



INNOVATE COLLABORATE EDUCATE

ANNUAL REPORT 2016



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VISION

To be a global leader in
providing quality education
and training services.

MISSION

To educate and train global
citizens to make them
effective and competent
contributors to society.

VALUES

STUDENT CENTRIC

We focus on understanding our students and putting them first in everything we do.

PEOPLE

We empower our people to be professionals demonstrating the highest standards of ethics and integrity.

INNOVATIVE CULTURE

We manifest creativity and innovation in our development, delivery of programmes and services.

SOCIAL RESPONSIBILITY

We strive to be responsible corporate citizens in every society that we operate.

RESULTS

We endeavour to provide sustainable returns to our stakeholders.



CORPORATE PROFILE

Informatics Education Ltd, founded in 1983, has over 30 years of experience in global education and is the first private lifelong learning company to obtain a listing on SGX Mainboard in May 1993. Informatics Education was founded in response to the demands for skilled Information Technology (IT) manpower and knowledge-based workers arising from Asia's rapid economic growth. Over the years, Informatics Education together with its subsidiaries, Informatics Academy, Informatics Executive Education, Informatics Global Campus, NCC Education UK and its regional country offices in Hong Kong and Sri Lanka have built a strong track record for quality programmes and training services for individuals, institutions and corporations.

The school offers information technology and business management courses for foundation, diploma, undergraduate and postgraduate levels. The education platform provides diverse learning modes from traditional classroom to e-learning, accommodating the varied lifestyles and needs.

As Informatics embraces lifelong learning, the Executive Education arm focuses on professional training for executives at all stages of their career. Delivered by a strong faculty of highly experienced industry practitioners, the cutting-edge training programmes combine the best in conceptual theories and industry expertise, designed to meet business needs.

Informatics will continue to evolve with the global education landscape and be a global leader in providing quality education.





GROUP STRUCTURE

CAMPUS

Informatics Academy
Singapore

Informatics Executive Education
Singapore

Informatics Education
Hong Kong

Singapore Informatics Computer Institute
Sri Lanka

E-CAMPUS

Informatics Global Campus

INTERNATIONAL CENTRES

NCC Education

- United Kingdom (Head Office)
- South Africa (Regional Office)
- South East Asia (Regional Office)
- East Asia (Regional Office)

Informatics Franchising and Licensing

CHAIRMAN'S MESSAGE



“WE STAY COMMITTED TO NURTURING OUR STUDENTS, ENABLING THEM TO EXCEL IN THIS COMPLEX WORLD.”

Dear Shareholders

GROUP PERFORMANCE

For the financial year (FY) ended 31 March 2016, the Group recorded a total revenue of \$13 million, a slight decline of 18% from \$15.9 million in FY2015. The Group incurred net loss before/after tax of \$5.1 million. The cash and cash equivalents stood at \$15.3 million, a decline from last year's \$22.2 million.

FY2016 continued to be challenging for the Group with the landscape of higher education maintaining rapid and disruptive change. The complexity of today's interconnected world continues to present new challenges and demands on our education system, and is driving the necessity for us to adapt and grow through innovation.

Education in Singapore is highly regulated and possesses certain elements that present challenges to the enrolment of overseas students. Despite that fact, we believe that we have made progress in executing strategies to recover our position in the private education industry.

During the financial year, the Group undertook the following exercises to strengthen the foundation of the business and to build resilience in the face of increased business complexity:-

First, the Group's business capabilities were aligned to enable Informatics Academy, Informatics Global Campus and NCC Education to simultaneously leverage synergies across their competencies. This integrated platform will generate new capabilities and create additional revenue streams for the business.

Second, NCC Education operational support was centralised to optimise the management of business, and improve quality and control. The creation of shared services for the Group should drive both efficiencies and economies of scale to deliver immediate operational savings.

The measures taken to strengthen the business represent ongoing efforts and we believe there will be time lag before the business will be able to realise its full potential and demonstrate returns.

KEY ACHIEVEMENTS

The move of our city campus to the iconic National Library Building on Victoria Street has enhanced the learning environment and supported outreach and engagement with local community groups. We

celebrated the move with an Open House which attracted hundreds of prospective students. Showcasing the campus' modern facility, the event gave prospective students the unique opportunity to come and experience the new city campus, attend programme briefings by faculty members and engage with our successful entrepreneurs cum alumni members.

Informatics Global Campus completed the assessment in March 2016 for the registration renewal under the Enhanced Registration Framework of the Council for Private Education. At the same time, Informatics Academy EduTrust certification was successfully renewed until January 2017.

The education sector is undergoing a period of rapid change, the government's emphasis on the pursuit of new skills sets sail in a new direction to an advanced and inclusive society. Our working environment has changed tremendously and product cycles are getting shorter. Lifelong employment is now an exception rather than the norm. To support it, Informatics Executive Education was established, to lead the way for innovative and impactful life-long learning experiences for employees.

In February 2016 an agreement was inked with SG Enable, a government agency dedicated to enabling persons with disabilities, to conduct IT and book keeping courses at the Enabling Village, the latest integrated community training ground for the disabled. Funded by the agency, the courses delivered by our lecturers, will allow students with mobility or hearing impairment to learn new skills, to enhance their employment and employability options.

COLLABORATION TO DRIVE CHANGE

The rise of an interconnected global knowledge economy has urged the need for partnerships that go beyond

education. As economies and working patterns change, the challenge of how to support students in developing their employability skills continues to be a key focus for Informatics.

Today's graduates are faced with employment challenges and placement is the buzz word. Recognising the difficulty students will face in transiting from education to employment, Informatics has collaborated with locally and globally recognised organisations including InterContinental Hotels Group (Asia Pacific), Emerio and Parkroyal on Beach Road. Informatics is working in tandem with corporate partners to push the frontiers of knowledge and to provide an avenue to help students more easily enter the job market. This will remain an important part of the strategy for promoting diversity to bring closer links between education and the world of employment.

"INFORMATICS EXECUTIVE EDUCATION WAS ESTABLISHED, TO LEAD THE WAY FOR INNOVATIVE AND IMPACTFUL LIFE-LONG LEARNING EXPERIENCES FOR EMPLOYEES."

SHAPING CULTURE

Informatics is staying committed to be a good corporate citizen and hopes to make a meaningful contribution to the communities in which we operate.

Informatics has recently partnered with REACH Community Services Society, a charitable organisation and member of the National Council of Social Service, to provide valuable work-relevant training and skills development to low-income family members who often lack essential employability skills to integrate into the workforce. Training sessions organised under this programme

include office automation tools, financial spreadsheet and 3D modelling & animation.

COMMITMENT TO EFFECT CHANGE

Growth and change are never easy. As we strive to continuously improve the quality of our academic offerings and expand the scope and depth of our collaborations with local and international partners we stay committed to nurturing our students, enabling them to excel in this complex world. With the dedication of the Management team, we hope to continue to provide higher quality education and standards, adopt a collaborative approach, and embody a pioneering and innovative spirit to deliver creative solutions in order to remain competitive.

Dato' Sri Robin Tan Yeong Ching
Chairman

BOARD OF DIRECTORS



**DATO' SRI ROBIN
TAN YEONG CHING**



MS YAU SU PENG



**MS MAE
HO SEOK KHEN**



MR UNG GIM SEI



**PROFESSOR CHEW
SOON BENG**

DATO' SRI ROBIN TAN YEONG CHING

Non-Executive Chairman

Dato' Sri Robin Tan graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton in the United Kingdom in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Chairman/
Chief Executive Officer of Berjaya

Corporation Berhad, Chief Executive Officer of Berjaya Sports Toto Berhad, Executive Chairman of Berjaya Food Berhad, Chairman of Berjaya Media Berhad, Chairman of Sun Media Corporation Sdn Bhd and Executive Director of Sports Toto Malaysia Sdn Bhd.

Dato' Sri Robin Tan is also a Director of Berjaya Sampo Insurance Berhad, KDE Recreation Berhad, Berjaya Golf Resort Berhad and several other private limited companies in the Berjaya Corporation group of companies.

MS YAU SU PENG

Executive Director

Ms Yau Su Peng currently holds the position of Director, Retail and Innovation at Berjaya Corporation Berhad and oversees businesses in the sectors of education, marketing, analytics and within the digital space.

Ms Yau has a wealth of experience in retail, financial payments, law, marketing and communications from both the government and private sectors. She was appointed to the Board in November 2012 and served

as Alternate Director to Dato' Sri Robin Tan Yeong Ching from 25 April 2012 to 23 November 2012.

She joined the Berjaya group from MasterCard Worldwide, where she was Vice President of Marketing and Sales. She was responsible for developing the marketing and corporate communications strategy and building the MasterCard brand in Malaysia. In her six years with MasterCard, Ms Yau led on a number of key corporate accounts and strengthened MasterCard's market share and brand presence in Malaysia especially within the premium customer segment in the area of retail and cross-border payments, and partnerships with tourism and retail industry authorities.

She qualified as a lawyer from the University of Melbourne, and originally practiced law in both Melbourne and Kuala Lumpur. In the 1990s, while completing her Masters of Laws degree, Ms Yau worked with the Government of Victoria on attracting international trade and investment into the state. In 1997, she returned to Malaysia and held several roles within the banking industry in change management, corporate affairs and branding. Subsequently, she became the Senior General Manager of Strategic Communications for Alliance Bank, building the brand from a merger of 7 Malaysian banks in 2000.

MS MAE HO SEOK KHEN

Non-Executive, Non-Independent Director

Ms Mae Ho is the Executive Director/ Chief Executive Officer of BERJAYA Higher Education Sdn Bhd and Director of Berjaya College Sdn Bhd, a subsidiary of the Berjaya Group Berhad.

Educated and graduated with a Master's Degree in Education Management (Bath), UK and professional hospitality

qualification in UK. Mae has been in the hospitality and tourism industry for almost three decades.

She started her career in the hospitality industry as a lecturer and then as Dean, School of Hotel & Catering Management at Kolej Damansara Utama, Petaling Jaya. Subsequently, she was appointed Director of School at Sunway University College, and Project Director for the China operations to set up the Xian-Sunway International Business Management to conduct corporate training programmes.

Mae brings with her a wealth of experience in setting up hospitality education. She is actively involved in the Hospitality and Culinary Professional Association and is also a Conseiller Gastronomique of the National Council of the Confrerie de la Chaine des Rotisseurs Bailliage de Malaisie, an international gastronomic association.

Recently, she has been appointed the Board of Advisor Asia Pacific Centre for Events Management (APCEM).

MR UNG GIM SEI

Independent Director

Mr Ung Gim Sei is a partner of Duane Morris and Selvam LLP in Singapore and also lectures part-time in law. Prior to practising law, Mr Ung was holding key positions in leading newspaper companies in Singapore, Hong Kong and Shenzhen, China.

Mr Ung is currently the Vice President of the Singapore China Friendship Association, where he is involved in organising and promoting cultural and educational exchanges between Singapore and China. He is a committee member of the China Aw Boon Haw Foundation, Ee Hoe Hean Club, Singapore China Business Association, and a legal advisor to the Tan Kah Kee Foundation and the

Singapore China Business Association. He is also an independent director of EMS Energy Ltd and Chip Eng Seng Corporation Ltd.

Mr Ung holds a Bachelor of Arts degree in Economics from the National University of Singapore, a Common Professional Examination Qualification in Law from UK and a Master of Law from the City University of Hong Kong.

PROFESSOR CHEW SOON BENG

Independent Director

Professor Chew Soon Beng is the Professor of Economics and Industrial Relations in the Division of Economics at the Nanyang Technological University (NTU) and over the years, he has been involved in the development of the university's economics department.

He was the Founding Director of the Asia Commerce and Economics Studies (ACES) Center in the Nanyang Business School in 1993, as well as the Founding Director of the Master of Science programme in Managerial Economics at NTU, also known as the Mayor programme. He is currently the Founding Programme Director of Master Programme in Applied Economics at NTU.

From 2004 to 2005, Professor Chew was a consultant to the Omani Ministry of Higher Education. He received his Ph.D in Economics from the University of Western Ontario, Canada, after obtaining a Master of Social Science in Economics from the former University of Singapore and a Bachelor of Commerce from the former Nanyang University.

GLOBAL OPERATIONS REVIEW

INFORMATICS ACADEMY



Informatics Academy Pte Ltd (IAPL) is a wholly-owned subsidiary of Informatics Education Ltd (IEL). It offers a wide range of diploma and degree courses for international and domestic students. Since incorporation in 1989, Informatics Academy has produced over 57,000 graduates, many of whom are active contributors in their respective fields.

The campus is located within the National Library Building at Victoria Street which is very accessible by public transport. Equipped with modern facilities, the campus provides a safe and nurturing environment conducive to learning.

Informatics Academy is a registered Private Education Provider with the Council for Private Education (CPE) under the Enhanced Registration Framework (ERF) and has attained EduTrust certification since year 2010. The private education sector is very volatile and constantly evolving. Informatics Academy continues to adapt in response to the changing market conditions and implement effective strategies to capitalise on new opportunities while mitigating risk.

FY2016 is a transformative year at Informatics Academy where it witnessed the renewal of several seed

GLOBAL OPERATIONS REVIEW continued

INFORMATICS GLOBAL CAMPUS

Informatics Global Campus Pte Ltd (IGC) is a wholly-owned subsidiary of Informatics Education Ltd. It offers a broad range of online diploma, advanced diploma, undergraduate and postgraduate courses in business and information technology.

IGC was the first educational institution in Singapore to recognise the predominant advantage e-learning offers for individuals and companies, namely, the ability to access education anytime, anywhere. Facilitators and students located in different time zones connect via the online platform that enables the students to balance coursework alongside their personal and professional life.

The working professionals form the majority of the student base. They look to the programmes offered to acquire the knowledge and qualifications, allowing them to develop the skills needed to stay relevant in an ever-changing and challenging market. As companies become more globally focused and have employees deployed in offices across the globe, online learning and training will play a prominent part in helping these employees stay one step ahead.

Over the years, IGC has amassed its experience in conducting lessons via a virtual classroom. The Learning

Management System (LMS) provides access to course materials, e-library facilities and the discussion forum. Live chat sessions enable students to have direct contact with facilitators with recordings of the sessions made available to those unable to participate. Students are able to access their classes on computers or mobile devices. An internal user trial of a new LMS is underway. The new platform includes tools to rapidly evaluate the pace of learning and optimise student experience, and to facilitate the creation of a virtual alumni community.

The recent periodic review with the University of Portsmouth highlighted the proactive engagement and good working relationship which underpin the foundation of the longstanding partnership between the university and IGC. This is a collaboration which IGC will continue to build upon for the benefit of its students.

Standards are set and maintained to ensure integrity and quality. Academic reviews are conducted to update learning materials and IGC continues to source and recruit qualified and experienced facilitators to support learning. IGC undergoes periodic reviews with its university partners to assess the continued validity and relevance of the curriculum offered and the fitness of the partnership arrangements. Online learning is

still a relatively young industry with potential and scope for innovation. IGC is well-positioned to capitalise on breakthroughs and take online learning to new heights.

IGC's online courses appeal to students from around the globe. The degree courses are especially popular in countries such as Saudi Arabia, Nepal, India, Sri Lanka, Nigeria, Malaysia and Singapore. In the past, our student base comprises mainly working adults who took advantage of the flexible delivery mode. Evidently in the year, there has been an increase in enrolment from individuals seeking top-up degree options after completing their post-secondary education.

Moving forward, IGC will redouble its efforts to forge partnerships with reputable universities in order to introduce new programmes as a progression pathway for its students as well as to explore opportunities for professional body recognition of its programmes.

With the advent of ever improving IT and communications infrastructure, e-learning is gaining traction on a global scale. With its proven track record as an excellent course provider, coupled with competitive pricing, IGC is poised for growth. For FY2017, IGC anticipates increase in enrolments from Nepal, India, Nigeria and Malaysia.



FRANCHISING AND LICENSING



Informatics International Pte Ltd (IIPL) is the Franchising and Licensing Unit of Informatics Education Ltd. Its primary mandate is to provide support to offshore centres and to keep them posted of the latest developments.

IIPL manages centre operations in Asia, Africa and Middle East which include countries such as Nigeria, Philippines, Indonesia, Brunei, Nepal and Saudi Arabia.

IIPL works very closely with Informatics Global Campus (IGC) to offer effective pathway opportunities for regional and remote students. Further collaboration with NCC Education provides wider pathway possibilities.

In FY2016, IIPL introduced and launched new business models to cater to both the mature and emerging markets. The new model is designed to offer large-scale partners

substantial cost savings by virtue of economies of scale. At the same time, it offers flexible solutions that allow start-ups to scale their operations according to market conditions, without compromising service levels and quality standard. The new module is well received and several centres have renewed their contracts subsequently.

FY2016 remains a challenging year for IIPL due to turbulent environmental factors that included adverse exchange rates, civil unrest, tedious regulatory requirements, heightened measures against terrorism, Ebola outbreak etc., which led to prospective partners deferring their plans to set up new centres. Notwithstanding the above, IIPL has received renewed interest for programme licensing from Nigeria, India, Libya, Malaysia, Cambodia and several other countries. IIPL also sees great potential in Myanmar and Vietnam.

As a responsive unit, IIPL is ready to adapt to the markets' needs to capitalise on the opportunities and offer competitive solutions to prospective partners.



GLOBAL OPERATIONS REVIEW continued

INFORMATICS EDUCATION (HK) LTD

A wholly-owned subsidiary of Informatics Education Ltd, Informatics Education (HK) Ltd (IEHK) is one of the leading education and training centres in Hong Kong, having served as a training solutions partner to many multinational corporations and government departments since its establishment in 1992.

A leader in providing Project Management Professional (PMP)® training, IEHK is the Global Registered Education Provider (GREP) of the

Project Management Institute (PMI)®. IEHK has since trained more than 5,000 PMP® students which constitute the majority of the Project Management Professionals in the Hong Kong market. Over the years, it has consistently maintained a commendable pass rate of over 90%.

Over the last 12 months, IEHK has steadily expanded its portfolio of programmes which include globally recognised Certified Neuro-Linguistic Programming (NLP) Practitioner

Program and Certified Internet Marketing Practitioner (CIMP). These customised programmes focus on coaching management and digital marketing skills for management professionals.

In the coming year, IEHK strives to keep focus on sharing knowledge, enabling breakthroughs and launching new programmes in Agile Project Management, IT Security and Business Analyst, and its related topics by end of 2016.

SINGAPORE INFORMATICS COMPUTER INSTITUTE, SRI LANKA

Since its inception in 1994, Singapore Informatics Computer Institute (SICI) has been at the forefront of providing high quality, student-focused education in a professional and friendly environment.

As the pivotal institution for IT programmes, SICI constantly keeps abreast of the changing landscape and developments in technology. The fully equipped campus provides

students with excellent learning environment and modern education system to prepare them for jobs of today and tomorrow.

SICI continues to forge ahead as a leading institution in IT, seizing the opportunities and addressing the challenges it faced. The series of Gaming and Animation courses launched a year ago continued to boost positive growth. With digital

technology, games and animation growing and evolving at a rapid pace, the courses have attracted students aspiring to embark on a career in digital media, media & games industries.

Moving forward, SICI continues to lead in its current position and forge effective partnerships with local government and community organisations.



NCC EDUCATION



NCC Education, a subsidiary of Informatics Education Ltd, is an awarding body that works in partnership with over 150 Accredited Partner Centres and universities in more than 45 countries to provide students with an affordable route to obtain a UK university degree in Business or IT.

PATHWAYS TO SUCCESS

In accordance with our mission to enhance the student experience and widen opportunities for career progression, NCC Education continues to recognise the full potential of students and to prepare them for rewarding employment or further study, according to their aspirations.

NCC Education offers flexible and cost-effective ways for individuals to join and exit study programmes with an appropriate British qualification as an outcome, from foundation level to level 7. This is achieved by sustaining differentiation in the marketplace through the provision of IT and Business access pathways to British Higher Education for those who choose to study in their home country. NCC Education has extended the range of university articulations and progression routes in the UK and overseas.

In 2015, NCC Education confirmed its strategic partnership with the University of Worcester which aims to meet the career expectations of learners around the world, by maximising their potential for a

successful career in international business and management. The agreement allows top-up for the 3rd year of the business degree pathways to a BA (Hons) in Business Administration to be delivered online by NCC Education and validated and awarded by the University of Worcester.

NCC Education's BSc (Hons) Business Computing and Information Systems top-up degree (validated and awarded by the University of Central Lancashire) has had significant increase in the March 2016 intake compared with 2014 and 2015 figures. 2016 numbers are projected to be the highest since the programme was launched. The BSc (Hons) Business Information Technology awarded by the University of Greenwich programme has also seen an increase in the March 2016 intake compared with 2014 and 2015 figures.

In addition, 12 new progression route agreements were added for entry into UK, US and Australia universities, including guaranteed entry to Carroll University USA, Birmingham City University UK and Bengor University UK.

NCC Education will continue its focus on gaining more guaranteed progression routes including non-UK universities, in particular Australia, US and Canada. To meet the growing demand, we will further collaborate with new university partners, offering a face-to-face delivery model for Business top-up degrees. Whilst expanding to new countries, NCC Education will always remain true and proud of its UK education origins.

GLOBAL OPERATIONS REVIEW continued

NCC EDUCATION continued

PRODUCT DEVELOPMENT

To support market stability and growth, and to position NCC Education as a premium education and awarding body, focusing on product development is key to the overall business strategy. This involves both enhancements to the existing product portfolio as well as development of new industry and market driven products.

For the upcoming year, the six key areas of product development have been identified.

DIGI+

Builds on the successful launch of its predecessor Digi. Digi+ is a dynamic formative virtual learning environment-delivered product with online auto market diagnostic assessment, reporting centre-facing portal and tools. Digi+ will be rolled out globally in the coming year.

For school children (aged 5-16+) and developed in accordance with the UK National Curriculum, Digi+ is a bespoke training and education consultancy with validation services, comprehensive imbedded teaching and learning materials, and an innovative range of IT qualifications.

Additions to the curriculum in Digi+ include mechatronics and robotics.

INTERNATIONAL FOUNDATION YEAR

New pathways and electives to be added with regional recognitions.

NEW LEVEL 5 DIPLOMAS

With Computing in particular and leveraging on the existing offerings from Informatics Academy, new advanced computer science modules including software development, website design and digital technology, networking and cyber security, and database engineering will be added. This will be mapped to existing progression routes and top-ups to grow both offerings.

TOP-UPS

In addition to enhancing the existing Top-Up programmes, NCC Education will add offerings from new partner universities. Demand for the online delivery model continues to grow in many markets however there remains a strong need to have both face-to-face and blended learning options, particularly in Asia.

STANDALONE MODULES AND SERVICES

Offer existing products as individual standalone fractional units.

PARTNERING

Continue to seek out new exciting partnering opportunities to ensure NCC Education stays relevant and maintains the premium leader position in the education market.

BUSINESS ENVIRONMENT

NCC education continues to face challenges within its global markets and remedial actions are necessary to meet these challenges. The global education landscape is ever-changing and continues to demand greater transparency and rigour in the awarding process. Despite these challenges, we continue to position for growth.

NCC education is facing all these challenges head on with the commitment to the strategies and the need to turn the business fortunes around – and return to sustainable growth and profitability. Small successes in the past year will accumulate into further successes in the coming year – with a determination to build a greater NCC Education success story.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Sri Robin Tan Yeong Ching
Non-Executive Chairman

Ms Yau Su Peng
Executive Director

Ms Mae Ho Seok Khen
Non-Executive Director

Mr Ung Gim Sei
Independent Director

Prof Chew Soon Beng @ Teo Soon Beng
Independent Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Ung Gim Sei
Chairman

Prof Chew Soon Beng @ Teo Soon Beng
Ms Mae Ho Seok Khen

REMUNERATION AND STRATEGIC HUMAN RESOURCE COMMITTEE

Prof Chew Soon Beng @ Teo Soon Beng
Chairman

Mr Ung Gim Sei
Ms Mae Ho Seok Khen

NOMINATING COMMITTEE

Mr Ung Gim Sei
Chairman

Prof Chew Soon Beng @ Teo Soon Beng
Ms Mae Ho Seok Khen

BANKING COMMITTEE

Prof Chew Soon Beng @ Teo Soon Beng
Ms Yau Su Peng
Ms Mae Ho Seok Khen

COMPANY SECRETARY

Ms Lo Swee Oi

REGISTERED OFFICE

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SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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AUDITORS

Ernst & Young LLP
Public Accountants
and Certified Public Accountants

Partner in charge:
Andrew Tan Chwee Peng (from financial year 2015)
One Raffles Quay #18-01
North Tower Level 18
Singapore 048583

BANKER

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982



CORPORATE GOVERNANCE REPORT

The Board of Directors of Informatics Education Ltd. (the "Company") is committed to maintaining a good standard of corporate governance and business practices and has adopted processes and systems to enhance and safeguard the interests of its shareholders.

This report describes the measures and the corporate governance policies and practices of the Company that are currently in place and used throughout the financial year ended 31 March 2016 (the "Year"), which incorporate policies and practices in line with the principles of the Code of Corporate Governance 2012 (the "Code") for listed companies in Singapore issued by the Monetary Authority of Singapore on 2 May 2012.

Where there is any material deviation from any Principle of the Code, an explanation has been provided within this report.

BOARD OF DIRECTORS

Principle 1: Board's Conduct of Affairs

The Board sets the overall business direction and objectives of the Company. The Board reviews and decides on major transactions, business plans, annual budgets and operating results of the Company. The Board reviews the Group's financial performance and authorises announcement issued by the Company. Besides providing entrepreneurial leadership, it also ensures that the necessary financial and human resources are in place for the Company to meet its objective. The Board reviews the process for evaluating risks policies, including the adequacy and effectiveness of internal controls and establishment of risk management. Matters reserved for full Board's decision includes corporate or financial restructuring, major acquisition or disposal, corporate or financial restructuring, issuance of shares and other equity or debt instruments, payment of dividends and other distribution to shareholders.

To assist the Board in the discharge of its responsibilities, the Board has delegated certain duties to four committees and these are:

- (1) the Nominating Committee (the "NC");
- (2) the Remuneration and Strategic Human Resource Committee (the "RC");
- (3) the Audit and Risk Management Committee (the "AC"); and
- (4) the Banking Committee (the "BC").

The Committees have their respective terms of reference that set out their respective scope of duties and the Board Committees are set out hereafter. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

Board and Board Committee meetings are held quarterly. Ad-hoc meetings are convened as the circumstances require. The Company's Articles of Association allows the holding of Board meetings by way of telephone conferencing or video-conferencing. Should the Board have informal discussions on matters requiring urgent attention, such discussions and decisions would then be formally confirmed and approved by resolutions circularised in accordance with the Articles. Minutes of the Board Committee meetings are available to all Board members. The Board and Board Committees may also make decisions through circulating resolutions.

CORPORATE GOVERNANCE REPORT

The attendance of the Directors, who held office during the Year at the Board and Board Committees meetings is as follows:-

Attendance of Directors in office during the Year at Board and Board Committee meetings held during the Year:

| Name of Directors | Board of Directors | Nominating Committee ("NC") | Remuneration & Strategic Human Resource Committee ("RC") | Audit & Risk Management Committee ("AC") |
|---|----------------------------|-----------------------------|--|--|
| | No. of Meetings held : 4 | No. of Meetings held : 4 | No. of Meetings held : 4 | No. of Meetings held : 4 |
| | No. of Meetings Attended : | No. of Meetings Attended : | No. of Meetings Attended : | No. of Meetings Attended : |
| Dato' Sri Robin Tan Yeong Ching | 4 | N.A. | N.A. | N.A. |
| Ms Mae Ho Seok Khen | 4 | 3 | 4 | 4 |
| Mr Ung Gim Sei | 4 | 4 | 4 | 4 |
| Professor Chew Soon Beng @ Teo Soon Beng | 4 | 4 | 4 | 4 |
| Ms Yau Su Peng | 4 | N.A. | N.A. | N.A. |

Notes:

1. N.A. = Not Applicable
2. During the Year, the Banking Committee ("BC") approved two matters by circularized resolutions. There was no meeting of the BC.

During the Board and Board Committee meetings, all Directors took the opportunities to review Management's performance in meeting agreed goals, constructively challenged and helped develop strategies and provided guidance and rendered opinions.

All Directors must objectively make decisions in the interests of the Company. Appropriate training and orientation (including his or her duties as a Director and how to discharge those duties) are given upon appointment to ensure that the incoming Directors are familiar with the Company's business and governance practices. Upon the appointment of a new Director, the Company will issue a letter of appointment setting out the duties and obligations of a director. The newly appointed Director will also be briefed by Management on the Group's business activities, operations, strategic direction and policies. Orientation programmes and familiarisation visits are organized, if necessary, to facilitate a better understanding of the Group's operations.

The Company worked closely with its company secretary and professionals to provide its Directors with regular updates on relevant legal, regulatory and technical developments. Changes to regulations and accounting standards are monitored closely by Management. The Directors are provided with updates released by regulatory authorities on directors' duties and responsibilities, corporate governance, changes in financial reporting standards in Singapore, changes in Companies Act (Chapter 50) and Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules, so as to update and refresh them on matters that may affect or enhance their performance as Board or Board committee members. Appropriate external trainings will be arranged where necessary for Directors to receive further training relating to relevant new laws and regulations as well as changing business risks, practices and cultures.

CORPORATE GOVERNANCE REPORT

Principles 2 and 3: Board Composition and Guidance, Chairman and Executive Director

Dato' Sri Robin Tan Yeong Ching is the Chairman of the Company. The Board comprises five Directors of whom two are Non-Executive Directors, one Executive Director and two Independent Directors. Their profiles are in the section on Board of Directors of this Annual Report. The Directors are:

- (1) Dato' Sri Robin Tan Yeong Ching - Non-Executive Chairman
- (2) Ms Mae Ho Seok Khen - Non-Executive, Non-Independent Director
- (3) Ms Yau Su Peng - Executive Director
- (4) Mr Ung Gim Sei - Independent Director
- (5) Professor Chew Soon Beng @ Teo Soon Beng - Independent Director

The Board adopted the definition of the Code of what constitutes "independent" in its review of the independence or otherwise of each Director ("Independent Director").

The independence of each Director is assessed and reviewed annually by the NC. In its deliberation as to the independence of a Director, the NC took into account examples of relationships as set out in the Code, considered whether a Director had business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgements. Each Independent Director is required to complete a Director's Independence Form annually to confirm his/her independence based on the guidelines as set out in the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

With the two of the five Directors deemed to be independent, including independence from the substantial shareholders of the Company, the Board is able to exercise independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its shareholders. No individual or small group of individuals dominates the Board's decision making.

The Board has no dissenting view on the Chairman's Statement to the shareholders for the financial year under review.

Currently, Mr Ung Gim Sei and Professor Chew Soon Beng @ Teo Soon Beng have both served on the Board for more than ten years from the date of their first appointments. The Board has subjected their independence to a particularly rigorous review.

The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis on the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgment in engaging and challenging Management in the best interests of the Group as he performs his duties in good faith, are more critical measures in ascertaining his independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the Independent Directors. However, the Board and NC will exercise due and careful review, taking into consideration other factors, in assessing the independence of a Director. These factors include, inter alia, if the Directors has any interest, business, relationship and/or any other material contractual relationships with the Group which could reasonably be perceived to compromise his independence and interfere with the exercise of his independent business judgment with a view to the best interest of the Group.

After due and careful rigorous review, the Board (with Mr Ung and Professor Chew abstaining from discussion and deliberation) is of the view that Mr Ung and Professor Chew are independent in character and judgment and that there are no relationships or circumstances which affect or are likely to affect their independent judgment and ability to discharge their responsibilities as Independent Directors. The Board has therefore considered and deemed Mr Ung and Professor Chew to be independent notwithstanding that they have served more than ten years as Independent Directors.

The current Board comprises members with diverse corporate and business experience who, as a group, provide the requisite skills, knowledge and experience relevant to the business of the Company. The Board is of the opinion that its current composition and size are appropriate, taking into account the scope and nature of the operations of the Company and the Group, and allow for effective decision-making.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

To facilitate effective management, certain functions have been delegated to various Board committees, each with its own terms of reference.

Nominating Committee

The Board has established a Nominating Committee (the "NC") comprising three Non-Executive Directors, of whom two are Independent Directors as follows:

| | |
|--------------|--|
| NC Chairman: | Mr Ung Gim Sei (Independent Director) |
| Members: | Professor Chew Soon Beng @ Teo Soon Beng (Independent Director) Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director) |

The NC's main task is to make recommendations to the Board on all Board appointments, the appointment of the Board Committee members and the appointment of the Chief Executive Officer and any other officer(s) by whatever name called who has responsibilities and functions similar to an Executive Director.

The duties and responsibilities of the NC include the following:

- reviewing the size and composition of the Board annually to ensure that it has an appropriate balance of expertise, skills, attributes and abilities;
- identifying and recommending suitable candidates for appointment to the Board, taking into account the Company's objectives and the requirements of the Board;
- reviewing and nominating/re-nominating, re-election/re-appointment of Board members;
- reviewing the independence of each Independent Director and ensuring that at least one-third of the Board members are Independent Directors;
- assisting the Board in setting out procedures and criteria for assessing the effective performance of the Board and Board Committees as a whole and the contribution of each Director;
- reviewing the nomination and appointment of Executive Director(s) and any other officer(s) by whatever name called who has responsibilities and functions similar to that of an Executive Director;
- reviewing the orientation, training and education programmes for members of the Board with respect to the Company's business and its management, as is necessary;
- reviewing the multiple board representations of each Director individually (if any) to ensure that sufficient time and attention is given to the affairs of the Company; and
- reviewing the succession plans for Directors.

The NC is also required to review whether there is a right mix of expertise, experience and skills in the Board and Board Committees. More importantly, the NC would pay particular attention to the efficient and effective operation of the Board in guiding Management. Issues such as whether the Board has spent appropriate amount of time deliberating on the long term strategy and performance of Management, and the assistance to Management in setting clear and well understood policies and action plans were reviewed. Brainstorming sessions were also organised for the Board members and senior Management to discuss the overall business directions and planning and to focus on common objectives.

The NC evaluates the Board, Board Committees and each Director using criteria such as each Director's attendance record, skills, preparedness, participation, candour and contribution to the effectiveness of the Board and Board Committees. It also considers whether the Board Committees have fulfilled their roles and discharged tasks delegated by the Board. The NC noted that based on the attendance of the Board and Board committee meetings during the Year, all the Directors were able to participate in the meetings to carry out their duties.

CORPORATE GOVERNANCE REPORT

The NC is satisfied that Directors who had multiple board representations and/or other principal commitments were able to discharge and had discharged their responsibilities.

Individual Director's feedbacks on the Board and Board Committees are also considered.

Principle 4: Board Membership

Principle 5: Board Performance

When the need to appoint a new Director arises, the NC reviews the range of expertise, skills and attributes of the Board members, and identifies the Board's need and shortlists candidates with the appropriate profile. Where necessary, the NC may seek advice from external consultants. New Directors are appointed by way of a Board resolution after the NC has reviewed and recommended the appointment of these new Directors. Article 75 of the Company's Articles of Association requires that new Directors appointed by the Board shall hold office until the next Annual General Meeting (the "AGM") and shall be eligible for re-election at that AGM.

For re-appointment/re-election, the NC is charged with the responsibility of recommending to the Board the re-appointment/re-election of Director(s) having regard to their past contribution and performance.

The NC reviews annually the Directors due for retirement under the Articles of Association of the Company and the Companies Act (Chapter 50) of Singapore (the "Companies Act") for any Director over the age of 70 years who is subject to annual re-appointment at the AGM. Other Directors are subject to retirement by rotation once at least every three years and they are eligible for re-election at the AGM.

Article 71 of the Company's Articles of Association (the "Articles") requires all Directors to retire once at least every 3 years. The Directors who have been longest in office since their last re-election shall retire first. A retiring Director shall be eligible for re-election at the AGM. The NC has nominated Professor Chew Soon Beng @ Teo Soon Beng, retiring under Article 71 of the Articles, and who has given his consent, for re-election at the forthcoming AGM. The NC further nominated Mr Ung Gim Sei, vacating his office at the AGM under section 153(2) of the Companies Act, and who has given his consent, for re-appointment at the forthcoming AGM pursuant to section 153(6) of the Companies Act (Chapter 50).

The profiles of the Directors are set out on pages 06 to 07 of this Annual Report. The shareholdings of the individual Directors of the Company are set out on pages 29 and 30 of this Annual Report. None of the Directors hold shares in the subsidiaries of the Company.

The initial appointment date and the date of last re-appointment/re-election of the Directors in office at the date of this report are as follows:-

| Name of Director | Date of Initial Appointment | Date of Last Re-appointment/Re-election |
|--|-----------------------------|---|
| Dato' Sri Robin Tan Yeong Ching | 22 June 2011 | 25 July 2014 |
| Ms Mae Ho Seok Khen | 27 October 2010 | 25 July 2014 |
| Mr Ung Gim Sei | 13 July 2004 | 28 July 2015 |
| Professor Chew Soon Beng @ Teo Soon Beng | 1 March 2006 | 26 July 2013 |
| Ms Yau Su Peng | 23 November 2012 | 28 July 2015 |

The Board is of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many other factors such as their experience and whether they were in full time employment and their other responsibilities.

CORPORATE GOVERNANCE REPORT

Principle 6: Access to Information

Directors are provided with complete, adequate and timely information prior to board meetings and on on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. As a general rule, detailed Board and Board Committees papers prepared for each meeting are normally circulated in advance of each meeting.

The Company Secretary, to whom the Directors have independent access, keeps the Board apprised of relevant laws, regulations and changes thereto. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Directors, either individually or as a group, have the authority to seek independent professional advice, if necessary, at the Company's expense.

Directors are given access to quarterly financial reports. The Board is also given separate and independent access to the senior Management. Prior to each Board and Board Committee meeting, the Board and Board Committee members are provided with the complete, adequate and timely information required for them to fulfill their responsibilities.

Remuneration and Strategic Human Resource Committee

The Board has established a Remuneration and Strategic Human Resource Committee (the "RC") to deal with remuneration matters. The RC comprises three Non-Executive Directors, of whom two are independent Directors as follows:

| | |
|---------------|---|
| RC Chairman : | Professor Chew Soon Beng @ Teo Soon Beng (Independent Director) |
| Members : | Mr Ung Gim Sei (Independent Director) |
| | Ms Mae Ho Seek Khen (Non-Executive, Non-Independent Director) |

Professor Chew Soon Beng, the RC Chairman, is an Independent Director as contemplated by the Code, and is not, and has not, in the current or immediate past financial year been, associated with a 10% shareholder of the Company. The majority of the RC members are independent.

The RC reviews and makes recommendations and assists in attracting, retaining and rewarding well-qualified people to serve the Company as Key Management Personnel by pegging remuneration and benefits at competitive market rates. The duties and responsibilities of the RC include the following:-

- reviewing and advising the Board on the terms of appointment and remuneration of its members and Key Management Personnel;
- reviewing with Management the terms of the employment so as to develop consistent group-wide employment practices subject to regional differences;
- reviewing the working environment and succession planning for Management; and
- disclosing performance measures and targets for Key Management Personnel's performance bonuses.

It is the Company's policy to ensure that the level of remuneration should be appropriate to attract, retain and motivate the personnel needed to run the Group successfully. The remuneration of Key Management Personnel is structured so as to link rewards to corporate and individual performance. From time to time, remuneration packages of employees are reviewed to ensure that they are sufficiently competitive. A compensation system is in place to reward employees based on merit and performance through annual merit service increments and bonuses.

The Non-Executive Directors and Independent Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The Company recognizes the need to pay competitive fees to attract, motivate and retain directors without being excessive to the extent that their independence might be compromised.

CORPORATE GOVERNANCE REPORT

In line with the Code, the RC will submit its recommendation on the remuneration packages (including Directors' fee, salaries, allowance, bonuses, options and/or benefits in kind) for each Director for endorsement by the Board. No Directors are involved in deciding his or her own remuneration. The RC is also involved in the review of the remuneration scheme for the Senior Management. Directors' fees are recommended by the Board for approval by the shareholders at the Company's AGM. The RC has access to expert advice on human resource matters whenever there is a need to consult externally.

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

Disclosure of Remuneration

Details of remuneration of Directors of the Company and its top five Key Management Personnel (who are not Directors of the Company and in office during the year) for the financial year ended 31 March 2016 are set out below:-

| Name | Remuneration (S\$) | Fees* (%) | Salary (%) | Performance Bonuses (%) | Other Benefits (%) | Total (%) |
|--|-----------------------|--------------|---------------|-------------------------------|--------------------------|--------------|
| Non-Executive Directors | | | | | | |
| Dato' Sri Robin Tan Yeong Ching | 25,000 | 100 | - | - | - | 100 |
| Ms. Mae Ho Seok Khen | 20,000 | 100 | - | - | - | 100 |
| Mr. Ung Gim Sei | 50,000 | 100 | - | - | - | 100 |
| Professor Chew Soon Beng @ Teo Soon Beng | 45,000 | 100 | - | - | - | 100 |
| Executive Directors | | | | | | |
| Ms. Yau Su Peng | 80,000 | 25 | 75 | - | - | 100 |
| Top 5 Key Management Personnel (Non-Directors of the Company) | | | | | | |
| Dr Ling Poon Teck | <500,000 | - | 85 | - | 15 | 100 |
| Tan Cheng Kang | <250,000 | - | 100 | - | - | 100 |
| Melina Yong Mei Lin | <250,000 | - | 100 | - | - | 100 |
| Emma Dawkins | <250,000 | - | 100 | - | - | 100 |
| Harvey Norton | <250,000 | - | 100 | - | - | 100 |

* These fees are subject to shareholders' approval as a lump sum at the Annual General Meeting for FY2016

The Non-Executive Directors do not have service contracts. They are paid a basic fee as Directors and additional fees for serving on Board Committees. The Board may, if necessary, seek expert advice on the remuneration of all Directors.

The aggregate amount of the total remuneration paid to the top five Key Management Personnel is S\$883,391.

The remuneration of individual Key Management Personnel is however not fully disclosed but in bands of S\$250,000 as the Company believes that disclosure may be prejudicial to its business interest given the highly competitive environment it is operating in.

There is no employee who is related to a Director or the CEO whose remuneration exceeds S\$50,000 in the Group's employment for the financial year ended 31 March 2016.

CORPORATE GOVERNANCE REPORT

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company. If required, the RC will consider instituting such contractual provisions to allow the Company to reclaim the incentive components of the remuneration of the Executive Director and key management personnel paid in prior years in such exceptional circumstances.

Principle 10: Accountability and Audit

The Board is accountable to the Company's shareholders while Management is accountable to the Board. Quarterly and full year financial statements are presented by Management to the AC for its review. The AC then presents its findings on these financial statements and submits the same for approval by the Board. Upon the Board's approval, Management will release the financial results on a quarterly basis via SGXNET to the public for their information.

Principle 12: Audit and Risk Management Committee

The Audit and Risk Management Committee (the "AC") carries out the functions set out in the Code and the Companies Act. The AC comprises Non-Executive Directors and they are:

| | |
|--------------|--|
| AC Chairman: | Mr Ung Gim Sei (Independent Director) |
| Members: | Professor Chew Soon Beng @ Teo Soon Beng (Independent Director) Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director) |

The duties and responsibilities of the AC include the review of the following:

- financial statements, internal and external audit plans and reports;
- adequacy and effectiveness of the Company's internal controls;
- consistency of and significant changes to accounting policies and practices;
- adequacy of internal audit resources;
- appointment/removal of head of internal audit;
- nomination of external auditor for appointment at the AGM;
- risk management structure and oversight of risk management process;
- independence and objectivity of external auditor; and
- interested person transactions.

The principal responsibility of the AC is to assist the Board in maintaining a good standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting process and internal control systems of the Company, the review of the significant financial reporting issues and the integrity of the financial statements of the Company for any formal announcements. The AC governs and approves key financial policies and has the power to conduct or authorize investigations into any matters within its scope of responsibility.

In addition, the AC seeks to establish corporate policies on minimum operating standards pertaining to specific areas of the business. These policies are aimed at providing the necessary operational controls to guide the day-to-day management and business operation of the Company which is under the purview and authority of the Executive Director ("ED"). The AC aims at improving the system of operational controls and efficiency through reviews of operational performance matrix for every business sector against established benchmarks. It also oversees special projects such as corporate re-engineering review and the implementation of the recommendations arising from such reviews.

CORPORATE GOVERNANCE REPORT

The AC is empowered to make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors. For the Year, the AC, having reviewed the services provided by external auditors during the Year, is satisfied that there are no non-audit services provided to the Group and that the independence and objectivity of the external auditors are not affected. The fee payable to auditors is set out on page 57 of this annual report. The AC has recommended to the Board the nomination of Ernst & Young LLP for re-appointment by shareholders as external auditors of the Company at the forthcoming Annual General Meeting ("AGM").

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual. In accordance with the requirements of Rule 716 thereof, the AC and the Board are satisfied that the appointment of auditors for some of its foreign subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

Members of the AC have independent access to both the external auditors and the internal auditors. During the Year, the AC had meetings with the external and internal auditors without the presence of the Management. The AC has full discretion to invite any Director or executive officer of the Company to attend its meetings.

The AC is tasked to evaluate the findings of the Internal Auditors on the internal controls of the Group. It believes that the system of internal controls maintained by the Company could be further strengthened to safeguard the Company's assets.

To keep abreast of the changes in financial reporting standards and related issues which have a direct impact on financial statements, discussions are held with the external auditors where applicable when they attend the AC meetings quarterly.

Principle 11: Risk Management and Internal Controls

Principle 13: Internal Audit

The Board ensures that the Management maintains a sound system of internal controls and risk management to safeguard the shareholders' interests and the Company's assets.

All business units have a primary responsibility for managing their specific risk exposures based on the Group's guidelines. The Company has established an Enterprise Risk Management Framework ("ERM framework") for the purpose of addressing the operational, compliance, financial and information technology risks of the holding Company and its Singapore subsidiaries and is in the midst of executing it.

The AC is tasked to oversee the implementation of an effective system of internal controls as well as putting in place an ERM framework to continually identify, evaluate and manage significant business risks of the Group. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

The Board will continue to review and ensure that there are adequate controls in the Group. Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, the Board with the concurrence of the AC, are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, could be further strengthened. The Internal Auditors will continue to monitor the enforcement of controls in these areas.

The Board has received assurance from the Executive Director and the Group Financial Controller that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) regarding the effectiveness of the Company's risk management and internal control systems.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

To achieve a good standard of corporate governance for the operations of the Group, employees must maintain a high level of integrity and professionalism in their conduct and ensure compliance with all laws and regulations in their dealings with all stakeholders. Accordingly, the Board has put in place the Employee Code of Ethics and Policy for Reporting Improper Action and Protecting Employees Against Retaliation (“Whistle Blower”) in year 2004. The Whistle Blower policy is liberally construed in favour of protecting the Group’s interest through full disclosure of any conflict of interest and promoting ethical standards of conduct for all employees. The Whistle Blower policy is administered by the Internal Audit function and is included in the staff orientation programme.

Any person may file with the Head of Internal Audit who reports to the AC Chairman, a complaint alleging violation of the policy, together with all available supporting documents or other evidence to demonstrate a reason for believing that a violation had occurred. The Head of Internal Audit or his designate shall conduct a preliminary investigation. Thereafter, the Head of Internal Audit shall refer the complaint to the AC Chairman for appropriate follow-up action to be taken. For FY2016, there have been no incidents pertaining to whistle-blowing reported.

The Head of Internal Audit reports to the AC and assists the Board in monitoring and managing business risks and system of internal controls. The AC has a duty to review and approve the Company’s internal audit plan. The results of the audit findings by Internal Auditors will also be submitted to the AC for review.

The scope of work of the Internal Auditors covers the audit of all units and operations including the Company’s overseas offices, subsidiaries, associates and franchisees. To further enhance the internal controls of the Group, the AC may engage an external audit firm to perform internal audit tasks from time to time.

Banking Committee

The Board has established a Banking Committee (the “BC”), the members of which are:-

| | |
|--------------|---|
| BC Chairman: | Professor Chew Soon Beng (Independent Director) |
| Member: | Ms Yau Su Peng (Executive Director) |
| Member: | Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director) |

The duties and responsibilities of the BC are as follows:

- Reviewing and approving any change in authorised signatories and signing conditions for operating the banking accounts; and
- Ensuring that proper approval procedures are in place for the operation of the Company’s bank accounts.

Principle 14: Communication with Shareholders

Principle 15: Greater Shareholder Participation

Principle 16: Conduct of Shareholder Meetings

The Company recognises the need to communicate with all shareholders on all material business matters affecting the Company. Timely and detailed disclosures are made to the shareholders in compliance with Listing Manual of the SGX-ST and the Companies Act (Chapter 50).

All shareholders of the Company receive the Annual Report and Notice of the AGM. The Notice is advertised in a daily newspaper. At the AGM, shareholders are encouraged to ask questions on the Company’s operating and financial performance and the resolutions that are being proposed.

CORPORATE GOVERNANCE REPORT

In addition, shareholders are given the opportunity to communicate their views and are encouraged to raise pertinent questions to the Board members and to vote at shareholders' meetings. The respective Chairmen of the AC, NC and RC are also present at shareholders' meetings to address relevant questions raised by the shareholders. The external auditor and legal advisers are usually invited to be present to assist the Directors in addressing any queries raised by shareholders.

The Company's Articles of Association allows a member of the Company to appoint one or two proxies to attend and vote on behalf of the member. To better reflect shareholders' shareholding interest and ensure greater transparency, since 2013, all resolutions tabled at the AGM are voted by poll. The Company's articles allow any shareholder to appoint proxies during his absence, to attend and vote on his behalf at the general meetings. The Company does not permit voting in absentia by mail, facsimile or email due to the difficulty in verifying and ensuring authenticity of the vote.

Shareholders and potential investors are encouraged to visit the Company's website at www.informaticseducation.com for information on the Company.

The Company does not have a fixed dividend policy. The frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow and general business condition, development plans and other factors as the directors may deem appropriate.

Interested Person Transactions

There was no interested person transaction during the Year which falls under Rule 907 of the SGX-ST Listing Manual.

Material Contracts

There were no material contracts of the Company and its subsidiaries involving the interests of the Directors, Chief Executive Officer or the controlling shareholders and his/her associates that have subsisted at the end of the Year or have been entered into since the end of the Year.

Note:

"Associate" in relation to a Director, Chief Executive Officer or controlling shareholder means:

- his/her immediate family;
- the trustees of any trust of which he/her or his/her immediate family member is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- any company in which he/her and his/her immediate family together (directly or indirectly) have an interest of 30% or more.

Dealings in Securities

In compliance with Listing Rule 1207(19) of the SGX-ST Listing Manual, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Company during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full year results, and ending on the date of such announcements. Directors, officers and employees are also reminded not to trade in listed securities of the Company at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Company's securities on short-term considerations.

In addition, the Directors and officers of the Company and Group are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Informatics Education Ltd (the "Company") and its subsidiaries (collectively, the "Group"), and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2016.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Group, and the changes in equity of the Company for the financial year ended on that date, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this report are:

Dato' Sri Robin Tan Yeong Ching
Professor Chew Soon Beng @ Teo Soon Beng
Ms Mae Ho Seok Khen
Mr Ung Gim Sei
Ms Yau Su Peng

3. Arrangements to enable directors to acquire shares or debenture

Except as described in section 6 below, neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debenture of the Company or any other body corporate.

DIRECTORS' STATEMENT

4. Directors' interests in shares and debenture

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

| Names of Director | Direct interest | | | Deemed interest | | |
|--|--|-----------------------------------|-----------------|--|-----------------------------------|-----------------|
| | At the beginning of the financial year | At the end of the financial year* | As at 21.4.2016 | At the beginning of the financial year | At the end of the financial year* | As at 21.4.2016 |
| The Company | | | | | | |
| Ordinary shares | | | | | | |
| Mr Ung Gim Sei | 3,129,411 | 156,470 | 156,470 | 1,000,000 | 50,000 | 50,000 |
| Professor Chew Soon Beng @ Teo Soon Beng | 3,050,000 | 152,500 | 152,500 | 1,000,000 | 50,000 | 50,000 |

Mr Ung Gim Sei and Professor Chew Soon Beng @ Teo Soon Beng are deemed to be interested in the shares of the Company held by their spouses, respectively.

* During the current financial year, the Company undertook a share consolidation exercise, where every twenty (20) existing ordinary shares in the capital of the Company were consolidated into one (1) consolidated share.

| | Held by Directors | | | | |
|---|--|----------------------------------|--------------|----------------|--------------------------|
| | At the beginning of the financial year | At the end of the financial year | At 21.4.2016 | Exercise price | Exercise period |
| \$ | | | | | |
| Options to subscribe for ordinary shares | | | | | |
| Mr Ung Gim Sei | 200,000 | – | – | 0.125 | 16.02.2012 to 15.02.2016 |
| Professor Chew Soon Beng @ Teo Soon Beng | 200,000 | – | – | 0.125 | 16.02.2012 to 15.02.2016 |
| Ms Mae Ho Seok Khen | 34,000 | – | – | 0.125 | 16.02.2012 to 15.02.2016 |

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2016.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

DIRECTORS' STATEMENT

5. Share options

The Informatics Executives' Share Option Scheme (the "Scheme") was approved by the members of the Company at an Extraordinary General Meeting held on 7 September 1994 and last amended at the Extraordinary General Meeting held on 31 July 2006. At the Extraordinary General Meeting held on 8 August 2003, the members of the Company approved the extension of the Scheme for a further period of ten years from the expiry of the ten-year period of the Scheme on 7 September 2004.

As such, the Scheme expired on 7 September 2014.

There are no outstanding share options as at 31 March 2016, as all share options outstanding at the beginning of the financial year lapsed on 15 February 2016.

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Scheme are as follows:

| | Options granted during the financial year | Aggregate options granted since commencement of Scheme to end of financial year | Aggregate options exercised since commencement of Scheme to end of financial year | Aggregate options lapsed since commencement of Scheme to end of financial year | Aggregate options outstanding at end of financial year |
|---|---|---|---|--|--|
| Options to subscribe for ordinary shares | | | | | |
| Mr Ung Gim Sei | – | 3,437,067 | (3,029,411) | (407,656) | – |
| Professor Chew Soon Beng @ Teo Soon Beng | – | 2,800,000 | (2,600,000) | (200,000) | – |
| Ms Mae Ho Seok Khen | – | 34,000 | – | (34,000) | – |
| | – | 6,271,067 | (5,629,411) | (641,656) | – |

Since the commencement of the Scheme till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates;
- No participant has received 5% or more of the total options available under the plans;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

DIRECTORS' STATEMENT

6. Audit and Risk Management Committee

The Audit and Risk Management Committee ("AC") comprises three members, all non-executive directors and majority of whom are independent directors. The members of the Committee are:

AC Chairman: Mr Ung Gim Sei (Independent Director)
Members: Professor Chew Soon Beng @ Teo Soon Beng (Independent Director)
Ms Mae Ho Seok Khen (Non-Executive Director)

The Audit and Risk Management Committee performed the functions specified in the Act. The functions performed are detailed in the Report on Corporate Governance.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Dato' Sri Robin Tan Yeong Ching
Director

Ms Yau Su Peng
Director

Singapore
24 June 2016

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Independent auditor's report to the members of Informatics Education Ltd

Report on the financial statements

We have audited the accompanying financial statements of Informatics Education Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 34 to 81, which comprise the balance sheets of the Group and the Company as at 31 March 2016, and the statements of changes in equity of the Group and the Company, the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Independent auditor's report to the members of Informatics Education Ltd

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
24 June 2016

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|----------------|----------------|
| Revenue | 4 | 13,016 | 15,945 |
| Other operating income | | 589 | 190 |
| Employee benefits expense | 5 | (8,527) | (10,463) |
| Depreciation of property, plant and equipment | 10 | (544) | (692) |
| Other operating expenses | 6 | (9,895) | (10,126) |
| Interest income | 7 | 230 | 261 |
| Loss before taxation | | (5,131) | (4,885) |
| Taxation | 8 | 28 | (28) |
| Loss for the year | | (5,103) | (4,913) |
| Loss attributable to: | | | |
| Equity holders of the Company | | (5,103) | (4,913) |

| | Note | 2016 | 2015 (Note 9) |
|---|----------|--------|------------------|
| Earnings per share attributable to equity holders of the Company (cents) | 9 | | |
| Basic | | (7.07) | (6.80) |
| Diluted | | (7.07) | (6.80) |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Loss for the year | (5,103) | (4,913) |
| Other comprehensive income: | | |
| Items that may be reclassified subsequently to profit or loss | | |
| Foreign currency translation | 408 | (471) |
| Other comprehensive income for the year | 408 | (471) |
| Total comprehensive income for the year | (4,695) | (5,384) |
| Total comprehensive income attributable to: | | |
| Equity holders of the Company | (4,695) | (5,384) |
| | (4,695) | (5,384) |

BALANCE SHEETS

AS AT 31 MARCH 2016
(In Singapore Dollars)

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 10 | 293 | 476 | 77 | 119 |
| Intangible assets | 11 | 10 | 25 | – | – |
| Investment in subsidiaries | 12 | – | – | 15,791 | 18,167 |
| Other investments | 13 | – | – | – | – |
| | | 303 | 501 | 15,868 | 18,286 |
| Current assets | | | | | |
| Prepayments | | 486 | 651 | 154 | 128 |
| Trade and other receivables | 14 | 2,131 | 3,166 | 686 | 816 |
| Restricted cash at bank | 15 | 138 | 138 | – | – |
| Cash and fixed deposits | 15 | 15,286 | 22,198 | 245 | 404 |
| | | 18,041 | 26,153 | 1,085 | 1,348 |
| Current liabilities | | | | | |
| Deferred income and fees | | 1,453 | 3,709 | 93 | 331 |
| Trade and other payables | 16 | 3,593 | 4,624 | 2,954 | 2,198 |
| Provision | 17 | 230 | 270 | 148 | 148 |
| Accruals for withholding tax | | 2 | 268 | – | 266 |
| Income tax payable | | 1 | 23 | – | – |
| | | 5,279 | 8,894 | 3,195 | 2,943 |
| Net current assets/(liabilities) | | 12,762 | 17,259 | (2,110) | (1,595) |
| Total net assets | | 13,065 | 17,760 | 13,758 | 16,691 |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 18 | 29,908 | 29,908 | 29,908 | 29,908 |
| Reserves | 19 | (16,843) | (12,148) | (16,150) | (13,217) |
| Total equity | | 13,065 | 17,760 | 13,758 | 16,691 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016
(In Singapore Dollars)

| | Attributable to equity holders of the Company | | | | | Total equity \$'000 |
|---|---|---|----------------------------------|---------------------------------|-----------------------------|------------------------|
| | Share capital \$'000 | Employee share option reserve \$'000 | Translation reserve \$'000 | Accumulated losses \$'000 | Total reserves \$'000 | |
| Group | | | | | | |
| At 1 April 2015 | 29,908 | 53 | (1,884) | (10,317) | (12,148) | 17,760 |
| Loss for the year | – | – | – | (5,103) | (5,103) | (5,103) |
| Other comprehensive income for the year | – | – | 408 | – | 408 | 408 |
| Total comprehensive income for the year | – | – | 408 | (5,103) | (4,695) | (4,695) |
| <u>Contributions by and distribution to owners</u> | | | | | | |
| Expiry of employee share options | – | (53) | – | 53 | – | – |
| At 31 March 2016 | 29,908 | – | (1,476) | (15,367) | (16,843) | 13,065 |
| At 1 April 2014 | 29,906 | 67 | (1,413) | (5,410) | (6,756) | 23,150 |
| Loss for the year | – | – | – | (4,913) | (4,913) | (4,913) |
| Other comprehensive income for the year | – | – | (471) | – | (471) | (471) |
| Total comprehensive income for the year | – | – | (471) | (4,913) | (5,384) | (5,384) |
| <u>Contributions by and distribution to owners</u> | | | | | | |
| Shares issued due to exercise of employee share options | 2 | (1) | – | – | (1) | 1 |
| Write-back of equity-settled share options | – | (7) | – | – | (7) | (7) |
| Expiry of employee share options | – | (6) | – | 6 | – | – |
| At 31 March 2015 | 29,908 | 53 | (1,884) | (10,317) | (12,148) | 17,760 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

| | Share capital \$'000 | Employee share option reserve \$'000 | Accumulated losses \$'000 | Total reserves \$'000 | Total equity \$'000 |
|---|----------------------------|--|---------------------------------|-----------------------------|---------------------------|
| Company | | | | | |
| At 1 April 2015 | 29,908 | 53 | (13,270) | (13,217) | 16,691 |
| Loss for the year | – | – | (2,933) | (2,933) | (2,933) |
| Other comprehensive income for the year | – | – | – | – | – |
| Total comprehensive income for the year | – | – | (2,933) | (2,933) | (2,933) |
| <u>Contributions by and distribution to owners</u> | | | | | |
| Expiry of employee share options | – | (53) | 53 | – | – |
| At 31 March 2016 | 29,908 | – | (16,150) | (16,150) | 13,758 |
| | | | | | |
| At 1 April 2014 | 29,906 | 67 | (8,352) | (8,285) | 21,621 |
| Loss for the year | – | – | (4,924) | (4,924) | (4,924) |
| Other comprehensive income for the year | – | – | – | – | – |
| Total comprehensive income for the year | – | – | (4,924) | (4,924) | (4,924) |
| <u>Contributions by and distribution to owners</u> | | | | | |
| Shares issued due to exercise of employee share options | 2 | (1) | – | (1) | 1 |
| Write-back of equity-settled share options | – | (7) | – | (7) | (7) |
| Expiry of employee share options | – | (6) | 6 | – | – |
| At 31 March 2015 | 29,908 | 53 | (13,270) | (13,217) | 16,691 |

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016
(In Singapore Dollars)

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|----------------|----------------|
| Cash flow from operating activities | | | |
| Loss before taxation | | (5,131) | (4,885) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 10 | 544 | 692 |
| Amortisation of intangible assets | 11 | 15 | 25 |
| Net gain on disposal of property, plant and equipment | 6 | (1) | (1) |
| Impairment loss of property, plant and equipment | 6 | 197 | – |
| Allowance/(write-back) for doubtful debts | 6 | 128 | (19) |
| Bad debts written-off | 6 | 197 | 89 |
| Loss on liquidation of a subsidiary (Note A) | 6 | – | 5 |
| Employee share option write-back | 5 | – | (7) |
| Interest income | 7 | (230) | (261) |
| Unrealised exchange loss/(gain) | | 458 | (495) |
| Operating loss before working capital changes | | (3,823) | (4,857) |
| Decrease in prepayments, trade and other receivables | | 635 | 113 |
| Decrease in deferred income and fees | | (2,256) | (1,163) |
| Decrease in trade and other payables and accruals for withholding tax | | (1,153) | (1,591) |
| Cash used in operations | | (6,597) | (7,498) |
| Interest received | | 235 | 163 |
| Tax paid | | (24) | (31) |
| Net cash flows used in operating activities | | (6,386) | (7,366) |
| Cash flow from investing activities | | | |
| Purchase of property, plant and equipment (Note B) | | (483) | (154) |
| Expenditure on intangible assets | 11 | – | (12) |
| Proceeds from disposal of property, plant and equipment | | 1 | 2 |
| Withdrawal of fixed deposits | | 7,127 | 3,080 |
| Net cash from investing activities | | 6,645 | 2,916 |
| Cash flow from financing activity | | | |
| Proceeds from exercise of employee share options | | – | 1 |
| Net cash generated from financing activity | | – | 1 |
| Net increase/(decrease) in cash and cash equivalents | | 259 | (4,449) |
| Cash and cash equivalents at beginning of the financial year | | 5,071 | 9,500 |
| Effects of exchange rate changes on opening cash and cash equivalents | | (44) | 20 |
| Cash and cash equivalents at end of the financial year | 15 | 5,286 | 5,071 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

Note A. Liquidation of subsidiary

In the previous financial year, the Group's wholly-owned subsidiary, Silicon Valley International University, Inc, was placed under members' voluntary liquidation.

The effects of the liquidation of the subsidiary on the consolidated statement of cash flows were:

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| Net identifiable assets upon liquidation of subsidiary | – | 5 |
| Loss on liquidation of subsidiary | – | (5) |
| Total considerations from liquidation of subsidiary | – | – |
| Cash and cash equivalents disposed upon liquidation of subsidiary | – | – |
| Cash outflow upon liquidation of subsidiary | – | – |

Loss on liquidation of subsidiary was recognised in income statement under the line item "other operating expenses".

Note B. Purchase of property, plant and equipment

During the financial year, the additions to the Group's property, plant and equipment amounted to \$565,000 (2015: \$154,000). The additions were by way of cash payments of \$483,000 (2015: \$154,000) and increase in provision for reinstatement costs of \$82,000 (2015: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

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 Middle Road, #05-01 BOC Plaza, Singapore 188974.

The principal activities of the Company are those of investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators. The Company also operates under the names, "Informatics Higher Education", "Informatics Corporate Learning" and "Informatics Executive Education" being sole-proprietorships registered under the name of the Company. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|---|--|
| FRS 114 <i>Regulatory Deferral Accounts</i> | 1 January 2016 |
| Amendments to FRS 16 and FRS 41 <i>Agriculture - Bearer Plants</i> | 1 January 2016 |
| Amendments to FRS 27 <i>Equity Method in Separate Financial Statements</i> | 1 January 2016 |
| Amendments to FRS 16 and FRS 38 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> | 1 January 2016 |
| Amendments to FRS 7: <i>Disclosure Initiative</i> | 1 January 2017 |
| Amendments to FRS 12: <i>Recognition of Deferred Tax Assets for Unrealised Losses</i> | 1 January 2017 |
| Improvements to FRSs (November 2014) | |
| (a) Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i> | 1 January 2016 |
| (b) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i> | 1 January 2016 |
| (c) Amendments to FRS 19 <i>Employee Benefits</i> | 1 January 2016 |
| Amendments to FRS 111 <i>Accounting for Acquisitions of Interests in Joint Operations</i> | 1 January 2016 |
| Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception</i> | 1 January 2016 |
| Amendments to FRS 110 & FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Date to be determined |
| Amendments to FRS 1 <i>Disclosure Initiative</i> | 1 January 2016 |
| Amendments to FRS 110, FRS 112 and FRS 28 <i>Investment Entities: Applying the Consolidation Exception</i> | 1 January 2016 |
| FRS 115 <i>Revenue from Contracts with Customers</i> | 1 January 2018 |
| FRS 109 <i>Financial Instruments</i> | 1 January 2018 |

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of 115 and 109 are described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirement will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in income statement;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to income statement or retained earnings, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|---|----------------|
| Furniture and fittings, office and computer equipment | - 3 to 5 years |
| Improvement to premises | - 2 to 5 years |
| Training aids | - 3 years |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.7 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Development costs

Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs have a finite useful life and are amortised over 3 years on a straight line basis.

2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.9 *Other investments*

The Group's other investments are classified as available-for-sale financial assets.

The accounting policy for such financial assets is stated in Note 2.11.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount, that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(ii) Available-for-sale financial assets (cont'd)

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.12 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents exclude cash and deposits which are restricted in use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) Employee share option plans

Eligible employees of the Group receive remuneration in the form of share options as consideration for services rendered.

The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings or loss per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.16 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants related to income

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to staff costs are presented as a credit to "Employee benefits expense" in the profit or loss.

2.17 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) *Course fees*

Course fee is generally recognised as revenue over the duration of the course. For courses hosted on the e-learning portal, course fee is recognised as revenue upon full module fees collected upon commencement of class for the respective modules. Fees received prior to the commencement of the courses are recorded as deferred income and fees in the balance sheet.

(b) *Examination fees*

Examination fee is recognised as revenue when examination services are substantially rendered to the students. When examination dates fall in the next financial year, judgement is used to establish the proportion of revenue that may be recognised in the current period based upon stage of completion of services performed within the period as a proportion of the total services to be performed.

(c) *Franchise fees*

Initial franchise fee is recognised as revenue when the contractual requirements under the franchise agreement are completed and when collectability is certain. Recurring franchise fee is recognised as revenue on a monthly basis, determined as a percentage of revenue generated by the franchisees.

(d) *Licence fees*

Licence fee is recognised as revenue evenly over the duration of the agreement. Accreditation fee from potential licensee is recognised upon completion and issuance of accreditation report.

(e) *Rental income*

Rental income is recognised on a straight-line basis over the term of the rental period.

(f) *Interest income*

Interest income is recorded using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.18 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.17(e). Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- (i) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.19 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- (i) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- (i) Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables that are stated with the amount of sales tax included.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

2. Summary of significant accounting policies (cont'd)

2.20 *Segment reporting*

For management reporting purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 22, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

There are no critical judgements, apart from those involving estimates, that Management has made in the process of applying the entity's accounting policies and that have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of trade and other receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by \$134,000 (2015: increase by \$197,000).

4. Revenue

| | Group | |
|--|--------|--------|
| | 2016 | 2015 |
| | \$'000 | \$'000 |
| Course and examination fees ⁽¹⁾ | 12,923 | 15,683 |
| Franchise and license fee income | 35 | 52 |
| Rental income | 58 | 210 |
| | 13,016 | 15,945 |

⁽¹⁾ This includes reversal of deferred income and fees amounting to approximately \$1,706,000 (2015: \$217,000) during the year. The amounts were recognised as revenue to the income statement as the courses were not completed within certain time period or the students have dropped out from their courses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

5. Employee benefits expense

| | Group | |
|---|--------|--------|
| | 2016 | 2015 |
| | \$'000 | \$'000 |
| <hr/> | | |
| Employee benefits expense (including key management personnel): | | |
| - salaries and bonuses | 7,660 | 9,511 |
| - defined contribution plan contributions | 867 | 959 |
| - employee share option write-back | - | (7) |
| | <hr/> | <hr/> |
| | 8,527 | 10,463 |
| | <hr/> | <hr/> |

Employee share option plan

The Company had an employee share option scheme, The Informatics Executives' Share Option Scheme (the "Scheme"), for granting of non-transferable options to eligible employees and directors of the Group.

The Scheme expired on 7 September 2014.

Options granted to and accepted by Participants in respect of an option granted with a subscription price at the market price will be exercisable after the first anniversary of the offer date of that option and before the fifth anniversary of such offer date. Options granted to and accepted by Participants in respect of an option granted with a subscription price at a discount to the market price will only be exercisable after the second anniversary of the offer date of that option and before the fifth anniversary of such offer date.

There are no cash settlement alternatives in the Scheme.

There are no outstanding share options as at 31 March 2016, as all share options outstanding at the beginning of the financial year lapsed on 15 February 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

5. Employee benefits expense (cont'd)

Movement of share options during the financial year

The following table summarises the number and weighted average exercise price of, and movements in share options during the financial year:

| | No. of options in financial year 2016 | Weighted average exercise price in financial year 2016 \$ | No. of options in financial year 2015 | Weighted average exercise price in financial year 2015 \$ |
|--|---|--|---|--|
| Outstanding at beginning of year | 674,000 | 0.125 | 990,000 | 0.107 |
| Exercised during the year ⁽¹⁾ | – | – | (20,000) | 0.045 |
| Forfeited during the year | – | – | (107,000) | 0.112 |
| Expired during the year ⁽²⁾ | (674,000) | 0.125 | (189,000) | 0.045 |
| Outstanding at end of year | – | – | 674,000 | 0.125 |
| Exercisable at end of year | – | – | 674,000 | 0.125 |

⁽¹⁾ The weighted average share price at the date of exercise of the options exercised during the year was \$nil (2015: \$0.08).

⁽²⁾ The weighted average remaining contractual life for the share options outstanding at the end of the year is nil (2015: 0.88 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

6. Other operating expenses

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

| | Note | Group | |
|--|------|----------------|----------------|
| | | 2016 \$'000 | 2015 \$'000 |
| Audit fees to: | | | |
| - Auditors of the Company | | 112 | 125 |
| - Affiliate to auditors of the Company | | 68 | 3 |
| - Other auditors | | 10 | 88 |
| Non-audit fees to: | | | |
| - Other auditors | | 13 | 19 |
| Amortisation of intangible assets | 11 | 15 | 25 |
| Net gain on disposal of property, plant and equipment | | (1) | (1) |
| Impairment loss of property, plant and equipment | | 197 | - |
| Loss on liquidation of subsidiary | | - | 5 |
| Allowance / (write-back) for doubtful receivables | 14 | 128 | (19) |
| Bad debts written-off | 14 | 197 | 89 |
| Foreign exchange loss / (gain), net | | 423 | (472) |
| Operating lease expenses | 21 | 2,409 | 2,899 |
| Franchising and licensing, accreditation, registration and assessment fees | | 3,629 | 3,141 |
| Reversal of accrued operating expenses ⁽¹⁾ | | (543) | (293) |

⁽¹⁾ These include reversal of university fees, examination costs and other miscellaneous costs amounting to \$543,000 (2015: \$293,000). During the current financial year, the accruals have been written back to the income statement as they are no longer required.

7. Interest income

| | Group | |
|----------------------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 |
| Bank balances and deposits | 230 | 261 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

8. Taxation

Major components of income tax expense

The major components of income tax for the financial years ended 31 March are as follows:

| | Group | |
|---|--------|--------|
| | 2016 | 2015 |
| | \$'000 | \$'000 |
| Consolidated income statement: | | |
| Current income tax: | | |
| - current year | 26 | 28 |
| - over provision in respect of prior years | (23) | – |
| Foreign withholding tax credit | (31) | – |
| Income tax expense recognised in profit or loss | (28) | 28 |

Relationship between tax expense and accounting loss

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rates for the financial years ended 31 March is as follows:

| | | |
|---|---------|---------|
| Loss before taxation | (5,131) | (4,885) |
| Tax at the domestic rates applicable to profits in the countries where the Group operates | (893) | (863) |
| Adjustments: | | |
| Income not subject to taxation | – | (69) |
| Non-deductible expenses | 11 | 67 |
| Deferred tax benefits not recognised | 932 | 960 |
| Over provision in respect of prior years | (23) | – |
| Foreign withholding tax credit | (31) | – |
| Benefits from previously unrecognised capital allowances and tax losses | (19) | (34) |
| Others | (5) | (33) |
| Income tax (credit) /expense recognised in profit or loss | (28) | 28 |

As at 31 March 2016, the Group has tax losses of approximately \$71,275,000 (2015: \$66,644,000) and other temporary differences of approximately \$319,000 (2015: \$329,000) that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The utilisation of these balances is subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies in the Group operate. There is no expiry for the Group's tax losses in the respective tax jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

9. Earnings per share

Basic earnings per share are calculated by dividing the profit for the financial year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing the profit for the financial year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 March:

| | Group | | |
|---|------------------|------------------------------|------------------------------|
| | 2016 | 2015 | |
| | \$'000 | \$'000 | |
| Loss for the financial year attributable to equity holders of the Company | (5,103) | (4,913) | |
| | Number of shares | | |
| | 2016 | 2015 | 2015 |
| | '000 | '000 | '000 |
| | | (After share consolidation*) | (Before share consolidation) |
| Weighted average number of ordinary shares for basic and diluted earnings per share computation | 72,215 | 72,215 | 1,444,308 |

* During the current financial year, the Company undertook a share consolidation exercise, where every twenty (20) existing ordinary shares in the capital of the Company were consolidated into one (1) consolidated share. For a meaningful comparison as a result of the share consolidation [Refer to Note 18 for details], the comparative earnings per share for 2015 was restated.

There are no outstanding share options as at 31 March 2016. For 2015, 674,000 share options granted to employees under the existing employee share option plans were not included in the calculation of diluted earnings per share because they are anti-dilutive.

Since the end of the financial year, there was no ordinary share transaction involving senior executives.

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

10. Property, plant and equipment

| | Furniture and fittings, office and computer equipment \$'000 | Improvement to premises \$'000 | Training aids \$'000 | Total \$'000 |
|---|---|--------------------------------------|----------------------------|-----------------|
| Group | | | | |
| Cost: | | | | |
| At 1 April 2014 | 4,531 | 1,383 | 278 | 6,192 |
| Additions | 143 | 11 | – | 154 |
| Disposals | (51) | – | – | (51) |
| Exchange differences | (2) | 5 | 2 | 5 |
| At 31 March 2015 and 1 April 2015 | 4,621 | 1,399 | 280 | 6,300 |
| Additions | 167 | 398 | – | 565 |
| Disposals/write-off | (900) | (655) | (249) | (1,804) |
| Exchange differences | (51) | (11) | (4) | (66) |
| At 31 March 2016 | 3,837 | 1,131 | 27 | 4,995 |
| Accumulated depreciation and impairment: | | | | |
| At 1 April 2014 | 3,777 | 1,122 | 278 | 5,177 |
| Charge for the financial year | 513 | 179 | – | 692 |
| Disposals | (50) | – | – | (50) |
| Exchange differences | 1 | 2 | 2 | 5 |
| At 31 March 2015 and 1 April 2015 | 4,241 | 1,303 | 280 | 5,824 |
| Charge for the financial year | 287 | 257 | – | 544 |
| Impairment loss | – | 197 | – | 197 |
| Disposals/write-off | (900) | (655) | (249) | (1,804) |
| Exchange differences | (45) | (10) | (4) | (59) |
| At 31 March 2016 | 3,583 | 1,092 | 27 | 4,702 |
| Net carrying amount: | | | | |
| At 31 March 2016 | 254 | 39 | – | 293 |
| At 31 March 2015 | 380 | 96 | – | 476 |

During the financial year, the Group carried out a review of the recoverable amount of its plant and equipment in view of the loss positions of Group companies. An impairment loss of \$197,000 (2015: nil), representing the write-down of these improvement to premises recoverable amount was recognised in "Other operating expenses" (Note 6) line item of statement of comprehensive income for the financial year ended 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

10. Property, plant and equipment (cont'd)

| | Furniture and fittings, office and computer equipment \$'000 | Improvement to premises \$'000 | Training aids \$'000 | Total \$'000 |
|-----------------------------------|---|--------------------------------------|----------------------------|-----------------|
| Company | | | | |
| Cost: | | | | |
| At 1 April 2014 | 1,700 | 290 | 249 | 2,239 |
| Additions | 55 | – | – | 55 |
| At 31 March 2015 and 1 April 2015 | 1,755 | 290 | 249 | 2,294 |
| Additions | 38 | – | – | 38 |
| Disposals | (33) | – | (249) | (282) |
| At 31 March 2016 | 1,760 | 290 | – | 2,050 |
| Accumulated depreciation: | | | | |
| At 1 April 2014 | 1,371 | 238 | 249 | 1,858 |
| Charge for the financial year | 271 | 46 | – | 317 |
| At 31 March 2015 and 1 April 2015 | 1,642 | 284 | 249 | 2,175 |
| Charge for the financial year | 74 | 6 | – | 80 |
| Disposals | (33) | – | (249) | (282) |
| At 31 March 2016 | 1,683 | 290 | – | 1,973 |
| Net carrying amount: | | | | |
| At 31 March 2016 | 77 | – | – | 77 |
| At 31 March 2015 | 113 | 6 | – | 119 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

11. Intangible assets

| | Group \$'000 |
|-----------------------------------|-------------------------|
| Cost: | |
| At 1 April 2014 | 211 |
| Additions | 12 |
| Exchange differences | (4) |
| At 31 March 2015 and 1 April 2015 | 219 |
| Exchange differences | (9) |
| At 31 March 2016 | 210 |
| Accumulated amortisation: | |
| At 1 April 2014 | 172 |
| Amortisation | 25 |
| Exchange differences | (3) |
| At 31 March 2015 and 1 April 2015 | 194 |
| Amortisation | 15 |
| Exchange differences | (9) |
| At 31 March 2016 | 200 |
| Net carrying amount: | |
| At 31 March 2016 | 10 |
| At 31 March 2015 | 25 |

Intangible assets relate to development costs incurred on courseware products capitalised by a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

12. Investment in subsidiaries

| | Company | |
|--|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 |
| Unquoted equity shares, at cost | 72,672 | 72,778 |
| Impairment losses | (56,881) | (54,611) |
| Carrying amount | 15,791 | 18,167 |
| Movement in impairment losses is as follows: | | |
| Balance at beginning of financial year | 54,611 | 53,047 |
| Charge for the financial year | 2,270 | 1,907 |
| Liquidation of subsidiary | – | (343) |
| Balance at end of financial year | 56,881 | 54,611 |

| Name of company (country of incorporation and place of business) | Principal activities | Proportion of ownership interest | | Cost of investment by the Company | |
|---|--|-------------------------------------|-----------|--------------------------------------|----------------|
| | | 2016 % | 2015 % | 2016 \$'000 | 2015 \$'000 |
| Held by the Company | | | | | |
| ⁽¹⁾ Informatics Academy Pte Ltd (Singapore) | Computer and business education and training, business management consultancy and child development | 100 | 100 | 52,424 | 52,424 |
| * PurpleTrain.com Pte Ltd (Singapore) | Dormant | 100 | 100 | 50 | 50 |
| ⁽¹⁾ Informatics International Pte Ltd (Singapore) | Franchise and licensing business and operation system support | 100 | 100 | 100 | 100 |
| ⁽¹⁾ Informatics Global Campus Pte Ltd (Singapore) | Operation of e-learning portal providing e-learning for higher education, corporations and education services | 100 | 100 | 50 | 50 |
| ⁽²⁾ Informatics Education Malaysia Sdn Bhd (Malaysia) | Dormant | 100 | 100 | 14,054 | 14,054 |
| ⁽²⁾ Informatics Computer Education Sdn Bhd (Malaysia) | Dormant | 100 | 100 | 1,182 | 1,182 |
| ⁽⁶⁾ Singapore Informatics Computer Institute (Pvt) Ltd (Sri Lanka) | Computer education and training | 100 | 100 | 788 | 788 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

12. Investment in subsidiaries (cont'd)

| Name of company (country of incorporation and place of business) | Principal activities | Proportion of ownership interest | | Cost of investment by the Company | |
|--|------------------------------------|-------------------------------------|-----------|--------------------------------------|----------------|
| | | 2016 % | 2015 % | 2016 \$'000 | 2015 \$'000 |
| Held by the Company (cont'd) | | | | | |
| ⁽³⁾ Informatics Education (HK) Ltd (Hong Kong) | Computer education and training | 100 | 100 | 776 | 776 |
| ⁽⁵⁾ Informatics Education UK Ltd (United Kingdom) | Investment holding | 100 | 100 | 3,218 | 3,218 |
| ** Informatics Global Campus, Inc (USA) | Dormant | 100 | 100 | 30 | 136 |
| | | | | 72,672 | 72,778 |

| Name of company (country of incorporation and place of business) | Principal activities | Proportion of ownership interest | |
|--|--|-------------------------------------|-----------|
| | | 2016 % | 2015 % |
| Held by the subsidiaries | | | |
| ⁽²⁾ Informatics Training Technology Sdn Bhd (Malaysia) | Dormant | 100 | 100 |
| ⁽⁴⁾ NCC Education (M) Sdn Bhd (Malaysia) | Computer education and training | 100 | 100 |
| ⁽⁵⁾ NCC Education Limited (United Kingdom) | Educational and business management consultancy | 100 | 100 |
| ⁽⁷⁾ NCC (Beijing) Education Consulting Co., Ltd (The People's Republic of China) | Dormant | 100 | 100 |
| ⁽⁷⁾ NCC Education (Beijing) Consulting Co., Ltd (The People's Republic of China) | Computer education and training | 100 | – |

⁽¹⁾ Audited by Ernst & Young LLP, Singapore.

⁽²⁾ Audited by Siew Boon Yeong & Associates, Malaysia.

⁽³⁾ Audited by Philip Poon and Partners CPA Limited, Hong Kong.

⁽⁴⁾ Audited by Rabin & Associates, Malaysia.

⁽⁵⁾ Audited by Ernst & Young, United Kingdom.

⁽⁶⁾ Audited by Ernst & Young, Sri Lanka.

⁽⁷⁾ Audited by Beijing Zhong Ping Jian Hua Hao Certified Public Accountants, The People's Republic of China.

* Under member's voluntary liquidation.

** Not required to be audited by the laws of the country of incorporation.

(a) Impairment testing of investment in subsidiaries

During the financial year, management performed an impairment assessment test for the subsidiaries which is either loss making or dormant and ceased operating activities. An impairment loss of \$2,270,000 (2015: \$1,907,000) was recognised for the year ended 31 March 2016 to reduce the investment in the subsidiaries to the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

13. Other investments

| | Group | | Company | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Unquoted equity shares, at cost | 3,123 | 3,127 | 3,071 | 3,071 |
| Impairment loss | (3,123) | (3,127) | (3,071) | (3,071) |
| Carrying amount | - | - | - | - |
| Movement in impairment loss account: | | | | |
| At beginning of the financial year | 3,127 | 3,138 | 3,071 | 3,071 |
| Exchange differences | (4) | (11) | - | - |
| At end of the financial year | 3,123 | 3,127 | 3,071 | 3,071 |

Other investments are investments in unquoted ordinary shares in franchisees in the education service provider sector. The unquoted shares are stated at cost, and have been fully impaired.

14. Trade and other receivables

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Trade receivables | 2,384 | 3,229 | 354 | 718 |
| Less: Allowance for doubtful receivables | (1,329) | (1,572) | (77) | (186) |
| | 1,055 | 1,657 | 277 | 532 |
| Other receivables | 315 | 590 | 144 | 13 |
| Goods and services or value added tax receivable | 25 | 120 | - | 3 |
| Less: Allowance for doubtful receivables | (60) | (396) | - | - |
| | 280 | 314 | 144 | 16 |
| Deposits | 796 | 1,194 | 259 | 262 |
| Staff advances | - | 1 | - | - |
| Amounts due from subsidiaries | - | - | 12,713 | 11,975 |
| Less: Allowance for doubtful receivables | - | - | (12,707) | (11,969) |
| | - | - | 6 | 6 |
| Total trade and other receivables | 2,131 | 3,166 | 686 | 816 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

14. Trade and other receivables (cont'd)

Trade and other receivables

Trade and other receivables are non-interest bearing and are generally on 30 days' terms or repayable on demand. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

Related party receivables

Amounts due from subsidiaries are unsecured, interest-free, are repayable on demand and are expected to be settled in cash.

Receivables that are past due but not impaired

The Group and Company have trade and other receivables amounting to \$719,000 (2015: \$1,363,000) and \$39,000 (2015: \$235,000) respectively, that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Trade and other receivables past due: | | | | |
| Lesser than 30 days | 381 | 749 | 1 | – |
| 30 - 90 days | 319 | 258 | 37 | – |
| More than 90 days | 19 | 356 | 1 | 235 |
| | 719 | 1,363 | 39 | 235 |

Receivables that are impaired

Trade and other receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment is as follows:

Allowance for doubtful debts on trade receivables

| | Group | | Company | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Trade receivables - nominal amounts | 1,329 | 1,572 | 77 | 186 |
| Less: Allowance for doubtful debts | (1,329) | (1,572) | (77) | (186) |
| | – | – | – | – |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

14. Trade and other receivables (cont'd)

Movement in allowance accounts:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| At beginning of the financial year | 1,572 | 1,641 | 186 | 275 |
| Charge / (write-back) for the financial year (Note 6) | 128 | (19) | (39) | (89) |
| Written-off against allowance | (295) | – | (69) | – |
| Exchange differences | (76) | (50) | (1) | – |
| At end of the financial year | 1,329 | 1,572 | 77 | 186 |

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial liabilities and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Allowance for doubtful debts on other receivables

| | Group | | Company | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Other receivables – nominal amounts | 60 | 396 | – | – |
| Less: Allowance for doubtful debts | (60) | (396) | – | – |
| | – | – | – | – |

Movement in allowance accounts:

| | | | | |
|------------------------------------|-------|-------|---|-------|
| At beginning of the financial year | 396 | 474 | – | 111 |
| Written-off against allowance | (342) | (111) | – | (111) |
| Exchange differences | 6 | 33 | – | – |
| At end of the financial year | 60 | 396 | – | – |

Other receivables that are individually determined to be impaired at the end of the reporting period relate to other debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

14. Trade and other receivables (cont'd)

Allowance for doubtful debts on other receivables (cont'd)

Trade and other receivables that are impaired

An allowance for doubtful debts of \$128,000 (2015: write-back of \$19,000) and bad debts write-off of \$197,000 (2015: \$89,000) were recognised in the consolidated income statement, subsequent to a debt recovery assessment performed on trade and other receivables, net of collections on the balances that were previously written-down (Note 6).

Allowance for doubtful debts on amounts due from subsidiaries

| | Company | |
|---|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 |
| Amounts due from subsidiaries - nominal amounts | 12,707 | 11,969 |
| Less: Allowance for doubtful debts | (12,707) | (11,969) |
| | - | - |

Movement in allowance accounts:

| | | |
|------------------------------------|--------|--------|
| At beginning of the financial year | 11,969 | 11,672 |
| Charge for the financial year | 738 | 383 |
| Written-off against allowance | - | (86) |
| At end of the financial year | 12,707 | 11,969 |

Amounts due from subsidiaries that are impaired

At the end of the reporting period, the Company has provided an allowance of \$12,707,000 (2015: \$11,969,000) for impairment of unsecured amounts due from subsidiaries with nominal amounts of \$12,707,000 (2015: \$11,969,000).

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group.

At the end of the reporting period, trade and other receivables denominated in foreign currencies are as follows:

| | Group | | Company | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| United States Dollars | - | 13 | - | 12 |
| Great Britain Pounds | - | 2 | - | - |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

15. Cash and bank balances

| | Group | | Company | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Cash and fixed deposits | | | | |
| Cash at bank and on hand | 3,286 | 5,071 | 245 | 404 |
| Short-term deposits | 2,000 | – | – | – |
| Total cash and cash equivalents | 5,286 | 5,071 | 245 | 404 |
| Fixed deposits | 10,000 | 17,127 | – | – |
| Total cash and fixed deposits | 15,286 | 22,198 | 245 | 404 |
| Restricted cash at bank | | | | |
| Cash held in escrow accounts | 138 | 138 | – | – |
| Total restricted cash at bank | 138 | 138 | – | – |
| Total cash and bank balances | 15,424 | 22,336 | 245 | 404 |

Restricted cash at bank

A subsidiary is required under Case Trust for Education Scheme to maintain an escrow bank account where tuition fees paid by its international students are held in trust and disbursed by the escrow bank to the subsidiary according to a predetermined schedule. Such balances are excluded from cash and cash equivalents for cash flow presentation.

Cash and fixed deposits

Fixed deposits are made for varying periods between nine and twelve months (2015: six and twelve months) depending on the immediate cash requirements of the Group, and earn interest at the respective fixed deposit rates. The weighted average effective interest rate for short-term and fixed deposits as at 31 March 2016 for the Group was 1.70% (2015: 1.25%) per annum.

At the end of the reporting period, cash and bank balances denominated in foreign currencies are as follows:

| | Group | | Company | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Renminbi | 1 | 4 | – | – |
| United States Dollars | 112 | 168 | 102 | 2 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

16. Trade and other payables

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Trade payables | 457 | 630 | 101 | 91 |
| Other payables | 225 | 293 | 162 | 195 |
| Accrued operating expenses | 2,911 | 3,701 | 456 | 508 |
| Due to subsidiaries | – | – | 2,235 | 1,404 |
| Total trade and other payables | 3,593 | 4,624 | 2,954 | 2,198 |

Trade and other payables

Trade and other payables are non-interest bearing and are normally settled on 30-90 days term.

At the end of the reporting period, trade and other payables denominated in foreign currencies are as follows:

| | Group | | Company | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| United States Dollars | 14 | 5 | 8 | – |
| Australian Dollars | 77 | 197 | 77 | 79 |
| Great Britain Pounds | 390 | 455 | 12 | 12 |

Related party payables

The amounts due to subsidiaries are unsecured, interest-free, repayable on demand and are expected to be settled in cash.

17. Provision

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| At beginning of the financial year | 270 | 270 | 148 | 148 |
| Utilisation for the financial year | (40) | – | – | – |
| At end of the financial year | 230 | 270 | 148 | 148 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

18. Share capital

| | Group and Company | | | |
|---|--------------------------|--------|--------------------------|--------|
| | 2016 | | 2015 | |
| | No. of shares '000 | \$'000 | No. of shares '000 | \$'000 |
| Issued and fully paid: | | | | |
| At beginning of the financial year | 1,444,313 | 29,908 | 1,444,293 | 29,906 |
| Reduction of ordinary shares due to share consolidation | (1,372,098) | – | – | – |
| Exercise of employee share options | – | – | 20 | 2 |
| At end of the financial year | 72,215 | 29,908 | 1,444,313 | 29,908 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The Company had an employee share option scheme, The Informatics Executives' Share Option Scheme (the "Scheme"), for granting of non-transferable options to eligible employees and directors of the Group. The Scheme expired on 7 September 2014.

No share option (2015: 20,000) was exercised during the current financial year. There are no outstanding share options as at 31 March 2016, as all share options outstanding at the beginning of the financial year lapsed on 15 February 2016.

Share consolidation

During the current financial year, the Company undertook a share consolidation exercise, where every twenty (20) existing ordinary shares in the capital of the Company were consolidated into one (1) consolidated share. This was approved by shareholders at the Extraordinary General Meeting of the Company held on 29 December 2015.

Following the completion of the share consolidation, which became effective on 8 January 2016, the number of ordinary shares of the Company was reduced to 72,215,467. Any fractions of ordinary shares arising from the share consolidation were disregarded.

19. Reserves

Movements in reserves are shown in the statement of changes in equity.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Employee share option reserve

Employee share option reserve represents the value of equity-settled share options granted to employees (Note 5). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

20. Related party disclosures

(a) *Sale and purchase of goods and services*

There are no significant related party transactions between the Group and related parties who are not members of the Group during the financial year.

Related companies

These are subsidiaries of Informatics Education Ltd and its subsidiaries, excluding entities with the Group.

(b) *Compensation of key management personnel*

| | Group | |
|---|--------|--------|
| | 2016 | 2015 |
| | \$'000 | \$'000 |
| Short-term employee benefits | 962 | 943 |
| Defined contribution plan contributions | 37 | 38 |
| Other benefits | 104 | 41 |
| Total compensation paid to key management personnel | 1,103 | 1,022 |
| Comprise amounts paid to: | | |
| - Directors of the Company | 220 | 306 |
| - Other key management personnel | 883 | 716 |
| | 1,103 | 1,022 |

(c) *Directors' interests in employee share option plan*

No share options were exercised by the Company's directors during the current and previous financial year.

At the end of the previous reporting period, the total number of outstanding share options granted by the Company to the directors and key management personnel under the ESOS amounted to 434,000 and 40,000 respectively.

| | Group and Company | |
|---|-------------------|---------|
| | No. of options | |
| | 2016 | 2015 |
| | \$'000 | \$'000 |
| Outstanding number of share options granted to directors and key management personnel at financial year end | – | 474,000 |

All share options outstanding at the beginning of the financial year lapsed on 15 February 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

21. Commitments and contingencies

(a) *Operating lease commitments – as lessee*

The Group and Company have entered into commercial leases for the use of equipment, offices and other facilities. Most leases contain renewable options. Lease terms do not contain restriction on the Group or Company's activities concerning dividends, additional debt or further leasing.

Minimum lease payment recognised as an expense in profit or loss for the financial year ended 31 March 2016 amounted to \$2,409,000 (2015: \$2,899,000).

Future minimum rental payables under non-cancellable operating leases as at 31 March are as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Not later than one year | 2,132 | 1,367 | 1,018 | 170 |
| Later than one year but not later than five years | 1,234 | 808 | 170 | – |
| Later than five years | 213 | – | – | – |
| | 3,579 | 2,175 | 1,188 | 170 |

(b) *Contingent liabilities*

The Company has undertaken to provide continual financial support to certain subsidiaries to enable them to operate as going concerns for at least 12 months from the date of their financial statements.

22. Segment information

(a) *Business segments*

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.

The Higher Education segment offers Diploma, Advanced Diploma, Degree and Masters qualifications in a range of business, engineering and technological subjects, to college going students and lifelong learners, as well as via an online virtual campus.

The Corporate Training segment provides training and skills upgrading and enhancement to the general workforce, in both technical and non-technical areas.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

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, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

22. Segment information (cont'd)

(a) Business segments (cont'd)

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax payable and deferred tax assets.

Transfer pricing

Transfer prices between business segments are on an arm's length basis in a manner similar to transactions with third parties.

The following table presents information regarding the Group's business segments for the financial years ended 31 March.

| | Higher Education | | Corporate Training Note | | Total | |
|--|------------------|----------------|-------------------------|------------|----------------|----------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue: | | | | | | |
| Sales to external customers | 12,001 | 14,999 | 1,015 | 946 | 13,016 | 15,945 |
| Results: | | | | | | |
| Other operating income | 589 | 190 | – | – | 589 | 190 |
| Interest income | 230 | 261 | – | – | 230 | 261 |
| Employee benefits expense | (8,226) | (10,201) | (301) | (262) | (8,527) | (10,463) |
| Depreciation and amortisation | (534) | (686) | (25) | (31) | (559) | (717) |
| Impairment loss of property, plant and equipment | (197) | – | – | – | (197) | – |
| Gain on disposal of property, plant and equipment | 1 | 1 | – | – | 1 | 1 |
| Allowance for doubtful receivables and bad debts written-off | (325) | (70) | – | – | (325) | (70) |
| Operating lease expenses | (2,272) | (2,784) | (137) | (115) | (2,409) | (2,899) |
| Other non-cash (expenses)/income | (254) | 119 | (74) | 391 | (328) | 510 |
| Segment (loss)/profit before tax | (5,123) | (5,338) | (8) | 453 | (5,131) | (4,885) |
| Assets: | | | | | | |
| Additions to non-current assets | 560 | 158 | 5 | 8 | 565 | 166 |
| Segment assets | 18,205 | 26,487 | 139 | 167 | 18,344 | 26,654 |
| Total assets | | | | | 18,344 | 26,654 |
| Liabilities: | | | | | | |
| Segment liabilities | 5,181 | 8,768 | 97 | 103 | 5,278 | 8,871 |
| Income tax payable | | | | | 1 | 23 |
| Total liabilities | | | | | 5,279 | 8,894 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

22. Segment information (cont'd)

(a) Business segments (cont'd)

Notes: Nature of adjustments to arrive at amounts reported in the consolidated financial statements:

- (i) Other non-cash expenses and income consist mainly of foreign exchange gain/loss and loss on disposal/liquidation of subsidiaries, as presented in the respective notes to the financial statements.
- (ii) Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.

(b) Geographical information

The following information are based on the geographical location of the Group's customers and assets:

| | Singapore \$'000 | United Kingdom \$'000 | Asia Pacific and Others \$'000 | Total \$'000 |
|-----------------------------|---------------------|-----------------------------|--------------------------------------|-----------------|
| 2016 | | | | |
| Revenue: | | | | |
| Sales to external customers | 5,397 | 5,755 | 1,864 | 13,016 |
| Non-current assets | 158 | 139 | 6 | 303 |
| 2015 | | | | |
| Revenue: | | | | |
| Sales to external customers | 7,563 | 6,420 | 1,962 | 15,945 |
| Non-current assets | 294 | 175 | 32 | 501 |

Non-current assets information presented above consist of property, plant and equipment, and intangible assets as presented in the consolidated balance sheet.

(c) Information about major customers

There are no major customers that contribute more than 10% (2015: 10%) of the Group's revenue for the financial year ended 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

23. Fair value of financial instruments

Fair value of financial assets and liabilities

Management has determined that the carrying amount of cash and bank balances, trade and other receivables, and trade and other payables are reasonable approximation of their fair values as they are mostly short term in nature.

Unquoted shares in other investments stated at cost have no reliable market prices and the fair value cannot be reliably measured.

There are no financial assets or financial liabilities that are carried at fair value.

Classification of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities in each of the following categories as defined under FRS 39 as at 31 March are as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| <i>Loans and receivables</i> | | | | |
| Trade and other receivables | 2,131 | 3,166 | 686 | 816 |
| Cash and fixed deposits | 15,286 | 22,198 | 245 | 404 |
| Restricted cash at bank | 138 | 138 | – | – |
| | 17,555 | 25,502 | 931 | 1,220 |
| Less: Goods and service or value added tax receivable | (25) | (120) | – | (3) |
| | 17,530 | 25,382 | 931 | 1,217 |
| <i>Financial liabilities at amortised cost</i> | | | | |
| Trade and other payables | 3,593 | 4,624 | 2,954 | 2,198 |
| Less: Goods and service or value added tax payable | – | – | (11) | – |
| | 3,593 | 4,624 | 2,943 | 2,198 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

24. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, foreign currency risk and credit risk. Interest rate risk arising from the fluctuation of interest rates has no significant impact on the Group's profit net of tax. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives transactions shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's liquidity risk management policy is to monitor and maintain adequate cash and cash equivalents and liquid financial assets to finance the Group's and Company's operations.

Analysis of financial instruments by remaining contractual maturities

The Group's and the Company's financial assets and financial liabilities at the end of the reporting period mature in one year or less, the contractual undiscounted cash flows approximates the carrying amounts on the balance sheets.

The following table details the Group's and the Company's financial assets and liabilities at the end of the reporting period, based on contractual undiscounted repayment obligations.

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 | 2016 \$'000 | 2015 \$'000 |
| Financial assets | | | | |
| Trade and other receivables (exclude Goods and services or value added tax receivable) | 2,106 | 3,046 | 686 | 813 |
| Cash and cash equivalents | 15,286 | 22,198 | 245 | 404 |
| Restricted cash at bank | 138 | 138 | – | – |
| Total undiscounted financial assets | 17,530 | 25,382 | 931 | 1,217 |
| Financial liabilities | | | | |
| Trade and other payables | 3,593 | 4,624 | 2,954 | 2,198 |
| Total undiscounted financial liabilities | 3,593 | 4,624 | 2,954 | 2,198 |
| Total net undiscounted assets/(liabilities) | 13,937 | 20,758 | (2,023) | (981) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

24. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Singapore Dollars (SGD), Great Britain Pounds (GBP), and Hong Kong Dollars (HKD).

The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD) and Great Britain Pounds (GBP). Approximately 64% (2015: 65%) of the Group's costs are denominated in the respective functional currencies of the Group entities. The Group's trade and other payable balances at the end of the reporting period have similar exposures as disclosed in Note 16.

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. The currency mix of the cash and bank balances at the end of the reporting period are disclosed in Note 15.

The Group does not enter into derivative foreign exchange contracts to hedge its foreign currency risk. It is the Group's policy not to trade in derivatives contracts.

In addition to transactional exposure, the Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, Hong Kong and United Kingdom. The Group's net investments are not hedged as currency positions in Ringgit, HKD and GBP are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and GBP exchange rates (against SGD), with all other variables held constant.

| | | Group | |
|-----|------------------------------|--------|--------|
| | | 2016 | 2015 |
| | | \$'000 | \$'000 |
| USD | - strengthened 5% (2015: 5%) | 5 | 9 |
| | - weakened 5% (2015: 5%) | (5) | (9) |
| GBP | - strengthened 5% (2015: 5%) | (19) | (23) |
| | - weakened 5% (2015: 5%) | 19 | 23 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

24. Financial risk management objectives and policies (cont'd)

(c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For cash and fixed deposits, the Group and Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of trade receivables, other receivables and cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

24. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profile of its trade and other receivables on an ongoing basis. The credit risk concentration profile of the Group's trade and other receivables (excluding Goods and services or value added tax receivable) at the end of the reporting period is as follows:

| | Group | | | |
|-----------------------------|--------|------------|--------|------------|
| | 2016 | | 2015 | |
| | \$'000 | % of total | \$'000 | % of total |
| By region: | | | | |
| Asia-Pacific | 1,365 | 65 | 1,935 | 64 |
| Europe | 741 | 35 | 1,111 | 36 |
| | 2,106 | 100 | 3,046 | 100 |
| By industry sectors: | | | | |
| Higher Education | 2,067 | 98 | 3,005 | 99 |
| Corporate Training | 39 | 2 | 41 | 1 |
| | 2,106 | 100 | 3,046 | 100 |

The Group does not have significant concentration in trade receivable due from major customers.

At the end of the reporting period, approximately 1% (2015: 1%) of the Company's receivables were due from subsidiaries.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment records with the Group. Cash and fixed deposits are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 14 (Trade and other receivables).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

(In Singapore Dollars)

25. Capital management

The Group's objectives when managing capital are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total share capital plus net debt. Net debt is calculated as deferred income and fees, trade and other payables, and accruals for withholding tax less cash and fixed deposit (which exclude escrow and funds restricted in use). The Group's policy is to keep the gearing ratio below 50%. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2016 and 31 March 2015. There is no external capital requirements imposed on the Group.

| | Group | |
|--|-----------|-----------|
| | 2016 | 2015 |
| | \$'000 | \$'000 |
| Deferred income and fees | 1,453 | 3,709 |
| Provision and trade and other payables | 3,823 | 4,894 |
| Accruals for withholding tax | 2 | 268 |
| | 5,278 | 8,871 |
| Cash and fixed deposit (Note 15) | (15,286) | (22,198) |
| Net cash | (10,008) | (13,327) |
| Total equity | 13,065 | 17,760 |
| Net gearing | Below 50% | Below 50% |

26. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 24 June 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 8 JUNE 2016

| Range of shareholdings | No. of shareholders | % | No. of shares | % |
|------------------------|------------------------|--------|------------------|--------|
| 1 - 99 | 335 | 7.13 | 14,072 | 0.02 |
| 100 - 1,000 | 1,833 | 39.03 | 881,987 | 1.22 |
| 1,001 - 10,000 | 2,050 | 43.66 | 8,153,301 | 11.29 |
| 10,001 - 1,000,000 | 472 | 10.05 | 21,297,501 | 29.49 |
| 1,000,001 and above | 6 | 0.13 | 41,868,606 | 57.98 |
| | 4,696 | 100.00 | 72,215,467 | 100.00 |

| Major shareholders list — Top 20 as at 8 June 2016 | | No. of shares | % |
|--|---|------------------|-------|
| 1 | CIMB SECURITIES (SINGAPORE) PTE LTD | 21,571,467 | 29.87 |
| 2 | UOB KAY HIAN PRIVATE LIMITED | 15,075,680 | 20.88 |
| 3 | OCBC SECURITIES PRIVATE LIMITED | 1,753,212 | 2.43 |
| 4 | RAFFLES NOMINEES (PTE) LIMITED | 1,247,581 | 1.73 |
| 5 | DBS NOMINEES PRIVATE LIMITED | 1,135,905 | 1.57 |
| 6 | PHILLIP SECURITIES PTE LTD | 1,084,761 | 1.50 |
| 7 | MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED | 985,050 | 1.36 |
| 8 | MAYBANK KIM ENG SECURITIES PTE LTD | 921,834 | 1.28 |
| 9 | UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED | 716,842 | 0.99 |
| 10 | CHENG YIN MUI | 669,375 | 0.93 |
| 11 | CHUA KIANG HIANG | 487,464 | 0.67 |
| 12 | ONG PANG LIANG | 450,000 | 0.62 |
| 13 | OCBC NOMINEES SINGAPORE PRIVATE LIMITED | 382,440 | 0.53 |
| 14 | CIGA ENTERPRISES PTE LTD | 365,400 | 0.51 |
| 15 | HONG LEONG FINANCE NOMINEES PTE LTD | 338,740 | 0.47 |
| 16 | TAN LIAN SENG | 332,850 | 0.46 |
| 17 | KOH HUI LING (XU HUILING) | 263,676 | 0.36 |
| 18 | MEO ALESSANDRO | 250,000 | 0.35 |
| 19 | CHIAM TOON CHEW | 210,997 | 0.29 |
| 20 | YAP SWEE LUM @ SEW BEE LAM | 207,500 | 0.29 |
| | | 48,450,774 | 67.09 |

SUBSTANTIAL SHAREHOLDERS

AS AT 8 JUNE 2016

| Substantial Shareholders | Direct / Beneficial No. of Shares | Interest %* | Deemed No. of Shares | Interest %* |
|---|---|----------------|---------------------------|----------------|
| Berjaya Leisure Capital (Cayman) Ltd | 19,563,515 | 27.09 | | |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | | | 21,729,031 ⁽²⁾ | 30.09 |
| Berjaya Corporation Berhad | | | 21,729,031 ⁽²⁾ | 30.09 |
| Berjaya Group Berhad | | | 21,729,031 ⁽²⁾ | 30.09 |
| Berjaya Land Berhad | | | 19,563,515 ⁽¹⁾ | 27.09 |
| Teras Mewah Sdn Bhd | | | 19,563,515 ⁽¹⁾ | 27.09 |
| Kestrel Capital Pte Ltd | 14,971,350 | 20.73 | | |
| Lim Eng Hock | | | 14,971,350 ⁽³⁾ | 20.73 |

Notes:

(1) Deemed to be interested in the shares held by Berjaya Leisure Capital (Cayman) Limited.

(2) Deemed to be interested in the shares held by Berjaya Leisure Capital (Cayman) Limited, Berjaya Sompo Insurance Berhad and Rantau Embun Sdn Bhd.

(3) Deemed to be interested in the shares held by Kestrel Capital Pte Ltd.

* Based on 72,215,467 ordinary shares as at 8 June 2016.

Shareholdings in the hands of the public as at 8 June 2016

Based on the information provided, to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 48.61% of the issued ordinary shares are held in the hands of the public as at 8 June 2016. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting ("AGM") of INFORMATICS EDUCATION LTD. (the "Company") will be held at Mercure Singapore Bugis, Marshall Junction, Level 3, 122 Middle Road, Singapore 188973, on 19 July 2016 at 2.00 p.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2016 and the Auditors' Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' Fees of S\$160,000 for the financial year ended 31 March 2016 (2015: S\$160,000). **(Resolution 2)**
3. To re-elect Professor Chew Soon Beng @ Teo Soon Beng, a Director retiring pursuant to the Company's Article 71 of the Constitution. [See Explanatory Note (a)] **(Resolution 3)**
4. To re-appoint Mr. Ung Gim Sei, the Director previously re-appointed to hold office until the Thirty-Third AGM of the Company pursuant to the then Section 153(6) of the Companies Act, Cap. 50. [See Explanatory Note (b)]. **(Resolution 4)**
5. To re-appoint Ernst & Young LLP as Auditors of the Company for the financial year ending 31 March 2017 and to authorise the Directors to fix their remuneration. **(Resolution 5)**

As Special Business

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications:

6. **General Mandate to Directors to issue Shares**
"That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:
 - (1) (a) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise, and / or
 - (b) make or grant offers, agreements or options that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares (collectively, "Instruments"),

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (2) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided that:
 - (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) (the "Share Issues") does not exceed 50% of the total number of the issued Shares (excluding treasury Shares) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed 20% of the total number of issued Shares (excluding treasury Shares) (as calculated in accordance with paragraph (ii) below); and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the time this Resolution is passed; and
 - (b) any subsequent bonus issue or consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (c)] **(Resolution 6)**

BY ORDER OF THE BOARD

Ms Lo Swee Oi
Company Secretary

4 July 2016

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (a) Professor Chew Soon Beng @ Teo Soon Beng will, upon his re-election as a Director of the Company, remain as the Chairman of the Remuneration & Strategic Human Resource Committee and member of the Audit & Risk Management Committee, Nominating Committee and Banking Committee. He is considered an Independent Director pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (b) Mr Ung Gim Sei, will upon his re-appointment as a Director of the Company, remain as the Chairman of the Audit & Risk Management Committee and Nominating Committee and member of the Remuneration and Strategic Human Resource Committee. He is considered an Independent Director pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (c) Resolution 6, if passed, will empower the Directors to issue Shares and/or to issue Shares and Instruments of the Company up to a number not exceeding 50% of the total number of issued Shares (excluding treasury Shares) of which up to 20% may be issued other than on a pro rata basis to shareholders. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

The total number of issued Shares (excluding treasury Shares) is based on the Company's total number of issued Shares (excluding treasury Shares) at the time that Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, or the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time when that Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. The Chairman of this AGM will be exercising his right under Article 56 of the Company's Constitution to demand a poll in respect of each of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, each resolution at the AGM will be voted on by way of a poll.
2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy.

A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member (which number and class of shares shall be specified). In such an event, such member shall submit a list of its proxies together with the information required in the proxy form to the Company.

"Relevant Intermediary" means:

- (I) a banking corporation licensed under the Banking Act of Singapore (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (II) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act of Singapore (Chapter 289), and who holds shares in that capacity; or
- (III) the Central Provident Fund Board established by the Central Provident Fund Act of Singapore (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy.
4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its seal or the hand of its duly authorised officer or attorney.
5. The instrument of proxy must be deposited at the registered office of the Company at **133 Middle Road #05-01, BOC Plaza, Singapore 188974 (Attention: Company Secretary)** at least 48 hours before the time of the meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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INFORMATICS EDUCATION LTD.

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

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), relevant intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

I/We, _____ (Name) _____ (NRIC / Passport No. / Company Registration No.) of
_____ (Address)

being a member/members of INFORMATICS EDUCATION LTD., (the "Company"), hereby appoint:

| Name | NRIC/Passport No. | Proportion of Shareholdings | |
|---------|-------------------|-----------------------------|---|
| | | No. of Shares | % |
| Address | | | |

and/or (delete as appropriate):

| Name | NRIC/Passport No. | Proportion of Shareholdings | |
|---------|-------------------|-----------------------------|---|
| | | No. of Shares | % |
| Address | | | |

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Third Annual General Meeting ("Meeting") of the Company to be held at Mercure Singapore Bugis, Marshall Junction, Level 3, 122 Middle Road, Singapore 188973, on 19 July 2016 at 2.00 p.m. and at any adjournment thereof. The proxy is to vote on the business before the Meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

Please indicate your vote "For" or "Against" with an "X" within the box provided.

| No. | Resolutions relating to: | For | Against |
|-----|---|-----|---------|
| | ORDINARY BUSINESS | | |
| 1 | Receive and adopt the Audited Financial Statements for the year ended 31 March 2016 together with the Statement of the Directors and Report of Auditors | | |
| 2 | Approval of Directors' Fees | | |
| 3 | Re-election of Professor Chew Soon Beng @ Teo Soon Beng as Director | | |
| 4 | Re-appointment of Mr Ung Gim Sei as Director | | |
| 5 | Re-appointment of Ernst & Young LLP as Auditors and authorise Directors to fix their remuneration | | |
| | SPECIAL BUSINESS | | |
| 6 | General Mandate to Directors to issue Shares | | |

Dated this _____ day of _____ 2016

| Total number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

Signature(s) of Member(s) or
Common Seal of Corporate Shareholder

[IMPORTANT: Please read notes overleaf]

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act (Chapter 289) of Singapore, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. Except for a member who is a relevant intermediary as defined under Section 181(6) of the Companies Act (Chapter 50) of Singapore (the "Act"), a member is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary, is entitled to appoint more than two (2) proxies to attend and vote at the meeting, but each proxy must be appointed to exercise rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the number and class of Shares held by such member in relation to which each proxy has been appointed shall be specified in the proxy form.
"Relevant Intermediary" means:
 - (i) a banking corporation licensed under the Banking Act of Singapore (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act of Singapore (Chapter 289), and who holds shares in that capacity; or
 - (iii) the Central Provident Fund Board established by the Central Provident Fund Act of Singapore (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 133 Middle Road #05-01, BOC Plaza, Singapore 188974, not less than forty-eight (48) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its duly authorised officer or attorney.
8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. A corporation which is a member may, in accordance with Section 179 of the Act, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the members, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
11. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 July 2016.



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