

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

UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 30 SEPTEMBER 2021

Pursuant to Rule 705(2C) of the SGX-ST Listing Rules (Mainboard), the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020.

Informatics Education Ltd and its subsidiaries

Condensed consolidated income statement for quarter ended 30 September 2021

(In Singapore Dollars)

	Note	Q1 ended 30.09.2021 \$'000	Q1 ended 30.09.2020 \$'000	Change %
Revenue	5.2	1,881	2,295	-18%
Other operating income	6	4	67	-94%
Staff costs		(934)	(1,102)	-15%
Depreciation of property, plant and equipment	10	(40)	(86)	-53%
Allowance for expected credit loss on receivables		(40)	(14)	N/M
Other operating expenses		(858)	(1,126)	-24%
Profit before taxation	6	<u>13</u>	<u>34</u>	-62%
Taxation		-	-	N/M
Profit for the financial period		<u><u>13</u></u>	<u><u>34</u></u>	-62%
Profit attributable to:				
Equity holders of the Company		<u><u>13</u></u>	<u><u>34</u></u>	-62%
Profit per share attributable to equity holders of the Company (cents)				
Basic		0.01	0.02	-50%
Diluted		<u><u>0.01</u></u>	<u><u>0.02</u></u>	-50%

Condensed consolidated statement of comprehensive income for quarter ended 30 September 2021

(In Singapore Dollars)

	Q1 ended 30.09.2021 \$'000	Q1 ended 30.09.2020 \$'000	Change %
Profit for the financial period	13	34	-62%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	25	(26)	N/M
Other comprehensive income for the financial period	<u>25</u>	<u>(26)</u>	N/M
Total comprehensive income for the financial period	<u><u>38</u></u>	<u><u>8</u></u>	N/M
Total comprehensive income attributable to:			
Equity holders of the Company	<u>38</u>	<u>8</u>	N/M
	<u><u>38</u></u>	<u><u>8</u></u>	N/M

N/M: Not meaningful

Informatics Education Ltd and its subsidiaries
Condensed statements of financial position as at 30 September 2021

(In Singapore Dollars)

		Group		Change %	Company		Change %
	Note	30.09.2021 \$'000	30.06.2021 \$'000		30.09.2021 \$'000	30.06.2021 \$'000	
Non-current assets							
Property, plant and equipment	10	39	70	-44%	-	-	N/M
Intangible assets	11	269	285	-6%	-	-	N/M
Investment in subsidiaries		-	-	N/M	557	557	N/M
Trade and other receivables		-	-	N/M	841	859	-2%
		<u>308</u>	<u>355</u>		<u>1,398</u>	<u>1,416</u>	
Current assets							
Prepayments		256	250	2%	30	6	N/M
Trade and other receivables		1,281	1,003	28%	387	138	N/M
Cash and bank balances		1,858	2,039	-9%	1,046	1,055	-1%
		<u>3,395</u>	<u>3,292</u>		<u>1,463</u>	<u>1,199</u>	
Total assets		<u>3,703</u>	<u>3,647</u>		<u>2,861</u>	<u>2,615</u>	
Current liabilities							
Deferred income and fees		1,684	1,808	-7%	200	120	67%
Trade and other payables		2,384	2,161	10%	3,733	3,693	1%
Interest-bearing borrowings	12	1,019	1,019	N/M	1,000	1,000	N/M
Lease liabilities		134	210	-36%	-	-	N/M
Provision for reinstatement cost		27	26	4%	-	-	N/M
		<u>5,248</u>	<u>5,224</u>		<u>4,933</u>	<u>4,813</u>	
Net current liabilities		<u>(1,853)</u>	<u>(1,932)</u>		<u>(3,470)</u>	<u>(3,614)</u>	
Non-current liabilities							
Trade and other payables		-	-	N/M	749	749	N/M
Interest-bearing borrowings	12	68	74	-8%	-	-	N/M
		<u>68</u>	<u>74</u>		<u>749</u>	<u>749</u>	
Total net liabilities		<u>(1,613)</u>	<u>(1,651)</u>		<u>(2,821)</u>	<u>(2,947)</u>	
Equity attributable to equity holders of the Company							
Share capital	13	34,667	34,667	N/M	34,667	34,667	N/M
Reserves		(36,280)	(36,318)	N/M	(37,488)	(37,614)	N/M
Total equity		<u>(1,613)</u>	<u>(1,651)</u>		<u>(2,821)</u>	<u>(2,947)</u>	

N/M: Not meaningful

Informatics Education Ltd and its subsidiaries

Condensed consolidated cash flow statement for quarter ended 30 September 2021

(In Singapore Dollars)

	Note	Q1 ended 30.09.2021 \$'000	Q1 ended 30.09.2020 \$'000
Cash flow from operating activities			
Profit before taxation		13	34
Adjustments for:			
Depreciation of property, plant and equipment	10	40	86
Amortisation of intangible assets		11	4
Net gain on disposal of property, plant and equipment		(3)	-
Allowance for expected credit loss on receivables		40	14
Interest expense on lease liabilities		1	4
Finance costs		3	4
Interest income		(1)	(1)
Government grants and subsidies		-	(53)
Unrealised exchange loss/(gain)		25	(35)
Operating profit before working capital changes		129	57
Increase in prepayments, trade and other receivables		(323)	(2)
Decrease in deferred income and fees		(124)	(262)
Increase in trade and other payables		224	272
Cash (used in)/generated from operations		(94)	65
Interest received		-	1
Interest paid		(3)	(4)
Net cash flows (used in)/generated from operating activities		(97)	62
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(9)	(7)
Expenditure on intangible assets	11	-	(46)
Proceeds from disposal of property, plant and equipment		3	-
Net cash flows used in investing activities		(6)	(53)
Cash flows from financing activities			
Repayment of lease liabilities (net of government grants and subsidies)		(77)	(131)
Repayment of interest-bearing borrowings		(5)	-
Net cash flows used in financing activities		(82)	(131)
Net decrease in cash and cash equivalents		(185)	(122)
Cash and cash equivalents at beginning of the financial period		1,031	2,692
Effects of exchange rate changes on opening cash and cash equivalents		4	10
Cash and cash equivalents at end of the financial period		850	2,580

Note:

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

Cash at bank and on hand	850	1,571
Short term deposits	1,008	2,009
	1,858	3,580

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

Cash at bank and on hand	850	1,571
Short term deposits	1,008	2,009
(-) Fixed deposit pledged as security for borrowings	(1,008)	(1,000)
	850	2,580

Informatics Education Ltd and its subsidiaries
Condensed statements of changes in equity for quarter ended 30 September 2021

(In Singapore Dollars)

Group	Attributable to equity holders of the Company				Total equity \$'000
	Share capital \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	
At 1 July 2021	34,667	(3)	(36,315)	(36,318)	(1,651)
Profit for the financial period	-	-	13	13	13
Other comprehensive income for the financial period	-	25	-	25	25
Total comprehensive income for the financial period	-	25	13	38	38
At 30 September 2021	34,667	22	(36,302)	(36,280)	(1,613)
At 1 July 2020	34,667	153	(34,776)	(34,623)	44
Profit for the financial period	-	-	34	34	34
Other comprehensive income for the financial period	-	(26)	-	(26)	(26)
Total comprehensive income for the financial period	-	(26)	34	8	8
At 30 September 2020	34,667	127	(34,742)	(34,615)	52

Company	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 July 2021	34,667	(37,614)	(2,947)
Profit for the financial period, representing total comprehensive income for the financial period	-	126	126
At 30 September 2021	34,667	(37,488)	(2,821)
At 1 July 2020	34,667	(37,502)	(2,835)
Loss for the financial period, representing total comprehensive income for the financial period	-	(144)	(144)
At 30 September 2020	34,667	(37,646)	(2,979)

Informatics Education Ltd and its subsidiaries
Notes to condensed consolidated financial statements

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.

The Company's immediate holding company is Berjaya Leisure Capital (Cayman) Limited, incorporated in the Cayman Islands. 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 Company are those of investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators.

2. Going concern assessment

For the quarter ended 30 September 2021, the Group recorded a net profit of \$13,000 (Q1 ended 30 September 2020: \$34,000) and recorded cash outflow of \$97,000 (Q1 ended 30 September 2020: cash inflow of \$62,000) from its operating activities.

As at 30 September 2021, the Group has net current liabilities and net liabilities of \$1,853,000 (30 June 2021: \$1,932,000) and \$1,613,000 (30 June 2021: \$1,651,000) respectively, while the Company has net current liabilities and net liabilities of \$3,470,000 (30 June 2021: \$3,614,000) and \$2,821,000 (30 June 2021: \$2,947,000) 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 Board of Directors are of the view that it is appropriate 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.

Informatics Education Ltd and its subsidiaries
Notes to condensed consolidated financial statements

3. Basis of preparation

The condensed consolidated financial statements for the quarter ended 30 September 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 year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year 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 year 30 June 2021.

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 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.

Informatics Education Ltd and its subsidiaries
Notes to condensed consolidated financial statements

5.1 Reportable segments

	<u>Higher Education</u>		<u>Corporate Training</u>		Note	<u>Total</u>	
	<u>Q1 ended 30.09.2021</u>	<u>Q1 ended 30.09.2020</u>	<u>Q1 ended 30.09.2021</u>	<u>Q1 ended 30.09.2020</u>		<u>Q1 ended 30.09.2021</u>	<u>Q1 ended 30.09.2020</u>
	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue:							
Sales to external customers	1,467	1,822	414	473		1,881	2,295
Results:							
Sundry income and government grants and subsidies	-	13	-	-		-	13
Interest income	1	1	-	-		1	1
Staff costs	(850)	(1,039)	(84)	(63)		(934)	(1,102)
Depreciation and amortisation							
- Depreciation	(1)	(45)	(39)	(41)		(40)	(86)
- Amortisation	(11)	(4)	-	-		(11)	(4)
Allowance for expected credit loss on receivables and bad debts written-off	(40)	(14)	-	-		(40)	(14)
Interest expenses on lease liabilities	(1)	(3)	-	(1)		(1)	(4)
Finance costs	(3)	(4)	-	-		(3)	(4)
Net gain on disposal of property, plant and equipment	3	-	-	-		3	-
Lease expenses	(24)	(14)	(2)	(2)		(26)	(16)
Other non-cash (expenses)/income	(28)	71	34	(91)	(i)	6	(20)
Segment (loss)/profit before tax	(121)	(59)	134	93		13	34
Assets:							
Capital expenditure	4	52	5	1	(ii)	9	53
Segment assets	3,301	5,242	402	547		3,703	5,789
Total assets	3,301	5,242	402	547		3,703	5,789
Liabilities:							
Segment liabilities	5,079	5,402	237	335		5,316	5,737
Total liabilities	5,079	5,402	237	335		5,316	5,737

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 and intangible assets.

Informatics Education Ltd and its subsidiaries
Notes to condensed consolidated financial statements

5.2 Disaggregation of revenue

a) Segments

	Course fees		Examination fees		Franchise and license fee income		Total revenue	
	Q1 ended 30.09.2021	Q1 ended 30.09.2020	Q1 ended 30.09.2021	Q1 ended 30.09.2020	Q1 ended 30.09.2021	Q1 ended 30.09.2020	Q1 ended 30.09.2021	Q1 ended 30.09.2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Primary geographical markets</i>								
Asia	511	666	499	620	103	142	1,113	1,428
Europe	-	-	140	177	26	35	166	212
Africa	-	-	542	580	60	75	602	655
	511	666	1,181	1,377	189	252	1,881	2,295
<i>Timing of transfer of goods or services</i>								
At a point in time	-	-	1,181	1,377	164	225	1,345	1,602
Over time	511	666	-	-	25	27	536	693
	511	666	1,181	1,377	189	252	1,881	2,295

b) Information about major customers

There are no major customers that contribute more than 10% (Q1 ended 30 September 2020: 10%) of the Group's revenue for the current financial period.

Informatics Education Ltd and its subsidiaries
Notes to condensed consolidated financial statements

6. Profit before taxation

	Group	
	Q1 ended	Q1 ended
	30.09.2021	30.09.2020
	\$'000	\$'000
Other operating income		
Government grants and subsidies	-	65
Interest income	1	1
Net gain on disposal of property, plant and equipment	3	-
Sundry income	-	1
	<u>4</u>	<u>67</u>

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

Amortisation of intangible assets	11	4
Interest expense on lease liabilities	1	4
Finance costs	3	4
Foreign exchange (gain)/loss, net	(6)	70
Lease expenses	26	16
	<u>26</u>	<u>16</u>

7. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Q1 ended	Q1 ended
	30.09.2021	30.09.2020
	\$'000	\$'000
Expenses charged by related company		
- rental of premises	11	-
	<u>11</u>	<u>-</u>

8. Financial assets and financial liabilities

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

	Group		Company	
	30.09.2021	30.06.2021	30.09.2021	30.06.2021
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets measured at amortised cost</i>				
Trade and other receivables	1,281	1,003	1,228	997
Cash and bank balances	1,858	2,039	1,046	1,055
	<u>3,139</u>	<u>3,042</u>	<u>2,274</u>	<u>2,052</u>
Less: Goods and services/value	(23)	(24)	(2)	(9)
	<u>3,116</u>	<u>3,018</u>	<u>2,272</u>	<u>2,043</u>
<i>Financial liabilities measured at amortised cost</i>				
Trade and other payables	2,384	2,161	4,482	4,442
Interest-bearing borrowings	1,087	1,093	1,000	1,000
Lease liabilities	134	210	-	-
	<u>3,605</u>	<u>3,464</u>	<u>5,482</u>	<u>5,442</u>

Informatics Education Ltd and its subsidiaries
Notes to condensed consolidated financial statements

9. Net asset value

	Group		Company	
	30.09.2021	30.06.2021	30.09.2021	30.06.2021
	cents	cents	cents	cents
Net asset value per ordinary share	(0.91)	(0.93)	(1.59)	(1.66)

10. Property, plant and equipment

Group	Furniture and fittings, office and computer equipment	Improvement to premises	Right-of-use assets - School and office premises	Total
	\$'000	\$'000	\$'000	\$'000
Cost:				
At 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 and 1 July 2021	1,877	214	857	2,948
Additions	9	-	-	9
Disposals/write-off	(59)	-	-	(59)
Exchange differences	(12)	(1)	(1)	(14)
At 30 September 2021	1,815	213	856	2,884
Accumulated depreciation and impairment:				
At 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	(688)	(393)	(1,231)	(2,312)
Exchange differences	55	2	12	69
At 30 June 2021 and 1 July 2021	1,867	210	801	2,878
Charge for the financial period	4	2	34	40
Disposals/write-off	(59)	-	-	(59)
Exchange differences	(12)	(1)	(1)	(14)
At 30 September 2021	1,800	211	834	2,845
Net carrying amount:				
At 30 September 2021	15	2	22	39
At 30 June 2021	10	4	56	70

There are no significant acquisitions or disposals of property, plant and equipment for the Company during the financial period.

11. Intangible assets

During the financial period, the Group has no significant acquisition or disposal of intangible assets.

Informatics Education Ltd and its subsidiaries
Notes to condensed consolidated financial statements

12. Interest-bearing borrowings

	Group		Company	
	30.09.2021	30.06.2021	30.09.2021	30.06.2021
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or on demand				
- Secured	1,000	1,000	1,000	1,000
- Unsecured	19	19	-	-
	<u>1,019</u>	<u>1,019</u>	<u>1,000</u>	<u>1,000</u>
Amount repayable after one year				
- Unsecured	68	74	-	-

The Group's borrowings are secured by the Company's fixed deposit placed with the bank amounting to \$1.008 million.

13. Share capital

	Group and Company			
	30.09.2021		30.06.2021	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Issued and fully paid:				
At beginning and end of the financial period	<u>177,339</u>	<u>34,667</u>	<u>177,339</u>	<u>34,667</u>

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

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

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 September 2021 and 30 June 2021.

14. Subsequent events

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 financial effects of the above transaction have not been included in this interim financial statements for the quarter ended 30 September 2021.

Other Information Required by Listing Rule (Appendix 7.2)

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 September 2021 and the related consolidated income statement and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the quarter ended 30 September 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, which for the financial year ended 30 June 2021 is relating to material uncertainty relating to going concern.

2. Review of performance of the Group

Glossary:

Quarter ended 30 September 2021 (i.e. from 1 July 2021 to 30 September 2021): **Q1 FY2022**

Quarter ended 30 September 2020 (i.e. from 1 July 2020 to 30 September 2020): **Q1 FY2021**

- (a) The Group recorded a decrease in revenue of \$0.4 million (18%) from \$2.3 million for 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.
- (b) Other operating income decreased by 94% mainly because less government subsidies were received in Q1 FY2022 as compared to Q1 FY2021.
- (c) Staff costs decreased by \$0.2 million (15%) from \$1.1 million for Q1 FY2021 to \$0.9 million for Q1 FY2022. The decrease was mainly attributable to lower employee headcount for Q1 FY2022 due to a redundancy exercise by the Group's subsidiary in Singapore, partially offset by lower receipt of grants and subsidies from the governments in the various countries with the Group's subsidiaries operate.
- (d) The depreciation of property, plant and equipment was lower for Q1 FY2022 as compared to Q1 FY2021 due to more assets becoming fully depreciated/impaired in the current period as compared to the previous period.
- (e) The increase in allowance for expected credit loss on receivables was mainly attributable to higher allowance made for expected credit loss made for the United Kingdom's operations, as a result of slower collections from customers.
- (f) Other operating expenses decreased by \$0.2 million (24%) from \$1.1 million for Q1 FY2021 to \$0.9 million for Q1 FY2022. The decrease was mainly due to lower level of business activities for Q1 FY2022, in line with decrease in revenue, and the Group's continuous effort to manage its costs during the pandemic period. The Group also recorded exchange gain in Q1 FY2022, as opposed to an exchange loss of \$0.1 million in Q1 FY2021.

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

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

- (g) 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.
- (h) As at 30 September 2021, the Group's property, plant and equipment decreased by 44% as compared to 30 June 2021, due mainly to depreciation charge for Q1 FY2022.
- (i) The Group's trade and other receivables increased by \$0.3 million (28%) from \$1.0 million as at 30 June 2021 to \$1.3 million as at 30 September 2021 due mainly to slower collections from customers. The increase in the Company's trade and other receivables was mainly attributable to slower collections from a customer in the Africa region.
- (j) The Group's cash and bank balances decreased by \$0.2 million from \$2.0 million as at 30 June 2021 to \$1.8 million as at 30 September 2021 due mainly to cash utilisation for operations of \$0.1 million, and net payment of lease liabilities of \$0.1 million during Q1 FY2022.
- (k) The increase in the Company's deferred income and fees by 67% was due to higher franchise fees and examination fees billed to a customer in the Africa region in Q1 FY2022, as compared to Q1 FY2021.
- (l) The Group's trade and other payables increased by \$0.2 million (10%) mainly due to the accruals for business costs made during Q1 FY2022, and slower repayment to creditors.
- (m) The Group's lease liabilities totalled \$0.1 million as at 30 September 2021. The decrease in lease liabilities was due mainly to lease liabilities paid down during Q1 FY2022.
- (n) The Group's net current liabilities and net liabilities position stood at \$1.9 million and \$1.6 million respectively as at 30 September 2021, a slight improvement from 30 June 2021.
- (o) 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.

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

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

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

Consequent to the 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 \$ million	Intended use of proceeds allocated based on final results of Rights Issue \$ million	Amount reallocated following Re-allocation \$ million	Revised amount allocated \$ 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 \$ million	Amount utilised as at the date of this announcement \$ million	Balance proceeds \$ 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	3.14 ^(b)	0.00
Total	4.76	3.53	1.23

* 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.

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

<u>Description</u>	<u>\$ million</u>
Payments to university partners, contractors and agents	0.72
Payments for staff costs	1.21
Payments for facility-related expenses	0.51
Payments for selling, general and administrative expenses	0.70
Total	<u><u>3.14</u></u>

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.

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

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

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

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 31 December 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 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 period.

7. 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.

8. 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
Non-Executive Chairman
31 December 2021