

INFORMATICS EDUCATION LTD.

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

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

1. Introduction

Informatics Education Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list pursuant to Rule 1311 of the SGX Listing Manual on 5 December 2017, and would need to meet the requirements of Rule 1314 of the Listing Manual of the SGX-ST for removal from the Watch-List by the deadline of 4 December 2020. On 23 November 2020, SGX-ST confirmed that it has no objection to the Company’s application for extension of time of twelve months to 4 December 2021 with regard to compliance with Rule 1315 of the Listing Manual of SGX-ST. On 30 November 2021, SGX-ST confirmed that it has no objection to the Company’s application for further extension of time of six months to 4 June 2022 for removal from the Watch-List. The Company has submitted a written undertaking from the directors and the controlling shareholder that the Company shall utilise the six months extension period to provide monthly updates on their progress to exit the Watch-List, and that if the Company is unable to exit the Watch-List by 4 June 2022, the Company shall be delisted and cash exit offer to be made to shareholders pursuant to Listing Rule 1309 by 4 July 2022.

Pursuant to Rule 1313(2) of the SGX Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide the following update on the Group.

2. Q1 Financial Results for the Quarter Ended 30 September 2021

On 31 December 2021, the Group has released its unaudited financial results for the quarter ended 30 September 2021 (“**Q1 FY2022**”).

The Group recorded a decrease in revenue of \$0.4 million (18%) from \$2.3 million for quarter ended 30 September 2020 (“**Q1 FY2021**”) to \$1.9 million for Q1 FY2022. The decrease in revenue was mainly attributed to decline in students’ enrolments for courses and assessments as a result of the COVID-19 pandemic for the United Kingdom operations and due to the Group’s subsidiary in Singapore, Informatics Academy Pte Ltd ceasing acceptance of new students since 1 April 2021.

The Group recorded a decrease in profit before tax of \$21,000 (62%) for Q1 FY2022 as compared to Q1 FY2021. While the Group’s operations in Singapore had cut down its losses after a restructuring exercise, the profits for the United Kingdom operations have declined due mainly to declines in students’ enrolments for courses and assessments as a result of the COVID-19 pandemic.

3. Future Direction and Business Updates

The effects of the COVID-19 pandemic continue to be felt in certain geographic locations in which the Group operates. The situation and the impact on the Group’s business, economic performance and cash flows remain uncertain.

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

Business updates on the Group's operations, financial performance, financial position and cash flows

Singapore

On 15 December 2021, the Company has entered into a share sale agreement with a third party pursuant to which the Company agreed to sell to the third party, and the third party agreed to acquire, all of the issued and paid-up shares in the capital of Informatics Academy Pte Ltd ("**IAPL**"), for a consideration of \$320,000. All liabilities in connection with IAPL's business arising as at 30 November 2021 are excluded from the sale and purchase under the share sale agreement and all receivables in connection with IAPL's business arising as at 30 November 2021 shall be for the account of the Company.

The Group expects to complete the disposal after seeking the approval of the shareholders of the Company for the proposed disposal of IAPL, as a major transaction under Chapter 10 of the Listing Manual at an extraordinary general meeting to be convened.

United Kingdom

The Group's subsidiary in the United Kingdom, NCC Education Ltd ("**NCC**"), is involved in the running of examinations and awarding of qualifications. NCC continues to administer its examinations using a mixture of remote exam invigilation and time constrained assessment to ensure minimal disruptions to students' examinations. In many markets, business activities are resuming and progressing back to normality and some with adjusted programme delivery.

Some of NCC's network of accredited partner centres located across different geographical locations continue to encounter difficulties in resuming delivery of its programmes due to pro-longed impact of the COVID-19 pandemic, while centres who have fully resumed operations continued to face challenges and uncertainties due to weakened demand on education programmes and services. As a result, students' registrations are still below pre-pandemic levels. NCC remains committed in supporting its partner centres during this challenging period and are working closely with some of the partner centres to develop online and/or blended learning models to ensure continuity of learning, where permitted.

While business performance and cash flows have shown improvements in recent quarters, there remains significant uncertainty in the operating environment due to the COVID-19 pandemic. NCC will continue to put appropriate cost control measures in place to manage its business costs during this period.

NCC continues to work on the development of a new online remote assessment solution for international students looking to further their studies in the United Kingdom, with funding support from the United Kingdom government, in addition to accelerating the migration of traditional face-to-face programmes to have online delivery and assessment capabilities.

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

Hong Kong

The Group's subsidiary in Hong Kong, Informatics Education (HK) Ltd ("**IEHK**") has ensured continuity in the delivery of its programmes during the pandemic period through online live classes and online recruitment activities through the use of webinars. Since the last quarter of the financial year ended 30 June 2021, IEHK has slowly resumed face-to-face delivery, in line with guidelines issued by the Hong Kong Education Bureau and Office of Continuing Education Fund.

During the previous financial year ended 30 June 2021, IEHK has been successfully re-accredited as an authorised training partner of Project Management Institute ("**PMI**[®]"). This will better position IEHK to attract market participants who are interested to achieve certifications on PMI[®]-related programmes.

IEHK continues to strive to improve its delivery of short courses to the market and has been conducting workshops on topics such as blockchain, entrepreneurship, innovation with design thinking and software development testing, and is continuing to expand on other relevant topics relating to upskilling and reskilling the workforce.

Overall

Given the uncertainty in the operating environment due to the COVID-19 pandemic and the restructuring of the Singapore operations, the Group may continue to experience pressures on its operating cash flows over the next few months. Whilst the Group is unable to provide guidance on the impact of the pandemic on its business, future economic performance and future cash flows, the Group will continue to assess the situation, put in place appropriate measures to manage and minimise the impact to the business, and continue to exercise prudence in ensuring sufficient working capital to continue as a going concern.

The Group is considering all viable options for the continual listing of the Company on the SGX Mainboard and will work within the extended timeline granted by SGX-ST. The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in this regard.

BY ORDER OF THE BOARD

Yau Su Peng
Non-Executive Chairman
31 December 2021