</b>	<u>(1,651)</u>	<u>(1,605)</u>	46		<u>(2,947)</u>	<u>(2,987)</u>	<u>(40)</u>	

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**Appendix A****Explanatory Note:**

- [e] The adjustments to the Group's balances in the consolidated statement of financial position were mainly attributable to the audit adjustments raised by auditors of the Group's subsidiary in the United Kingdom, upon completion of the audit in November 2021, and additional allowance for expected credit losses made for receivables from students arising from the Group's operations in Singapore. The nature of the adjustments have been explained in the explanatory notes to the consolidated income statement for the financial year ended 30 June 2021.
- [f] The variances noted for the Company's non-current trade and other receivables and non-current trade and other payables were mainly due to reclassification of the non-current portions of loans owing from/to subsidiaries to non-current assets and non-current liabilities respectively.
- [g] The variances in the Company's trade and other receivables was due to fair value adjustment on a loan due from a subsidiary in Hong Kong which was restructured during the financial year, and the reclassification of the non-current portion of the loan to non-current assets as elaborated in [f].
- [h] The variances in the Company's trade and other payables was due to fair value adjustment on a loan due to a subsidiary upon restructuring and novation of inter-company loans within the Group which occurred during the financial year, and the reclassification of the non-current portion of the loan to non-current liabilities as elaborated in [f].
- [i] Reduction in the deficit of the Company's reserves was as explained in note [f] to [h]. The fair value adjustments on the intercompany loans have no impact on the Group's statement of financial position and consolidated income statement.

There were no material variances noted on the Group's consolidated cash flow statement for the financial year ended 30 June 2021.

The Company would like to highlight to shareholders that there were reclassifications made to certain disclosure items in the Audited FY2021 Financial Statements which do not have any net impact on the Group's financial results. The Board is hence of the opinion that these reclassifications were not material, except for the reclassifications set out in above explanatory notes.