

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.

On 28 June 2022, the Company has received a notification of delisting (the “**Delisting Notification**”) from the SGX-ST. In the Delisting Notification, SGX-ST has rejected the Company’s application, dated 3 June 2022, for a further extension of time to meet the requirements for removal from the SGX-ST financial Watch-List and that the Company will be suspended from trading with effect from 28 July 2022. In addition, pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must comply with Listing Rule 1309 which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit offer to shareholders. The Company is requested to inform the SGX-ST of the exit offer proposal and to provide updates via SGXNet on the status of the Company’s exit offer proposal. Following that, the trading in the Company’s securities has been suspended on 28 July 2022, and trading will remain suspended until completion of the exit offer, following which the Company will be delisted.

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. Full Year Results for the Financial Year Ended 30 June 2022

On 23 August 2022, the Group has released its unaudited financial results for the financial year ended 30 June 2022 (“FY2022”).

The Group's revenue from continuing operations increased from \$6.2 million for financial year ended 30 June 2021 (“FY2021”) to \$6.5 million for FY2022. The increase in revenue from continuing operations was mainly contributed by the Africa region as customers in this region which were affected by the COVID-19 pandemic in the prior year have resumed normal delivery of their programmes in the current financial year. Meanwhile, revenue from the Asia market, which is a significant geographical market for the Group, has remained fairly stable with the increase in revenue from the Group's corporate training segment in Hong Kong being partially offset by a decrease in examination fees revenue from the Asia region.

The Group's loss before taxation from continuing operations decreased from \$0.7 million for FY2021 to \$0.1 million for FY2022. The decrease is mainly contributed by the increase in revenue from continuing operations as the Group's businesses gradually recover from the COVID-19 pandemic while improvement in collections on receivables for the United Kingdom's operation has led to a write-back of allowance for expected credit loss on receivables in FY2022. The results of Informatics Academy Pte Ltd (“IAPL”) has been disclosed as discontinued operation in the consolidated income statement, with previous comparatives re-presented. The decrease in loss from discontinued operation for FY2022 as compared to FY2021 was due to the restructuring exercise undertaken by IAPL in the previous financial year, while teach-out by IAPL was completed in FY2022.

3. Future Direction, Business Updates and Updates on Progress to Exit Watch-List

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

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 remote exam invigilation for NCC's accredited partner centres which are closed, and time constrained assessment to ensure minimal disruptions to students' examinations. In most regions, business activities are resuming to normal curriculum delivery, while majority of the accredited partner centres are hosting examinations on site now.

While the business of NCC's network of accredited partner centres located across different geographical locations have gradually recover from the pro-longed impact of the COVID-19 pandemic, overall registrations of students were still below pre-pandemic levels. NCC remains committed in supporting its partner centres and are working closely with the partner centres to develop online and/or blended learning models to ensure continuity of learning, to avoid disruptions in operations due to the pandemic.

3. Future Direction, Business Updates and Updates on Progress to Exit Watch-List (cont'd)

Business updates on the Group's operations, financial performance, financial position and cash flows (cont'd)

United Kingdom (cont'd)

On 1 May 2022, the Company has signed an agreement with PPLE Education Pte Ltd (“PPLE”) to jointly develop new products and programmes for the Group. The new programmes will combine NCC’s existing curriculum with the digital technology of PPLE to deliver a new refreshed curriculum to new markets not already serviced by NCC. Development will commence immediately with no definite timeline set out yet for the roll-out of the new programmes.

Hong Kong

The Group’s subsidiary in Hong Kong, Informatics Education (HK) Ltd (“IEHK”) is one of the leading education and training centres in Hong Kong, having built a strong track record for quality programmes and training services for individuals, multinational corporations and government departments. IEHK focuses on professional training for executives at all stages of their career. During the pandemic period, IEHK has ensured continuity in the delivery of its programmes through online live classes and online recruitment activities through the use of webinars. IEHK has resumed delivery of its classes in hybrid mode, i.e. mixture of face-to-face and online classes since 21 April 2022.

IEHK is 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 in collaborations with partners in this industry, and is continuing to expand on other relevant topics relating to upskilling and reskilling the workforce.

Overall business outlook for the Group

While the Group continue to strive to maintain its business costs due to rising inflation and gradually return to profitability, the Group’s customers and business partners may need more time to recover their businesses to pre-pandemic levels. Hence, the Group may continue to experience pressure on its operating cash flows. Whilst the Group is unable to provide guidance its future economic performance and cash flows going forward, 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.

3. Future Direction, Business Updates and Updates on Progress to Exit Watch-List (cont'd)

Updates on Delisting

The Company and the controlling shareholder have finalised the appointments of the respective advisors in connection with the directed delisting of the Company from the Official List of the SGX-ST and the appointment of the independent financial adviser in respect of the exit offer.

The Company expects to inform the SGX-ST of the exit offer proposal as soon as practicable.

The Company will keep shareholders informed of any developments in this regard and will make such further announcements as and when appropriate.

BY ORDER OF THE BOARD

Yau Su Peng
Executive Chairman
23 August 2022