

**INFORMATICS EDUCATION LTD.**  
(Company Registration Number: 198303419G)  
(Incorporated in Singapore)

---

**PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF  
INFORMATICS ACADEMY PTE. LTD. AS A MAJOR TRANSACTION**

---

**1. INTRODUCTION**

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of Informatics Education Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 15 December 2021 entered into a Share Sale Agreement (“**SSA**”) with Professional Education Management Pte Ltd (formerly known as TEG Edu Solutions Pte. Ltd.) (“**Purchaser**”) pursuant to which the Company agreed to sell to the Purchaser, and the Purchaser agreed to acquire, all of the issued and paid-up shares in the capital of Informatics Academy Pte. Ltd. (“**IAPL**”) (“**Sale Shares**”), on the terms and subject to the conditions of the SSA (“**Proposed Disposal**”).
- 1.2 The Proposed Disposal constitutes a “major transaction” under Chapter 10 of the Rules of Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”).
- 1.3 Accordingly, the Company is seeking the approval of the shareholders of the Company (the “**Shareholders**”) for the Proposed Disposal as a major transaction under Chapter 10 of the Listing Manual at an extraordinary general meeting (“**EGM**”) to be convened. A circular setting out, *inter alia*, further details of the Proposed Disposal, together with a notice of the EGM, will be released to Shareholders in due course.
- 1.4 Upon completion of the Proposed Disposal (“**Completion**”), IAPL will cease to be a subsidiary of the Company.

**2. INFORMATION RELATING TO THE IAPL AND THE PURCHASER**

**2.1 Information on IAPL**

IAPL was incorporated on 26 July 1989 in Singapore as a private company limited by shares and it has an issued and paid-up share capital of S\$52,661,600.00 comprising 52,661,600 ordinary shares as at the date of this announcement.

IAPL is a wholly-owned subsidiary of the Company and is principally engaged in the business of conducting higher education in Information Technology, Gaming & Animation, Esports & Network and Computer Technology and such other education related programs and services (“**Business**”).

**2.2 Information on the Purchaser**

The Purchaser is a private limited company which was incorporated in Singapore on 15 July 2020 with an issued and paid-up capital of S\$10,000, comprising 10,000 ordinary shares.

The Purchaser is a private education institution, running undergraduate and industry based adult education programs.

### 3. RATIONALE AND USE OF PROCEEDS FOR THE PROPOSED DISPOSAL

The Board considers that the Proposed Disposal is in the interest of the Company, taking into consideration the following factors:

- (a) the Proposed Disposal presents an opportunity for the Company to realise the investments in IAPL and to unlock value that had been accumulated for the benefit of the Shareholders. The Consideration (as defined below) of S\$320,000.00 translates into an equity value of 0.61 cents per share; and
- (b) with the proceeds from the Proposed Disposal, the Company intends to settle the liabilities of IAPL.

### 4. SALIENT TERMS OF THE SSA

#### 4.1 Consideration

4.1.1 The consideration for the Sale Shares ("**Consideration**") shall be S\$320,000.00 in cash which shall be satisfied by the Purchaser in the following manner:

- (a) S\$100,000.00 upon the execution of the SSA;
- (b) S\$100,000.00 on the Completion Date (as defined below); and
- (c) S\$120,000.00 three (3) months from Completion Date (as defined below).

4.1.2 All liabilities in connection with the Business arising as at 30 November 2021 ("**Vendor's Liabilities**") are excluded from the sale and purchase under the SSA and shall not be transferred to and assumed by the Purchaser, and the Company undertakes to indemnify the Purchaser from all claims arising from or relating to the Vendor's Liabilities.

4.1.3 All receivables in connection with the Business arising as at 30 November 2021 ("**Vendor's Receivables**") shall be for the account of the Company. The Purchaser undertakes that all Vendor's Receivables received after the Completion Date (as defined below) by IAPL shall be paid to the Company within three (3) business days of such receipt. Pending such payment, IAPL shall be deemed to hold such monies in trust for the Company.

4.1.4 The Consideration was arrived at pursuant to arm's length negotiations, on a willing-buyer, willing-seller basis, taking into account, *inter alia*, IAPL's EduTrust status, brand name and existing intellectual property, including its course design and materials.

4.1.5 Based on the audited financial statements of the Group as at 30 June 2021, the excess of the proceeds from the Proposed Disposal over the net asset value ("**NAV**") of the Sale Shares shall be approximately S\$704,000. Taking into account the estimated expenses of the Proposed Disposal of approximately S\$92,000 and the exclusion of Vendor's Liabilities and Vendor's Receivables (please refer to paragraphs 4.1.2 and 4.1.3 above) from the sale and purchase under the SSA, the Proposed Disposal is expected to result in a gain of approximately S\$228,000.

## 4.2 **Salient terms of the Proposed Disposal**

### 4.2.1 Conditions Precedent

- (a) Completion of the sale and purchase of the Sale Shares is conditional upon the following condition(s) having been fulfilled or waived in writing ("**Conditions Precedent**"):
- (i) approval of the Shareholders in general meeting ("**Shareholders' Approval**") for the sale of the Sale Shares;
  - (ii) the Company's warranties being true, correct and being complied with, in each case, in all material respects as at the Completion Date (as defined below); and
  - (iii) the Purchaser's warranties being true, correct and being complied with, in each case, in all material respects as at the Completion Date (as defined below).
- (b) Unless specifically waived by the party to the SSA entitled to waive the conditions, if any of the conditions stated in Clause 3.1 of the SSA (or paragraph 4.2.1(a) above) are not fulfilled on or before the Long Stop Date (as defined below), the SSA (save for Clauses 8, 9 and 11 of the SSA) shall *ipso facto* cease and determine, and neither the Company nor the Purchaser shall have any claim against the other for costs, damages, compensation or otherwise, save for any claim by the non-defaulting party to the SSA against the defaulting party to the SSA arising from any antecedent breach of the terms of the SSA.

### 4.2.2 Inter-Company Loans

The Company shall procure that amounts due from the Company to IAPL shall be waived in full prior to Completion.

### 4.2.3 Completion

- (a) Completion will take place on the date falling seven (7) business days from the date on which all the Conditions Precedent are fulfilled and/or waived or deferred by the Company and/or the Purchaser, but in any event no later than the date falling 180 days after the date of the SSA or such other date as the Company and the Purchaser may mutually agree in writing ("**Long Stop Date**") ("**Completion Date**").
- (b) On Completion, the Purchaser shall take over and operate the Business. The Purchaser agrees with the Company with effect from 1 December 2021, to assume the obligations of and become entitled to the benefits of the Company under all contracts made pursuant to the Business and the Purchaser shall carry out, perform and complete all such obligations (including but not limited to repayment of all suppliers on a timely basis) and shall indemnify the Company and keep it fully indemnified against all liabilities, losses, actions, proceedings, costs, claims, demands and expenses brought or made against or incurred by the Company in respect of the non-performance or defective or negligent performance by the Purchaser of these contracts and/or misuse of any brand name of IAPL.

#### 4.2.4 Representations and Warranties

- (a) Pursuant to the SSA, the Company and the Purchaser have furnished representations and warranties typical for transactions such as the Proposed Disposal.
- (b) If any material breach or inaccuracy in any of the warranties becomes apparent to the other party on or before Completion, the non-breaching party may, by notice to the party in breach, terminate the SSA without prejudice to any other remedy available to the non-breaching party.
- (c) The aggregate maximum liability of the party in breach in respect of all and any claims under the warranties shall not exceed ten percent (10%) of the Consideration pursuant to the SSA.

#### 5. **RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL**

Based on the latest audited consolidated financial statements for the financial year ended 30 June 2021 ("FY2021"), the relative figures in respect of the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

<b>Rule 1006(a)</b>	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable <sup>(1)</sup>
<b>Rule 1006(b)</b>	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.  ((S\$1,264,000)/(S\$1,539,000))	82.1% <sup>(2)</sup>
<b>Rule 1006(c)</b>	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.  (S\$320,000/S\$3,901,000)	8.2% <sup>(3)</sup>
<b>Rule 1006(d)</b>	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable <sup>(4)</sup>
<b>Rule 1006(e)</b>	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable <sup>(5)</sup>

#### **Notes:**

- (1) Vendor's Liabilities and Vendor's Receivables shall be for the account of the Company (please refer to paragraphs 4.1.2 and 4.1.3 above).
- (2) The net loss attributable to IAPL and the Group for FY2021 are S\$(1,264,000) and S\$(1,539,000) respectively.

- (3) The market capitalisation of the Company of S\$3,901,000 is determined by multiplying the number of shares in issue of 177,339,649 by the weighted average price of the shares of S\$0.022 transacted on 14 December 2021, being the last day on which the shares were traded preceding the date of the SSA.
- (4) This basis is not applicable to the Proposed Disposal, as it is not an acquisition and no equity securities will be issued as part of the consideration for the Proposed Disposal.
- (5) The Proposed Disposal is not a disposal of mineral, oil and gas assets.

Having regard to the above, as the relative figures calculated on the basis pursuant to Rule 1006(b) exceed 20%, the Proposed Disposal constitutes a 'major transaction' under Chapter 10 of the Listing Manual. The Company will be seeking its shareholders' approval for the Proposed Disposal as a major transaction under Chapter 10 of the Listing Manual at the EGM to be convened.

## 6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Proposed Disposal. The financial effects of the Proposed Disposal set out below have been prepared based on the Group's audited consolidated financial statements for FY2021, and on the following bases and assumptions:

- (a) the expenses to be incurred in connection with the Proposed Disposal are estimated to be approximately S\$92,000; and
- (b) the Net Tangible Assets ("**NTA**") per share and Earnings per Share ("**EPS**") of the Company are computed based on the 177,339,649 shares in issue as at 30 June 2021.

### (a) Share Capital

The Proposed Disposal will not have any effect on the issued and paid-up share capital of the Company.

### (b) NTA

The effects of the Proposed Disposal on the audited consolidated NTA per share of the Group for FY2021, assuming that the Proposed Disposal had been effected on 30 June 2021 being the end of the most recently completed financial year of the Company, are summarised below:

	<b>Before the Disposal</b>	<b>After the Disposal</b>
<b>NTA (S\$'000)</b>	(1,937)	(1,709)
<b>Number of Shares</b>	177,339,649	177,339,649
<b>NTA per share (Singapore Cents)</b>	(1.09)	(0.96)

**(c) EPS**

The effects of the Proposed Disposal on the audited consolidated EPS of the Group for FY2021, assuming that the Proposed Disposal had been effected on 1 July 2020, being the beginning of the most recently completed financial year of the Company are summarised below:

	<b>Before the Disposal</b>	<b>After the Disposal</b>
<b>Consolidated net profits (S\$'000)</b>	(1,539)	(223)
<b>Weighted average number of shares</b>	177,339,649	177,339,649
<b>EPS (Singapore cents)</b>	(0.87)	(0.13)

**(d) Gearing**

The effects of the Proposed Disposal on the gearing of the Group for FY2021, assuming that the Proposed Disposal had been effected on 30 June 2021, being the end of the most recently completed financial year of the Company, are summarised below:

	<b>Before the Disposal</b>	<b>After the Disposal</b>
<b>Total debts* (S\$'000)</b>	5,298	5,298
<b>Total equity (S\$'000)</b>	(1,651)	(1,424)
<b>Gearing ratio (times)</b>	n/m	n/m

\* Total liabilities of the Group as at 30 June 2020.  
n/m – not meaningful

**7. SERVICE CONTRACTS**

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN THE PROPOSED DISPOSAL**

None of the Directors or controlling Shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the SSA, the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

## **10. DOCUMENTS FOR INSPECTION**

A copy of the SSA is available for inspection during normal business hours at the registered office of the Company at 133 Cecil Street, #17-01B, Keck Seng Tower, Singapore 069535 for three (3) months from the date of this announcement.

## **11. CAUTIONARY STATEMENT**

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of the Conditions Precedent set out above and accordingly, should exercise caution when trading in the shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Disposal, the SSA and other matters contemplated in this announcement.

BY ORDER OF THE BOARD

Yau Su Peng  
Executive Director

15 December 2021