

in-depth

insightful

ingenious

innovative

inspiring minds

interactive

vision

To be a global leader in providing quality lifelong learning services

mission

By exceeding customers' expectations, the Informatics Group will become a global leader in providing quality lifelong learning services by the year 2007

CORE VALUES



TOTAL CUSTOMER SATISFACTION

We focus to understand our Customers and strive to deliver with speed to delight them by exceeding their expectations.

PEOPLE

We value our People and are committed to training and developing them and instilling self-confidence in whatever they do to realize their fullest potential.

SPEED

We manifest Speed in every one of our actions, making it our competitive advantage.

STRETCHED GOALS

We set Stretched Goals to exploit every market opportunity to maximize the shareholders' return.

INNOVATIVE CULTURE

We execute with simplicity and strive for Continuous Improvement to achieve excellence in everything we do.

PROFESSIONALISM

We uphold the highest standards of Ethics and Integrity.

COMMUNITY SERVICE

We strive to be a good corporate citizen in every Community that we serve.

PROFIT

We endeavour to provide the desirable Return to our shareholders and Rewards to other stakeholders.

GROWTH

We are committed to long-term sustainable Growth and in so doing ensuring lasting rewarding careers to our people.

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Highlights of the Year

2003

June

- Winner of the Singapore Quality Class for Private Education Organisations (SQC for PEO) Award, administered by SPRING Singapore
- Set up Informatics Group Corporate University (IGCU) to provide world-class training and support services and facilities for franchisees and licensees

March

- Informatics in Philippines won the International Master Franchise Award for Franchise Excellence, for the third consecutive year running
- Informatics IT curricula and courseware approved by the Indian Institute of Technology (IIT), News Delhi, a top technology institute in India
- NCC Education launched the Education Partnership Programme, a new licensing model that offers an extensive portfolio of academic programmes

February

- Collaborated with a top Indonesian University, the Mercu Buana University, to conduct IT courses at the University
- Informatics in India ties up with the Government of Mizoram (Northeast of India) to develop and conduct the Entrepreneur Development Programme, aimed at helping the unemployed youth
- Informatics led the Bio-Informatics initiatives in India, by partnering with India's Institute of Genomics & Integrative Biology (IGIB) to provide Bio-Informatics training to India's researchers and scientists
- First foray into Libya, with its first Informatics centre in the capital city, Tripoli

January

- Ranked amongst the top companies in Singapore 1000 – Awarded the Singapore 1000/ SME 500 in 2002/2003

2002

October

- Won the inaugural Singapore Brand Award 2002, launched by IE Singapore
- Won the People Developer Standard Award 2002, conferred by SPRING Singapore
- Ranked amongst the top 200 companies under a billion for 2002, by Forbes Global: "Best Under A Billion – 200 Companies for 2002"

September

- Informatics Group (UK) Ltd awarded the Gold Standard accreditation from the Institute of IT Training, for the fifth consecutive year running

August

- Collaborated with the renowned Beijing University to conduct English Language programmes at the University

July

- Informatics Language Centre was set up in Shanghai, China to support the Government's call to learn English

March

- Informatics Group (UK) Ltd awarded the prestigious Microsoft Gold Partner title for Learning Solutions
- Won Singapore's Enterprise Award 2001 by The Business Times and DHL Worldwide Express





INFORMATICS

> in-depth

delivering quality
education

PROGRAMMES

Informatics is committed to providing world-class education and training of unsurpassed quality, rigour and relevance. We offer a comprehensive breadth of innovative and up-to-date programmes, with in-depth coverage of various disciplines. To maintain the highest educational standards, programmes are continuously reviewed to incorporate market relevancy in the content development.







> interactive

maximising
interconnectivity

E-LEARNING

Internet technology has revolutionized education and training. Informatics, as a leading e-learning services provider, offers e-learners the flexibility to study anytime, anywhere, via its e-learning platform which is equipped with the latest technologies and advanced online facilities and features.







>innovative

fostering
creativity

PROFESSIONALISM

Informatics focuses on creativity and innovation as driving forces for educational and service excellence. Through the creativity and innovation of our competent teaching professionals and academics, Informatics continues to inspire minds and exceed the expectations of customers.







>ingenious

strategic
collaborations

PARTNERSHIPS

Informatics forges strategic partnerships with renowned universities and institutes of higher learning worldwide. Students benefit from our world-class education programmes, with the unique opportunity to receive qualifications from established and reputable educational institutions worldwide.







>insightful

global
vision

FRANCHISING AND LICENSING

Informatics' vision is to become a global leader in providing lifelong learning services. To date, our successful franchising and licensing strategy has enabled us to extend our presence with 583 centres spanning more than 47 countries. As demand for lifelong learning services increases in the new knowledge-based economy, Informatics will continue to build our global network and strengthen our brand equity.



Chairman's Statement



Dr Wong Tai
Chairman

Informatics is one of the most admired brand names in Singapore. We have been awarded the prestigious Singapore Brand Award 2002, a national award recognising Singapore's most valuable brands, and we are ranked amongst the top 5 in brand strength. This is our commitment to create greater value for our shareholders, as well as to reinforce our emphasis on quality.

We're 20, and we have just been awarded a distinguished mark of excellence – the Singapore Quality Class for Private Education Organisations (SQC for PEO) Award, administered by SPRING Singapore. That is indeed a noteworthy achievement for a homegrown MNC, which started out of a small office-cum-training centre, with just a handful of staff.

It has been 20 years since Informatics was founded on 20 July 1983. Today, we are a leader in the learning and education industry, and one of the largest lifelong learning services provider in Asia.

In the past year, we have continued to do well, strengthening our brand and pushing Service Excellence to the forefront. We have expanded rapidly and have added more than 140 centres to our existing global network, bringing the total to over 583 centres, spanning across 47 countries. The many accolades to our name are testimonials to our success.

Informatics is one of the most admired brand names in Singapore. We have been awarded the prestigious Singapore Brand Award 2002, a national award recognizing Singapore's most valuable brands, and we are ranked amongst the top 5 in brand strength. This is our commitment to create greater value for our shareholders, as well as to reinforce our emphasis on quality.

As a further affirmation of our commitment in value and quality, we have recognised a key growth engine – our dedicated people resource – which has been paramount to our success. Informatics has been one of the elite organisations in Singapore that has won the national People Developer Standard Award, conferred by SPRING Singapore. This award places Informatics' people development efforts on the national front in Singapore.

In addition, we have strongly pushed Service Excellence to the frontline of operations, process and systems, including corporate culture. We want to further raise the service excellence benchmarks, with a prime focus



on delivering greater levels of customer care and higher standards of service. We are all set to win the customers and the markets.

The Group's financial performance in the second half of FY2003 is below expectations and this is a blip to our continuous growth. We have not dismissed this as an exception but have instead taken this opportunity to reassess the entire organisation – to review the Group's overall strategy and plans, and to implement significant changes wherever necessary.

We have immediately put in place aggressive measures to turn this around. Specifically, we will strongly ramp up our sales and growth engine worldwide with the strategic restructuring of resources, synergize our operational network, and progressively monitor performance to correct any deviation, ensuring that we are heading in the right direction from the start.

Moving forward, I would like to reiterate the management's commitment to continue to drive the Group to new heights. Informatics will continue to fulfill the role of a leading quality lifelong learning services provider, with world-class faculties and facilities, to constantly strive to exceed customer expectations.

Informatics is proposing a final dividend of 10% plus a special dividend of another 10% to mark its 20th Anniversary during FY2003. Inclusive of its 10% interim dividend, total dividends for the year will amount to 30%.

On behalf of the Board of Directors, I would like to extend my thanks and appreciation to the management and staff for their commitment and effort. I would also like to thank our shareholders, customers, business partners and associates for their continued support.

Operations Review by Chief Executive Officer



Mr Ong Boon Keng
 Chief Executive Officer

Highlights

- Group turnover of S\$185.4 million
- Net Profit of S\$12.2 million
- Earnings per share at 3.91 cents
- Net Tangible Assets at 25.66 cents

Informatics has continued to achieve profitability despite the global economic downturn, the Iraq war and the SARS outbreak. The Group's performance has been below expectations for the financial year ended 31 March 2003, with a net profit of S\$12.2 million and a turnover of S\$185.4 million.

This set of results was mainly due to the poor performance in the Corporate Learning sector, and in particular, our 60-percent owned UK subsidiary, Informatics Group UK (IGUK) which recorded a full-year loss of S\$15.1 million.

The decline in revenue from the Corporate Learning sector accounted for the bulk of the drop in the Group turnover. The sluggish global economy coupled with the slowdown in corporate spending in Information Technology further weakened the training business in this sector. We have continued to right-size our operations and focus on products that would yield higher margins.

In contrast, revenue from our Young Learners Group (YLG) division for the year has improved by 18%. Strong network growth through franchising has contributed to the increase in turnover from the YLG division in the first half. For the full year, the YLG's profit before interest and tax is up 77% from the previous corresponding period.

We continue to be excited about the e-learning sector, which recorded a modest 4% growth in revenue of

S\$28.6 million. New strategies introduced to grow the business in the coming year include blended learning solution platforms and the new PurpleTrain.com licensing scheme. The blended learning solutions are expected to generate higher e-learner population, while the launch of the PurpleTrain.com license will enable us to penetrate more markets and to expand our distribution network.

The Higher Education division continues to be a major part of the Group's revenue and profits. We have realigned this sector to be more customer-focused by streamlining customer segmentations that would allow us to cater to the specific needs of each and every customer segment. We have also set up several Institutes, namely Institute of Knowledge Economy, Institute of Business, Finance and Management, Institute of Post-Graduate Studies, Institute of Engineering & Technology, and Institute of Info-Comm Technology. With the specific focus of each of the Institutes, we would be rolling out new programmes that are targeted to meet the business demands. This is in line with lifelong learning which brings about employability in an ever-changing and challenging world. The use of technology via our Informatics Virtual Campus continue to enhance the learning environment which augurs well with our Service Excellence promise.

In terms of geographical breakdown for FY2003 performance, turnover from Singapore and Europe markets declined by approximately 8% and 10% respectively, while revenue from Asia Pacific was maintained at the S\$67.6

million level. The drop in revenue from the Singapore market was primarily due to the restructuring efforts in the Higher Education division and the slowdown in the Corporate Learning division. The restructuring was done to enable us to provide focus to each of the specific customer segments. This would position us strongly and to take market leadership.

In the Europe market, we have taken a rightsizing exercise in our UK operations to bring the total cost to be in line with the lower revenue. We have taken immediate firm actions to stem the losses at IGUK, making significant changes in management and operations to rectify the situation. The new UK management team has been put in place and tasked to turn around the poor performance in FY2004.

While the Group's performance fell short of our management target and the market's expectations of another strong year-on-year growth, we are encouraged that the turnover trend in the latter part of the second half of FY2003 showed strong resilience to the weak economy. We are seeing positive recovery in the markets and this confirms that the actions taken to stem the poor performance in FY2003 are yielding results.

Franchising and licensing continue to perform well and we are growing strongly in India and China. Informatics has established more than 100 centres in India and last year, we opened seven more new centres in China. In the last quarter of FY2003,

inroads were made into Libya, Saudi Arabia, Kuwait and Australia through franchising and licensing, a proven Informatics business model for growth. The number of countries has now expanded to 47 and we are excited with some of the new countries that we have established inroads into. We have continued to expand the number of centres under their respective territories. We continue to enjoy the strong branding with our franchises and licenses and we have now introduced 2 new products: NCC Education Partners Programme and PurpleTrain.com licensing. These have shown great promise with a good initial take-up rate.

We will continue to ramp up our sales and marketing engine, focus on services, and roll out new product offerings to target more specific customer segments.

Going forward, barring any unforeseen major setbacks, we expect to return to moderate earning growth in the months ahead in FY2004. The demands of our lifelong learning services continue to be strong in the major markets that we operate in. There are still plenty of growth opportunities in our franchising and licensing activities, especially with the introduction of the 2 new products. A host of new programmes and products will be rolled out from the Higher Education, E-learning, Corporate Learning and Young Learners business segments.

Board of Directors



Dr Wong Tai, chairman

Dr Wong is the founder and chairman of Informatics Group. His accomplishment of transforming the company from a small local outfit when it was founded in 1983, to a well-established MNC and a leading global provider of lifelong learning services, led him to receive the Entrepreneurship Excellence Award in 1993, conferred by the Nanyang Technological University (Singapore). In addition, in recognition of his contribution to Singapore's IT education, he was conferred the Person of the Year of the IT Leaders Award by the Singapore Computer Society in 1997. Dr Wong holds a first class Honours Degree in Engineering from what is now known as the University of Westminster (UK) and a Doctor of Education Degree, Honoris Causa, from the University of Dubuque, Iowa (USA). He spent six years of his career with Hewlett Packard before he founded Informatics Group. He is a council member of Ngee Ann Polytechnic (Singapore), a professional member of British Computer Society and a Chartered Engineer of Engineering Council (UK).



Mr Ong Boon Kheng, chief executive officer

A co-founder of the Informatics Group, Mr Ong is the Chief Executive Officer of the company and helps to chart the strategic direction of the Group. With more than 20 years of experience in the training and education industry, Mr Ong oversees the Group's worldwide business operations, sales and growth. He sits on the council of the Singapore Computer Society. A veteran in the IT industry, Mr Ong hailed from International Computers Ltd Singapore ("ICL", a subsidiary of ICL UK). He has an MBA from the University of Dubuque, Iowa (USA).



Mr Cedric Chan Chee Meng, president

Mr Chan is responsible for the overall profitability and sales growth of Informatics' operating business units on a global basis. This encompasses all educational and training products/services in the Global Business Units and operations in the geographical territory countries or markets. A well-known personality within the IT circle, Mr Chan has 23 years of industry experience. He started in 1980 with Hewlett Packard Singapore. Subsequently, he joined Sun Microsystems Asia, Autodesk Asia Pacific, Adobe Asia and EMC Asia Pacific/ Japan. He was managing director of these companies and joined Informatics in February 2002. Mr Chan holds an MBA in Strategic Marketing from the University of Hull (UK).

Mr Frank Yung-Cheng Yung, independent non-executive director

Mr Yung is a director of Marco Polo Developments Ltd, Datacraft Asia Ltd and China Mobile Telecom International Ltd. He served as Chairman of the Telecommunication Authority of Singapore from 1974 to 1986. Mr Yung was a member of the Civil Aviation Authority of Singapore from 1984 to 1987, a member of the Securities Industry Council from 1984 to 1985 and a member of the Advisory Committee of the Faculty of Business Administration, National University of Singapore from 1986 to 1993. Mr Yung is a member of the ICPAS and the Institute of Chartered Accountants in Scotland. His career spans 24 years with Inchcape Bhd, the last three as Deputy Chairman. In the late 1980s, he was Chief Executive of Singapore Press Holdings Limited. Mr Yung's past directorships include the Development Bank of Singapore Ltd and Times Publishing Ltd.

**Dr Seet Ai Mee nee Ling**, independent non-executive director

Appointed to the Board of Directors of the Company on 1 September 1994, she is a Member of the Audit Committee, Services & Excellence Committee, Remuneration Committee and serves as Chairman of the Nominating Committee of the Company. Dr Seet is currently the Managing Director of AML Sci-ed Consultants Pte Ltd. She is an independent director of the Board of Directors of Aussino Group Ltd, Courts (Singapore) Ltd, Datacraft Asia Ltd and Jade Technologies Singapore Ltd. From 1988-1991, Dr Seet was a member of Parliament where she served as Minister of State (Community Development and Education) and subsequently as Minister for Community Development. Dr Seet was a Colombo Plan Scholar with a Bachelor of Science Honours (First Class) in Biochemistry and holds a PhD in Clinical Biochemistry. She is an Honorary Advisor of the Singapore Manual and Mercantile Workers' Union. Active in community service, Dr Seet is a Justice of Peace of the Republic of Singapore, and among many service portfolios has served as Founder Chairman of the Dover Park Hospice (1992-1997), first Chairman of the Singapore Hospice Council (1995-1997) and President of the Singapore Association for the Deaf (1985-1988). She is also a Fellow of the Singapore Institute of Directors.

**Mr Tang Chun Choy**, independent non-executive director

Mr Tang is the Vice Chairman and Managing Director of Walden International, an international venture capital fund management group with total funds under management in excess of US\$1.8 billion. Prior to joining the Walden Group in 1989, Mr Tang was with the then Chemical Bank for 10 years and his last position was its General Manager based in Singapore. Earlier in his career, Mr Tang was a Senior Engineer and Project Coordinator at Esso Singapore Pte Ltd. Mr Tang holds directorships in several private and public companies, including Creative Technology Ltd, Lindeteves-Jacoberg Limited and Frontline Technologies Corporation Ltd in Singapore. Mr Tang holds a BE (Hons) Degree from the then University of Singapore and an MBA from the University of British Columbia.



Corporate Information



Board of Directors

Dr Wong Tai
Chairman

Mr Ong Boon Kheng
Chief Executive Officer

Mr Cedric Chan Chee Meng
President

Mr Frank Yung-Cheng Yung
Independent Non-Executive Director

Dr Seet Ai Mee nee Ling
Independent Non-Executive Director

Mr Tang Chun Choy
Independent Non-Executive Director

Executive Committee

Mr Ong Boon Kheng (Chairman)

Mr Cedric Chan Chee Meng

Mr Yew How Kien

Mr Lim Wee Kee

Mr Patrick Lau Li Tah

Mr Lawrence Wee

Mr Dennis Foo

Ms May Soh

Mr Anthony Lee

Mr Tan Eng Han

Mr Jaber Zain

Mr David Pottinger

Mr Dominic Sachi Bose

Mr Robert Battistich

Audit Committee

Mr Frank Yung-Cheng Yung (Chairman)

Dr Seet Ai Mee nee Ling

Mr Tang Chun Choy

Nominating Committee

Dr Seet Ai Mee nee Ling (Chairman)

Mr Ong Boon Kheng

Operational Review and Corporate Standards Committee

Mr Tang Chun Choy (Chairman)

Mr Ong Boon Kheng

Mr Cedric Chan Chee Meng

Mr Patrick Lau Li Tah

Remuneration and Strategic Human Resource Committee

Mr Frank Yung-Cheng Yung (Chairman)

Dr Wong Tai

Dr Seet Ai Mee nee Ling

Mr Ong Boon Kheng

Mr Cedric Chan Chee Meng

**Investor Relations and Board Performance Committee**

Mr Ong Boon Kheng (Chairman)

Dr Wong Tai

Mr Tang Chun Choy

Merger and Acquisition Committee

Dr Wong Tai (Chairman)

Mr Frank Yung-Cheng Yung

Mr Yew How Kien

Registered Office

Informatics Building

5 International Business Park

Singapore 609914

Tel : (65) 6562 5625

Fax : (65) 6565 1371

Website :
www.informaticsgroup.com

Share Registrar and Share Transfer Office

M & C Services Private Limited

138 Robinson Road #17-00

The Corporate Office

Singapore 068906

Auditors

Ernst & Young

Certified Public Accountant

Partner-in-charge: Max Loh Khum Whai

(Partner since Financial Year ended
31 March 2003)

10 Collyer Quay, #21-01 Ocean Building

Singapore 049315

Banker

Development Bank of Singapore Ltd

6 Shenton Way

DBS Building

Singapore 068809

Company Secretary

Patrick Lau Li Tah

patricklau@informaticsgroup.com

Executive Committee

1. Mr Ong Boon Kheng Chief Executive Officer

As co-founder, Mr Ong joined Informatics Group in 1983. Prior to assuming the role of the CEO in 2001, he was the President and Group Managing Director. He was previously from a software house. Mr Ong holds an MBA from the University of Dubuque (US).

2. Mr Cedric Chan Chee Meng President

Mr Chan joined Informatics in February 2002. He has more than 22 years of industry experience in sales, marketing and business management in MNCs such as Hewlett-Packard, Sun Microsystems, and EMC. Mr Chan holds an MBA in Strategic Marketing from the University of Hull (UK).

3. Mr Patrick Lau Chief Financial Officer

Mr Lau is the first CFO of Informatics Group. He joined Informatics in March 2003, and has extensive experience in Business Finance and general management, from his previous roles in various MNCs. Mr Lau holds an MBA from the National University of Singapore. He is a Certified Public Accountant and an Associate Member of the Institute of Chartered Secretaries and Administration.

4. Mr Lim Wee Kee Senior Vice President for Global Franchise Development & Sales

Mr Lim joined Informatics in January 1990 and has a wealth of experience in business management and operations. Over the years, he has moved up the ranks to Vice President and, last year, was again promoted to Senior Vice President. Mr Lim has a Diploma in Computer Studies.

5. Mr Dennis Foo Vice President for Global Higher Education, PurpleTrain.com and Hong Kong

Mr Foo joined Informatics Singapore back in 1999 as a lecturer. In early 2001, he was posted to the Informatics Hong Kong office as Executive Director. In late 2002, he returned to the Singapore HQ to take up the position of Vice President of Global Higher Education. Mr Foo holds an MSc in IT (Software Engineering) from the University of Glasgow, UK. Prior to joining Informatics, he was an IT Consultant with KPMG.

6. Mr Yew How Kien Senior Vice President, Malaysia and China

Mr Yew joined Informatics Malaysia in 1984, the first year of operations in Malaysia. He started his career at Informatics as a lecturer, just after graduating with a BSc (Hons). He was promoted to Executive Director for Malaysia in 1994 and to Director for Mergers and Acquisitions, Informatics Group in 1999. In 2000, Mr Yew assumed the role of Vice President for China, and subsequently promoted to Senior Vice President for China and Malaysia of the Group in 2002.

7. Mr Anthony Lee Chiaw Han Executive Director, Informatics Group Malaysia

Mr Lee joined Informatics Malaysia in 1988 and was one of the pioneers of Informatics Malaysia. He started his career as a lecturer in Informatics Penang and assumed the role of Executive Director of Informatics Group Malaysia in April 2000. Mr Lee is a Bachelor of Science graduate, with a Master's in Business Administration from Universiti Sains Malaysia (USM).

8. Ms May Soh Executive Director, Emerging Markets Business Development Unit

Ms Soh joined Informatics in July 1993 as a Service Executive. In the last 10 years, she developed extensive experience in centre operations, sales and marketing, and rose through the ranks to become the Executive Director of Emerging Markets. Ms Soh possesses a Bachelor of Commerce (Marketing and Management) from the University of Western Australia and an MBA from the University of Dubuque (US).

9. Mr David Pottinger Managing Director, NCC Education (UK)

Mr Pottinger joined Informatics Group in 2000. He has 19 years of professional experience in the international education sector, living and working in seven countries in Asia, Europe, the Middle East and Latin America. He holds an MA (Hons) in Modern Languages from the University of Edinburgh, and an MA in Applied Linguistics from the University of Lancaster, in addition to an MBA from the Open University Business School in the UK.

10. Mr Tan Eng Han Vice President, Eastern China

Mr Tan joined Informatics in 1993 and was posted to the Shanghai office in 1995. He has accumulated extensive experience in starting and managing Education and Training businesses in China. Mr Tan left Informatics in 2000 and rejoined Informatics in April 2003. Mr Tan graduated with a Bachelor of Accounting from the Nanyang Technological University (Singapore) and holds an MBA in Investment and Finance from the University of Hull (UK).

11. Mr Lawrence Wee Senior Vice President, Singapore Domestic Operations

Mr Wee joined Informatics in 1991, in various roles within the Group. Between 1997 to 2000, he left the company to pursue other career interests with Oracle and Hewlett-Packard in sales and business development. In 2000, Mr Wee rejoined Informatics as Business Development Manager for the Emerging Markets. Over the years, he moved up the ranks to become the Senior Vice President of Singapore Domestic Operations in October 2002. Mr Wee has a degree in Computer Technology from Curtin University (Australia).

12. Mr Dominic Sachi Bose Executive Director, Singapore Domestic Operations (Higher Education)

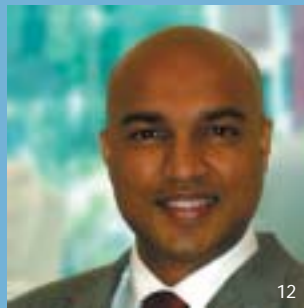
Mr Bose joined Informatics more than 8 years ago in January 1995 as a Sales Executive, after graduating from Murdoch University (Australia) with a Bachelor of Arts in Mass Communications. He worked his way up in the company to become the Executive Director for Higher Education at the Singapore operations. He is currently pursuing a Master in Education from the Royal Melbourne Institute of Technology (Australia).

13. Mr Jaber Zain Vice President, Informatics Group Europe Limited

Mr Zain has been in the IT business for 12 years, the last 10 in management positions. He is a qualified programmer from the Computer College for Creative Computer Education and further business management training from the Institution for Enterprise Management in Sweden. Mr Zain is now Managing Director of Informatics Group UK (IGUK) and also oversees the Group's Sweden operations, Cornerstone. He was the Managing Director of Cornerstone when Informatics Holdings Ltd acquired a stake in the company in June 1999.

14. Mr Robert Battistich Acting Managing Director, Cornerstone (Sweden)

Mr Battistich joined Cornerstone in 2001, and is now its acting Managing Director. He holds a Master of Science in Math and Physics from Stockholm University. He has more than 14 years of training industry experience and has been the MD for one of Sweden's most profitable training businesses. Mr Battistich was the receiver of the first Audrey Award in EMEA from Novell and has been involved in several Advisory Boards, for example, Prometric and Novell. He has been an engaged speaker at many conferences, speaking on topics such as "How to run a profitable Training Centre" and "Delivering e-learning successfully with a blended approach".



Corporate Capabilities

“...service excellence is now pushed to the forefront of our operations, systems and culture and it becomes the key responsibility of every Informatics staff...”



SERVICE EXCELLENCE

As a global training and education service provider, Informatics emphasizes academic quality and service excellence as the paramount success pillars in the learning sector today. Henceforth, developing a customer-centric mindset amongst all staff members is a key corporate strategy at Informatics.

We have received several accolades such as ISO certifications in Singapore, Hong Kong, Shanghai, Malaysia, the Philippines and the United Kingdom. We have been awarded the prestigious Singapore Brand Award, People Developer Standard Award and Singapore Quality Class Award for Private Education Organisations (SQC for PEO), as recognition for our commitment to quality. The SQC for PEO award is a distinguished mark of excellence for Informatics. Despite an impressive record of achievements, Informatics will not rest on its laurels. We now aim to further raise the service excellence benchmarks, with a prime focus on delivering greater levels of customer care and higher standards of service to all our customers.

Informatics' TQM program, QUEST (or "QUality to Ensure SaTisfaction") has helped to develop an organisational culture whereby every level of Informatics staff is motivated to strive for continuous quality improvements via creativity and innovation to provide consistent quality services to customers. As part of our service excellence journey, Informatics has realigned its QUEST Movement to focus on adding new value services in our businesses to our customers. Through QUEST, all staff are committed to delivering timely, responsive and high standards of services to 'delight' customers, both externally and internally.

The cornerstone of our service excellence journey is the formation of the management-level Service Excellence Steering Committee, chaired by our Group President. Through its constant drive, service excellence is now pushed to the forefront of our operations, systems and culture and it becomes the key responsibility of every Informatics staff to provide sincere and caring services. Our commitment in providing high standards of services to every customer will be the differentiating factor that will provide us the competitive edge over other players in the learning industry.

Some of the major service initiatives undertaken by Informatics globally include the establishment of more customer feedback channels (e.g. regular dialogue sessions with customers); integration of customer information systems to provide one-stop and responsive information services to the customers; setting of minimum service standards as fundamental benchmarks that must be fully complied by all centres and staff members; customer satisfaction index system to rank all service centres according to their performance based on a set of key service indicators; and more service awards and recognition schemes to recognize staff for their excellent service efforts.

More importantly, Informatics constantly reviews best service practices from world-class organizations via a series of benchmarking projects. Through benchmarking, Informatics centres are strongly encouraged to seek innovative and best service practices both internally and externally and to adapt their implementation in the centres. Some of the best practices adopted in Informatics are service perception surveys, global service centre website, awards schemes and regular dialogue sessions

with students. By continuously identifying and bridging these service gaps, the Service Excellence Steering Committee aims to make Informatics a world class service organization within the next three years.

Customer care, customer intimacy and customer sensitivity have now been firmly established as the key corporate drivers for Informatics. Together with its well-established service excellence framework at all centres, Informatics believes that these initiatives and best practices will help reaffirm its status as an excellent global education service provider.

HUMAN RESOURCE MANAGEMENT

Informatics recognizes that people are important assets of the organisation and this is engraved in our core values statement. Achieving the coveted People Developer Standard award in Singapore in August 2002 signifies a milestone in our quest to become a world-class provider of HR services, positioning Informatics as an employer of choice.

The HRM objective is to use best people management practices to develop our people to their maximum potential to drive business growth to the best of their capabilities. This is a real value to shareholders, as it translates into higher returns and growth.

On a global scale, Corporate HR's strategic focus include:

- a. Talent identification and management
- b. Leadership cultivation
- c. Global Compensation and Benefits
- d. Consistent worldwide core policies & philosophy

- e. Continual benchmarking of best practices
- f. Lead, guide and develop HR team members globally

The key areas of focus within the HRM are training and development, recruitment and retention, benefits and compensation, rewards and recognition, fostering a desirable work ethics and culture, and creating conducive work environment.

One important HRM function is effective and timely communication with employees. Some of the key initiatives implemented in this area include: Staff Forum presented by senior management, regular face-to-face communication sessions between managers and staff, and Web-based communication sessions, particularly for overseas offices globally.

In this regard, training efforts are directed towards supporting the business. Every manager is expected to conduct a minimum of 20 hours of training a year. Every employee is expected to attend a minimum of 45 hours of training a year.

In tandem with our belief that good HR management is crucial to growth and profitability, in the new fiscal year, our focus will be on training and development, not just job-related training, but overall management and leadership skills as well as core functional skills like business finance, service quality, public relations and internal audit.


Important training initiatives we have launched to make all managers more versatile and hence, better managers are the Informatics Basic

Management Training (IBMT) and the Group Functional Training which helps staff to be knowledgeable on all the functional areas of the Group.

A recognition and reward scheme, the Chairman's Excellence Stars Award, has been implemented to award high performance employees who have consistently demonstrated excellent performance in his or her role and function. The Award will be the ultimate recognition of performance in the company.

Additionally, training on a global scale has been made possible via our Executive Virtual Campus and e-Informatics University (e-IU) online training facilities, including Informatics Group Corporate University to train all our franchisees and licensees.

PUBLIC RELATIONS

The  brand is one of the organisation's most powerful business tool. Public Relations is now organised as a strategic function of the Group, with a key focus on brand equity as an important economic asset and a competitive edge in the market.

The Group's public relations and marketing charter is to build global brand equity to enable a high level of brand competitiveness in the global marketplace, in order to maximize market share.

A core set of standards and best practices for public relations and marketing have been put in place to help establish Informatics as a strong international brand in the quality lifelong learning services market. A revamped, up-to-date and easy-to-

Corporate Capabilities

“It is Informatics’ aim to foster strong investor confidence in the company and to practice fair and continued transparent disclosure...”



navigate website has been launched to better facilitate the timely flow of information to the market. Quarterly newsletters are generated by every business function to keep customers and the public updated on the latest developments within the Group. E-newsletters in magazine format and regular electronic news updates are distributed to a wide network of partners, customers, students and business associates to extend our reach further.

Through a focused and integrated public relations strategy, with a heavy focus on the customer segments, coupled with effective and timely communication efforts, the Group seeks to enhance brand value and market share, to maintain a leadership position in the market, and to continue to win the markets.

Informatics has been awarded the prestigious Singapore Brand Award 2002, a distinguished award recognising Singapore’s most valuable brands. The inaugural Singapore Brand Award committee has placed an estimated brand value of S\$75 million for the Informatics brand name. This has put Informatics, a global leader in providing quality lifelong learning

services, on par with its international counterparts in the highly-regarded ‘Best Global Brands’ league.

Exciting challenges lie ahead for the public relations function of the Group, as we strive to create even greater brand equity for Informatics, and to continue to strengthen the Informatics brand globally.

In the year ahead, we will focus on leveraging the power of public relations to build a stronger Informatics brand name.

INVESTOR RELATIONS

As part of the Group’s objective to facilitate timely and accurate communication to the investment community, Informatics senior management has made much effort to be responsive and accessible to investors and analysts. Informatics management has maintained an open channel of communication with the financial community.

Informatics as a company has always been one of the widely covered companies for institutional investors and the Group has high visibility with over 20 investment houses in

the region, including some foreign houses. Despite the recent decline in our share price, many institutional investors remain optimistic on Informatics’ performance.

It is Informatics’ aim to foster strong investor confidence in the company and to practice fair and continued transparent disclosure of our performance and results, and to ultimately maximize shareholders’ returns and value.

The Group will continue to provide timely communication to shareholders and to work at additional disclosure based on business breadth and geographic reach.

INFORMATION TECHNOLOGY

Information Technology (IT) is positioned as a key strategic business and management enabler tool for competitive advantage in the market. IT strives to provide seamless infrastructure and knowledge IT support through a one-stop technology solution centre to our global education network. With the recent streamlined global operations of a more focused and centralised deployment of IT resources within

the Group, the function is set to drive and introduce more innovative IT knowledge-based solutions, in line with rapid technological changes.

The Group adopts the latest state-of-the-art technologies to support a world-class IT infrastructure, providing students with facilities like wireless Internet access, Informatics Virtual Campus (IVC), Executive Virtual Campus (EVC), and Informatics Management Information System web (iMISweb). These world-class service facilities are implemented to boost classroom instructions, learning opportunities and student information via one ID.

IVC allows college-going students to track, manage, promote and share information with easy to use online tools such as email, message boards, discussion groups and publishing features, all in one unified system. This exciting campus community platform connects thousands of users a week. With the iMISweb link, students are able to access information relating to their student profile such as class schedules, attendance updates, payment, and completion history of programme modules.

The newly-launched EVC is an interactive virtual campus – a value-added extension to the physical classroom – to offer busy working executives a flexible approach to learning and networking via both classroom and online modes. This real-time platform allows scheduled 'live' lectures to be conducted online with active learner's "anytime, anywhere" participation, allowing students to juggle the demands of work, study and family life.

Looking forward as an evolutionary trend, Informatics has introduced iMISweb, an integrated student information database management system. Its objective is to integrate data management facilities inside control systems using the advances of database management systems and real-time application management with properties of dependability and distribution. This "information on-demand" application will help management make more accurate and timely business decisions.

The Group has implemented and improved upon its Lotus Notes Knowledge Network, which allows its global offices to access useful information in these Knowledge Centres, facilitating management and staff "information-on-demand".

Most importantly, as the pioneer and leader in e-learning services, delivered via PurpleTrain.com, Informatics always prides itself in keeping abreast with the latest e-learning technologies and solutions. Recently, Informatics has taken the lead in embracing lifelong learning in the New Mobile Economy. Through the utilisation of mobile and wireless technologies, Informatics has created an innovative and interactive learning environment for students to study anytime, anywhere. This set-up has helped to empower students to adopt a lifelong learning lifestyle and has become a wholesome lifestyle experience for the students.

Informatics management has also adopted the latest technology in mobile devices – Blackberry. This allows key executives and busy non-desk bound executives to be connected at all times via email and traditional voice/

SMS in one device. In addition to the mobile phone services, these executives will be able to send and receive selected emails from their desktops, pushed through this Blackberry technology to their mobile devices.

The revolution of the digital Internet economy brings transformation to every industry, in particular, its ripple effect is strongly felt in the education and learning sector. Coupled with globalisation, today's IT capabilities have made possible a "borderless" world economy to function optimally. Informatics will continue to innovate and expand its IT capabilities to provide students with greater flexibility in learning through the utilisation of the latest technologies.

FINANCE

The primary objective for the Finance function within Informatics is to ensure an infrastructure that is able to provide timely 'true and fair' financial information of the business to all stakeholders – investors, partners, vendors and employees – providing fundamental value to all. This is supported by verification of independent auditors.

The Finance organisation structure is spearheaded by the Chief Financial Officer (CFO) of the Group. The Finance team is directly accountable to the CFO. This operating structure provides an environment of independence to the business such that the business financial information will be in compliance with the Group's accounting and financial policies and maintains a high standard of financial integrity and corporate governance.

With strong financial leadership led by the Group's CFO, key financial

Corporate Capabilities

“The Group adopts the latest state-of-the-art technologies to support a world-class IT infrastructure, providing students with facilities like wireless Internet access...”



strategies have been put in place to help achieve the department's objectives. These include deploying centralised systems in tax planning and treasury and fund management. In addition, Finance will oversee and effectively manage the Group's investments with the objective to maximize business growth.

Operationally, the Group operates on four 13-week quarters. Business units track performance based on weekly targets. Finance provides daily KPIs for Sales, Revenue and Cash. This, coupled with other operational KPIs enables the business unit management to measure performance on a daily, week-to-date and quarter-to-date basis. Weekly selected operational P&L management reviews enhance the process of providing the operational pulse of the business to Group management.

The Finance group establishes and works within a framework of proper internal controls, optimal financial and operational systems, with well documented processes, procedures and policies. This is further strengthened by a team of competent finance professionals to deliver the assurance to stakeholders.

As a value-add to the business, finance professionals conduct regular training

for non-finance managers to enhance and sharpen the financial knowledge of managers and employees within the Group in the areas of financial policies, concepts, processes, procedures and systems.

The Finance leadership will make continual improvements to strengthen its processes and systems with particular emphasis on integration of the operational, financial and management information systems to provide relevant information to support management.

INTERNAL AUDIT

Internal Audit serves to keep business risks and fraud in check. The Group's Audit Charter safeguards the independence of the internal audit function with the Head of Group Internal Audit reporting directly to the Audit Committee. Audit plans are drawn up based on the inherent business and control risks in each operating unit and their financial significance to the whole Group. The Audit Committee approves the work of the internal audit function, and reviews the conclusions of its work.

The Internal Audit function adopts a geographic model, with internal audit professionals located within the

Group's operational offices in the UK, Shanghai, Malaysia, the Philippines, Singapore, as well as its corporate HQ in Singapore. Close proximity of the audit staff to each market is an efficient, cost-effective mode of audit operation, and acts as a deterrent for optimal "auditing" performance.

In the past year, the Group Internal Audit completed more than 120 assignments comprising planned financial and operational audits, systems reviews and special assignments. The level of consultative and research work increased significantly compared with the previous year, although the bulk of Internal Audit activities consist primarily of audit assurance.

Key to Audit Governance is improving the level of Internal Controls awareness throughout the whole Group to maintain business ethics, and this is one of the top priorities for Internal Audit. Staff training and education on the role and importance of audit standards, and empowering every employee to be "audit officers" will help to minimise fraud and unethical business practices.

Global Business

“The key global business growth engines for Informatics are Higher Education, E-learning, Corporate Learning and Young Learners.”



GLOBAL BUSINESS OVERVIEW

The business dynamics for the education and training landscape is undulating and challenging. For 20 years, Informatics has stayed focused in providing world-class education and today, has successfully traversed the education landscape and established itself as a leading provider of lifelong learning services, with global presence.

The key global business growth engines for Informatics are Higher Education, E-learning, Corporate Learning and Young Learners. The objective is to identify the growth potential in the education radar of each engine's market segment, and constantly develop innovative learning solutions to provide for the specific needs of each market segment.

Higher Education engineers its mechanism, research and content development specifically for two primary customer segments: the college-going students and the lifelong learners. Diplomas, Advanced Diplomas, Degrees, Masters and Doctorates qualifications in a range of business, engineering and technology fields are offered. Higher Education Institutions research and develop its programme content through partnerships and alliances with reputable universities and educational institutions worldwide. The Institutions in Higher Education work closely with international accreditation award bodies like Informatics Academy, NCC Education (UK) and the University of Cambridge Local Examinations Syndicate (UCLES) to ensure the qualifications administered meet the international quality and standard criteria.

E-learning transforms advanced Internet and wireless technologies and utilises up-to-date IT capabilities to provide an innovative infrastructure for its online virtual campus platform for e-learners. E-learners generally fit the profile of busy working professionals, who require the flexibility and anytime, anywhere learning concept of e-learning. Programmes offered on the e-learning platform include a diverse range of more than 700 online courses, in business, e-Commerce, management, and computer studies, leading to Diplomas, Advanced Diplomas, first and higher degrees qualifications.

Corporate Learning is designed for the corporate market, providing training and skills upgrade and enhancement to the workforce, in both technical and non-technical areas. Corporate Learning works with many corporate partners like Novell, Microsoft and Cisco, to design and develop market-relevant training curricula for the corporate segment. Some of the core programmes are certifications in Cisco Networking, Microsoft Applications and Web Designing. New programmes launched during the year include: Project Management, Ethical Hacking, Chartered Financial Analyst Preparatory Examination, International e-Commerce and Microsoft NET technologies.

Young Learners operates in a niche area of providing quality education and development for the young from 18 months to 18 years, i.e. from pre-school to elementary and youth education. Cambridge provides for the pre-school segment, while CAL caters to the elementary and youth market. Cambridge offers

Global Business

“... we have well-established strategic partnerships and alliances with renowned universities and educational institutions around the world...”



quality early childhood (pre-school) education and development, with the objective to provide a multi-faceted developmental programme for the young child that incorporates all aspects of intellectual and socio-physiological development. The Cambridge programme focuses on parental involvement as a critical reinforcement to the nurturing of the pre-schooler. For example, new programmes are designed to involve parents to spend quality time with the child and reading with the child. CAL aims to provide a headstart to young learners by offering IT and computer literacy skills. Its curricula is based on a journey of 'discovery', incorporating many innovative learning experiences such as Robotics and Web Design to stimulate the inquisitive minds of young learners.

The delivery mechanism for the growth engines include: (a) Taught classroom (traditional face-to-face), (b) Distance Learning, (c) E-learning and (d) Blended Learning (hybrid). Learners and students have great flexibility in choosing their desired mode of delivery of their education and training programmes. Blended Learning, a hybrid of any permutation of all the learning

modes, has become popular due to its flexibility in scheduling, which can be modified in any combination to suit an individual's busy lifestyle. Qualifications from reputable universities in the United Kingdom, the United States, Australia and Canada can be achieved through all modes of study.

Each business growth engine – Higher Education, E-learning, Corporate Learning, Young Learners – working with partners, will continually research, develop and design content to meet the dynamic market demands in their respective areas of expertise and specialisation, constantly delivering innovative learning services to the markets.

HIGHER EDUCATION World-Class Education Service Provider

Higher Education at Informatics comprises professional institutional resources to develop the human capital through our quality education and training programmes. We provide college-going students with new opportunities for tertiary education and self-development for lifelong learners.

Through Informatics Academy, the international tertiary education awarding body of Higher Education, learners are assured the award bears the quality assurance mark endorsed by the Academic Governance framework consisting of professional academic interaction amongst members from the International Advisory Panel and the Academic Council.

In addition, we have well-established strategic partnerships and alliances with renowned universities and educational institutions around the world to ensure that our quality tertiary programmes are recognized worldwide. Currently we have partnerships with more than 50 prestigious universities from the United Kingdom, the United States, Canada, Australia and New Zealand. During the year, we included Northumbria University in the United Kingdom in the field of Bachelor of Electrical and Electronics Engineering for study in Singapore. We have also partnered Heriot-Watt University to offer Business Degrees.

Higher Education programmes ranging from diplomas, bachelor degrees, masters to doctoral degrees are conducted through the

worldwide network of Informatics Colleges, Informatics Institutes, Thames Business Schools and Ruige Colleges. We work closely with our institutional partners to develop these programmes through our faculties: Institute of Business, Finance and Management, Institute of Info-Comm Technology, Institute of Engineering, Institute of Postgraduate Studies and Institute of Knowledge Economy.

Our education programmes are made available globally through traditional classroom mode of learning, web-based interactive learning (e-learning), distance learning and a blended learning approach of both taught and e-learning modes.

Informatics Academy

With the aim of becoming the global leader in providing quality lifelong learning services before 2007, Informatics Higher Education awards its own certification through Informatics Academy (IA), an international tertiary education awarding body, established in the United Kingdom, the United States and Singapore.

IA is formed in accordance with the Academic Governance framework, and is overseen by the International Advisory Panel (comprising a team of distinguished academic professionals) and the Academic Council. It ensures its IA awards, bearing the quality assurance mark through its excellent academic track record, will be recognised and accepted by employers and universities for employment and credit transfer respectively.

Institute of Info-Comm Technology

Institute of Info-Comm Technology offers a wide range of qualifications specially tailored to equip individuals with the skill sets to prepare for a career in the Info-Comm and IT industry.

Our 3-year IT Degree Pathway is designed to lead our students to a Degree in 3 yearly stages. Students will embark on our Diploma programme in the first year of study, after which they will progress to a higher level of learning with the Advanced Diploma Programmes, and finally pursue their Degree from any of our affiliated prestigious universities in their third year of study.

Through our strategic collaborations with many renowned universities in the United States, the United Kingdom and Australia, students are able to obtain qualifications from leading universities like RMIT University, Curtin University, University of Wales, University of Portsmouth, University of Central England in Birmingham and Salem International University. Other partnerships include a Masters programme in IT from the University of Wales.

Informatics has designed a unique and innovative e-learning platform at Purpletrain.com, for busy working professionals who have to trade their time among work, family, travel and academic pursuit to opt for flexibility of study. As an additional benefit, these busy professionals can combine the on-line and taught class services together to fit their schedules.

Institute of Business, Finance and Management

The Institute of Business, Finance and Management encompass the entire range of professional business qualification and products under Thames Business School. A primary objective of the Institute is then, to provide the industry with the caliber of knowledge workers it requires.

Programmes are specially designed for individuals who plan to seek a profession in the dynamic business and financial environment in the new economy. The Institute constantly reviews market dynamics to offer up-to-date, job relevant programmes. Programmes offered by the Institute range from Business Administration and Mass Communications, to Accounting and Language programs.

Academic programmes up to the second year of study, are awarded by Informatics Academy. The pathway for the final year programme is completed at associate and partner universities in the UK, the US, Australia and Canada, such as the University of Wales, University of Portsmouth, Heriot Watt University and Salem International University.

Institute of Engineering & Technology

The Institute of Engineering & Engineering aims to equip students with the requisite engineering qualification and expertise needed in computer engineering and related fields of engineering for the 21st century. Programmes include hands-on technical laboratory experience

Global Business

“PurpleTrain.com will continue to be an important growth pillar of the Group.”



which allows students to develop physical design and applications from conceptual and theoretical frameworks.

Offering a complete engineering pathway, Institute of Engineering allows non-engineering background students to gain entry to Foundational Engineering Studies before progression to their undergraduate studies in the disciplines of Computer Engineering, Communications and Electronics Engineering. Completing their Engineering Bachelor's either on campus or through distance learning in any Informatics Engineering Centres, the Institute offers recognised pathways into many prestigious universities in the United Kingdom and Australia.

The Institute continues to tap into the growth sector of Computer Engineering and Electrical and Electronics Engineering and strives to bring future partnership with prestigious universities worldwide, like University of Portsmouth, Exeter University, Northumbria University and the University of Southern Queensland.

Institute of Knowledge Economy

The Institute of Knowledge Economy was set up to fill the needs of the knowledge-based economy, where knowledge is power. The advent of the Internet, e-Commerce, and technology has created an information overload. The ability to process raw data and turn it into competitive market information, to be assimilated as knowledge, is a key competitive advantage for any business.

Organisations in the new knowledge economy must be knowledge-driven. They must learn to recognise changes in intellectual capital in the worth of their business and ultimately in their balance sheets. A firm's intellectual capital – employees' knowledge, brainpower, know-how, and processes, as well as their ability to continuously improve those processes – provides a competitive edge.

Informatics recognises the need to continually train and upgrade the intellectual capital of an organisation. The Institute of Knowledge Economy aims to help organisations maintain their competitive edge through its customized programmes, which encompasses thematic academic

directives like globalization, innovation technology, commercial linkages, entrepreneurship and creativity and innovation.

As the new economy requires a multi-disciplined individual, extending beyond a technical horizon, the convergence of many disciplines offered by the Institute of Knowledge Economy seeks to fill the 'gap' in market demand. Some areas of focus of the Institute include nursing, art and design, life sciences, cultural management, hospitality and service management and teaching.

Institute of Post-Graduate Studies

The Institute of Postgraduate Studies has been established to address the burgeoning growth area in the market for postgraduate education. It aims to provide opportunities of higher learning to mature executives who desire to upgrade and network with peers from different industries.

One of the key strategic objectives of this Institute is to deliver postgraduate programmes in as flexible a mode as possible and to develop a way to promote these programmes globally.

The role of the Institute of Post-Graduate Studies is a unique one. We are at the forefront of enabling executives to make quantum leaps in their careers and thereby contribute to the collective wealth of knowledge in the various fields of study.

Programmes offered include the Master of Business Administration from Salem International University and University of Wales, and Doctorate programme from the University of Southern Queensland. A newly-launched programme is the Postgraduate Diploma in Marketing Communications awarded by Informatics Academy, as a bridging programme to the Master of Marketing Communications from the University of Canberra (Australia).

The Institute strives to reach a world-class standing in its offering of a premium portfolio of postgraduate programmes from prestigious universities worldwide.

NCC Education

NCC Education, based in UK, is the world's leading independent provider of IT training and education programmes. It was established by the UK government in 1966 to encourage and stimulate the growth of computer usage and to ensure the widespread availability of adequate Information Technology (IT) training. Its pedigree comes from a history of 30 years of specialist knowledge in the IT industry.

NCC Education operates with and through a worldwide network of approved training partners. Through these centres, NCC Education offers a range of education programmes, from computer literacy courses to

post-graduate qualifications for experienced IT professionals. For over 35 years, NCC Education has been providing individuals with the skills and knowledge they require in order to access rewarding careers. The company partners with private education centres in 45 countries to help them promote its own qualifications and that of its university partners. During the year, it has expanded its network of Partner centres to over 350.

Its new Education Partnership Programme provides Education Partner Centres with a complete education solution from set-up training to marketing support and ongoing business consulting. New qualifications launched included Computer Pioneers Holiday Programme, University of Huddersfield BA in e-Business and its first range of self-study IT courses known as TechMaster.

Students enrolled in courses at any NCC Education Partner Centres, will have access to NCC Education Virtual Campus, where they will be able to access additional services and information like the Online Revision School and Discussion Board, which has proven to be popular with students.

NCC Education's ATS system is an online testing service that is used to assess students in 2,500 education centres worldwide. It continues to harness the potential of the Internet to add more advanced features to its ATS and its Virtual Campus facilities.

NCC Education will move forward into the year with plans to strengthen its links with universities, expand its course offerings, and establishing

itself as a full-fledged education and international qualifications provider, as well as aggressively promoting its Education Partnership Programme.

Salem International University

Founded in 1888 as Salem College, Salem International University (SIU) is a private, independent, liberal arts college based in West Virginia. In July 2001, SIU entered into a partnership with Informatics Holdings Ltd and seeks to provide students with an international, intercultural educational experience through the offers of Baccalaureate degrees and degrees at the Masters level. SIU is accredited by The Higher Learning Commission, North Central Association of Colleges and Schools. Through this partnership, Informatics diploma students are able to transfer their credits to complete their graduate degree and master programmes at SIU.

Informatics with SIU offers degree and master programmes fully online as well as on-campus. These programmes include: Bachelor of Science (BSc) in Computer Science (IT Major), Bachelor of Science (BSc) in Business Management (Management or International Business) and Master of Business Administration.

On-campus students get to expand their horizons by being a part of a diverse, multi-cultural community with students from all over the world and have access to state-of-the-art computing and research facilities, and even sports and recreation activities.

Online students can also benefit from a multi-cultural environment. This is made possible via the virtual classroom on the e-learning platform,

Global Business

“iPDC is now an established brand name in the Corporate Learning market.”



PurpleTrain.com. The fully online e-learning programme enables busy working professionals with time challenges in work and personal commitment to pursue an American degree. Online interaction amongst students and instructors, and the convenience of access to the virtual campus, anytime, anywhere, has made e-learning an attractive avenue of pursuing a degree for busy professionals.

Informatics in collaboration with Salem International University now introduces Executive Learning, where students can go through the entire academic experience with local tutorial support as a face-to-face learning mode to complement their e-learning programmes. Students are able to enjoy the strong tutoring support, injecting a regional perspective, while pursuing an American education with a liberal arts component.

E-LEARNING

Informatics is one of the global pioneers in implementing e-learning in the Higher Education space. This is delivered through its e-learning arm, PurpleTrain.com. Despite the

weak global economy in the past year, PurpleTrain.com still managed significant growth in 2002, achieving an e-user base that now stands at over 67,000 globally. Its e-learners cover more than 33 countries spanning Asia, Africa, Europe and North America.

PurpleTrain.com targets primarily working adults – the PMEBS or Professionals, Manager, Executives and Businessmen – seeking to upgrade their skills and academic qualifications, for career advancement and personal enrichment. The asynchronous nature of e-learning is ideal for PMEBS who are unable to attend fixed-schedule classes. For those with irregular shift duties, offshore assignments or heavy overseas travel, e-learning is in fact the only viable option to complete a degree or master programme, without ‘physical disruptions’. E-learning offers total flexibility and anytime, anywhere study. Increasingly, e-learning is fast becoming a popular alternative mode of learning, outside of the traditional classroom environment.

PurpleTrain.com is focusing its efforts on growing its premium

degree offerings – Bachelors and Master’s degree programmes offered by American, British and Australian universities.

Two new prestigious programmes were launched in 2002 – Bachelor of Business Administration by Curtin University of Technology and Master of Business Administration by Salem International University. More degree programmes will be launched in 2003.

In January 2003, PurpleTrain.com licensing business was launched. As one of the pioneers in the world in implementing e-learning services, this new licensing scheme is expected to strongly boost the growth of the e-learning business. Aggressive plans are in place to grow its licensing business worldwide.

Being a pioneer in e-learning, PurpleTrain.com boasts cutting-edge technologies and infrastructure. It has upgraded its Learning Management System (LMS) with more features that encourages interactivity amongst students and instructors as well as overall improvement in administration and user-friendliness. A new premium tool, Executive Virtual Campus (EVC)

has been added to PurpleTrain.com this year, which will bring student-instructor interactivity to a higher level of sophistication.

PurpleTrain.com will continue to be an important growth pillar of the Group. Through strategic collaborations with renowned universities and institutions globally, it will continually expand, enhance and refresh its product offerings, and leverage on the Group's franchise channels spanning more than 47 countries to market e-learning to students around the world.

INFORMATICS CORPORATE LEARNING

The Corporate Learning market segment was extremely challenging in the past year. There was hope that the technology sector led by the US will rebound in the 2nd half of the year but this did not materialize, resulting in continual decline. This trend was evident in both the European and the Asia Pacific markets except for China which enjoyed good growth due to its thirst for technology upgrades and modernisation.

Nevertheless, Informatics Corporate Learning (ICL) achieved several key successes, notably establishing four new franchisees; three in China and one in Thailand. In addition, our Corporate Learning services has been well-received by several new and significant customers – the Birmingham City Council, Ministry of Defence and Canon in the UK; and Volvo, Ericsson and WM-data in Sweden, just to mention a few.

iPDC (Informatics Professional Development Center) is now an established brand name in the Corporate Learning market. It targets the corporate customers and the corporate professionals and provides the latest concepts, skills and techniques in IT and non-IT segments to meet the training and development needs of the country's workforce. Using a flexible blended solution (a combination of both classroom and online learning), the delivery of the training and development skills can be via e-learning, face-to-face, hands-on laboratory and project work or a combination of all these elements of learning.

Some of the new iPDC programmes launched during the year include:

- (i) Project Management Certification (PMP) – graduates of this programme will be awarded the globally recognised PMP certification from the Project Management Institute (PMI) in Pennsylvania, USA;
- (ii) Certified Ethical Hacking – a course to introduce and demonstrate hacking tools for penetration testing purposes only, specifically for white-hat hackers from established and approved security services departments or consultancies <NB: white-hat hackers are “good guys” hired to hack into a client's network and expose its weaknesses so that these can be fixed and strengthened further>;
- (iii) iPDC Malaysia Platinum Card Programme for Government sector – Government staff who purchase the cards are issued personalised cards with their

names embossed. The card entitles the owner to 35 training hours of popular IT programmes including MS office, PC skills, and even Business English courses;

- (iv) iPDC Hong Kong MCAD.net certification – targeted at component and application developers who want to develop skills in maintaining department level applications, components, web or desktop clients or back-end data services using Microsoft NET technologies;
- (v) Chartered Financial Analyst (CFA) Preparatory Examination Programme – an initial preparatory course to penetrate the Financial training market to meet the continuous interest in investment products and benchmark education for Financial Advisors;
- (vi) International Council of Electronic Commerce Consultants (EC-Council) Certification – the EC-Council Certification is based on a definition of jobs and skill sets in three key areas: technical, content management and business management, covering e-Business, Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), etc.

Going forward, ICL will focus on increasing the brand value of iPDC through several key initiatives:

- (i) It will continue to strengthen the franchising sales force which is committed and dedicated to increasing our network reach and centers in all major and emerging countries in the Asia Pacific and the EMEA (Europe, Middle East, Africa) geographical regions. These areas still

Global Business

“YLG is fundamentally about quality education and development for the young...”



represents a huge opportunity for Informatics in the Corporate Learning business.

- (ii) It will further enhance its strategic alliances with key IT vendors and market leaders namely Microsoft, Cisco, Checkpoint, HP, Sun, Apple, Oracle, Macromedia, Adobe, Autodesk, Intel, CompTIA, and others, to forge a more aggressive marketing awareness and campaign across the world. Another major area of focus is the identification of leading content providers and market leaders in the business skills, management and language segments to initiate a closer working and successful partnership. This will increase iPDC's portfolio of product offerings tremendously to better serve a wider spectrum of customers.
- (iii) It will invest in its existing iPDC franchising system by providing better training facilities, on-the-job training and more importantly, better systems and tools. ICL will integrate the best practices and systems across our Asia Pacific and European subsidiaries and create a new and improved iPDC++ (incorporating 'best practices') system that can help franchisees

to be more profitable and serve customers with greater delight.

These initiatives and collaborations are expected to increase our market leadership and dominance in the training and development of corporate learners.

With the general economy expected to turn around in the latter part of the year, this would be a “push” factor in contributing to the growth of our Corporate Learning segment.

YOUNG LEARNERS GROUP

In an ever challenging pre-school, elementary and youth education business environment, the ability to constantly differentiate our core competence from the competition is becoming increasingly important. Informatics' Young Learners Group (YLG) is constantly striving to improve its delivery processes, service and quality. This is in line with our vision of being a world leader in providing quality childcare development and education for young learners aged between 18 months to 18 years.

Over the past year, YLG has continued to expand its Cambridge and CAL networks aggressively. We have strengthened our foothold in established markets like the

Philippines, Malaysia, Indonesia, Thailand and penetrated new markets like Kuwait, Nepal, Hong Kong, China and Taiwan.

Going forward, our strategy for the year ahead is to strongly position the Cambridge and CAL brands, oriented towards interactive parental involvement programmes. The new positioning provides for an integrated and holistic development in all aspects of the child's intellectual and social development.

Cambridge Child Development Centre

Cambridge is one of the fastest growing child development networks for young children aged between 18 months to 6 years, offering playgroups for toddlers (aged 3 years), nursery classes (aged 3-4 years), and kindergarten classes (aged 5-6 years). Currently, there are more than 38 Cambridge Child Development Centres set up in over 7 countries. The largest network is in Singapore, with more than 10 centres.

Recognising that the family, in particular, the parents, plays a critical role in educating and exerting influence on their young children, Cambridge has evolved its curricula to incorporate interactive parental involvement in its programmes. This new curricula has been implemented

in Singapore and Malaysia and will be rolled out to the other countries like Thailand, Indonesia and Hong Kong within the year. The new spectrum of services put in place are: pre-natal care, infant care, childcare, early education and parent education. The programmes aimed at involving parents include workshops, seminars and some parent-child activities in the centres. These would cover a range of topics such as Effective Parenting, Cultivating Good Reading Habits, Food Nutrition, Breakfast sessions with the children and How to provide a conducive learning environment at home. This comprehensive range of services will add value to the children and their parents and families, helping to accelerate and reinforce all aspects of the child's development.

The new approach will create a niche for Cambridge and help to drive it to become a global leader in the Young Learners industry segment. In addition to the added value and benefits to the young learners and families, this will be the key differentiator for Cambridge. Looking forward, Cambridge is committed to develop and launch many more of these innovative programmes to better serve the evolving needs of today's children and parents.

CAL Learning Centre

For many years, CAL has been the leader in IT education for children between the ages of 4 to 18 years, in Singapore and the Asia Pacific region. The educational landscape today has changed. Today, accessibility in acquiring new knowledge is revolutionized by the World Wide



Web. Thus, CAL has evolved into CAL Learning Centre to serve the needs of a new generation of young learners. It is focused on a journey of learning and discovery, and aims to provide an educational adventure and experience for the young.

CAL has been transformed into a learning network that promotes the holistic approach to child development. With this new direction, CAL is set to expand its educational portfolio beyond its traditional forte of Information Technology to include Early and Teenage education in almost every aspect of cognitive development. In line with our new positioning and branding, CAL now offers workshops and activities for the parent. The young learners can explore activities like Robotics, Young Cyber Engineer and even Interactive Web Design through having fun and playing games.

The CAL network is well equipped to enhance its business potential and open new markets in their respective countries. This will significantly boost the value of the CAL franchise brand.

YLG is fundamentally about quality education and development for the young, with active involvement of their parents, to reinforce and help to accelerate the learning process. It is important that as an industry leader, we take the initiative to set the right tone and direction. In addition to intellectual development, the socio-physiological development of the young learner is an equally important aspect of education for the young that we are committed to. We strive to make an impact by working in partnership with parents to create a balanced learning environment that exhibits all facets of intellectual development for the young.

Global Operations

“Informatics relies on a proven strategy of franchising and licensing as the primary distribution channel to market.”



MARKET OVERVIEW

The global market for training and education is huge and fragmented. Many players are focused on domestic markets. Informatics has set its focus on the global market as an international player with the aim of being present in the most viable economic markets.

Informatics relies on a proven strategy of franchising and licensing as the primary distribution channel to market. This allows Informatics to reach deep into any market. Franchisees and licensees have exclusivity for a specific business in a specific geography for a specific time. A franchisee or licensee can select from any one of Informatics businesses (Higher Education, Corporate Learning, Young Learners Group and E-learning) and specific geographic areas such as a country, region or location.

For strategic reasons, Informatics may take an equity position in certain franchisees and licensees. Specifically, Informatics operates through fully-owned subsidiaries in Singapore, Malaysia, Hong Kong, China, Sri Lanka, the United Kingdom and Sweden. The company holds various equity positions in its franchisees in Indonesia, India, Pakistan and the Philippines.

With more than 20 years of experience and expertise in the learning and education business, Informatics has since established its presence with over 583 centres, spanning more than 47 countries. Informatics has been aggressively expanding its network of education centres worldwide,

and made further inroads into India, China, Indonesia, Sri Lanka and even the Middle East. During the year, it made its maiden forays into Kuwait, Libya, Nepal and Australia.

Informatics has added more than 140 centres to its global network. In particular, the Group has strengthened its foothold in established markets like the Philippines, Malaysia, Thailand, Taiwan and Hong Kong. Despite the sluggish macro-economic conditions, Informatics has experienced strong growth in India and China. Informatics has established more than 100 centres in India and recently opened more new centres in China, expanding the network to 42 centres. Informatics brand name is firmly established in China as the IT training and education provider, particularly in Shanghai, where it is now a household brand name with 6 centres in the city.

As a world-leading quality provider of lifelong learning services, a key success factor for Informatics' growth and expansion is its integrated and comprehensive global training and support system for its franchisees and licensees. Informatics Group Corporate University (IGCU) was specially set up to provide world-class training and support to franchisees and licensees. A host of IT support systems based on the latest technological capabilities have been implemented to complement the training and support services. Franchisees and licensees attend intensively developed business and operations training at IGCU to equip them with the professional knowledge and expertise of running an Informatics business, which include start-up operations, business and growth models,



planning for success, and even selling, marketing and promotions.

Informatics' global business functions take care of the content development, R&D, as well as the global infrastructure in the respective businesses within the Higher Education, Corporate Learning, E-Learning and Young Learners areas. In addition to offering the benefits of economies of scale as a result of its vast global operations and network, Informatics corporate office in its headquarters provides professional consultation, support and administration pertaining to all other aspects of franchising and licensing.

The past year saw Informatics continue to innovate and deploy many new learning products and services including an online Global Service Centre, an electronic library or e-Library and an iMIS system, utilising state-of-the-art technology to provide effective and efficient support to franchisees and licensees anytime, anywhere. These franchisee and licensee resources provide a wealth of materials and tools for building a successful education business. This interactive website is accessible by all franchisees and licensees globally.

These developments and infrastructure are in line with Informatics' mission of exceeding its customers' expectations and serves to differentiate Informatics as one of the very few dedicated and premier providers of lifelong learning services. Informatics will continue to provide greater value to franchisees and licensees, through its best-in-class practices and continuous

development in innovative training and support facilities and infrastructure.

SINGAPORE

2003 was a year of innovation and groundbreaking initiatives for Informatics Singapore. Informatics Singapore launched new product and service benchmarks, in line with being the leading private education organisation that is on par with some of the best universities and education providers globally. In answer to the Singapore Economic Review Committee's call to action in making Singapore into a viable and significant global hub for education, Informatics introduced global standards in its academic and service delivery, marketing and support infrastructure.

The most significant affirmation of our quality excellence is in winning the Singapore Quality Class for Private Education Organisations (SQC for PEO) Award, administered by SPRING Singapore. Other accolades that Informatics has won include the Singapore Brand Award 2002 and the People Developer Standard Award. Informatics Singapore also received ISO 9002 certification for its high standards in service delivery and student support infrastructure at its centres.

Informatics Singapore rolled out state-of-the-art student and teaching facilities across its centers nationwide, including wireless Internet access, online student services, and virtual classroom facilities. Informatics Virtual Campus (IVC) provides students with online lecture rooms, collaborative

and knowledge management tools, and an innovative extension of their physical classroom environments. IVC was instrumental not only in improving the quality of academic service delivery to students, but played a major role in safeguarding students and staff along with other preventive measures taken during the SARS outbreak.

Informatics Singapore has set up the International Student Services (ISS) unit, aimed at facilitating the recruitment and support of foreign students coming to Singapore for study. Today, ISS has established firm partnerships with immigration and embassy authorities, hostel operators, and financial institutions to provide best-of-breed services to foreign students. Its sister unit, International Student Recruitment (ISR) will work with the Singapore Tourism Board (STB) and other overseas private and government-related partners to actively promote Informatics Singapore education services and facilities to international students.

In the past year, Informatics Singapore has collaborated with leading IT companies like Cisco, Microsoft and Oracle in rolling out new professional certification courses in wireless technology, project management, and the integration of such modules into popular IT diploma and degree programmes.

A significant area of growth is in the Higher Education segment which saw strong demand for postgraduate business programmes and e-learning programmes with Salem International University. Degree and post-graduate programmes showed

Global Operations

“Going forward, Informatics Singapore will continue to pursue new market segments, as well as consolidate and maintain good growth for its existing products and markets.”



good performance, with business and computer programmes leading the growth. The slowdown in the economy and the weak job market, have attracted individuals, even fresh graduates and degree holders, to pursue further education in postgraduate studies or a second degree.

Informatics Singapore is the first private education services provider to offer a progression for an engineering diploma to complete a degree programme with Northumbria University (UK) and University of Southern Queensland (Australia). Thames Business School also sealed a cooperation with Curtin University to enable its Advanced Diploma in Business Administration students to complete their Bachelor of Business Administration with an Australian university.

With Singapore's highly technology-savvy community, E-Learning has begun to gain popularity and has experienced good growth over the year, with its many affiliated University degree and master programmes seeing an increase in enrolment. With its flexible anytime,

anywhere learning concept, many busy and mobile professionals have taken to e-learning to upgrade their skill sets and knowledge, while holding full-time jobs. Within the year, Informatics actively promoted its e-learning programmes and benefits via PurpleTrain.com through roadshows in vertical market segments like the Navy and Police Academy.

Going forward, Informatics Singapore will continue to pursue new market segments, as well as consolidate and maintain good growth for its existing products and markets. To help support the Singapore government's efforts in making Singapore the education hub in the region, Informatics Singapore will actively recruit international students to the country.

SOUTHEAST ASIA

Informatics has continued to grow in the Southeast Asia region in the past year, and has expanded its network in the region. Informatics Malaysia now has a network of about 20 city campuses throughout the Peninsula,

including East Malaysia. Two new Informatics Open Learning (IOL) centres have recently opened, one in Kuala Lumpur, the Malaysian capital, and the other in Kuching, Sarawak in East Malaysia. Its first Informatics Open Learning Centre in Kuala Lumpur received good responses to its undergraduate and postgraduate degree programmes. Informatics Malaysia has built a strong foothold in the Corporate Learning sector and has 17 Informatics Professional Development Centres (IPDCs) in the country.

Throughout the year, Informatics Malaysia has actively supported the Malaysian government's initiatives to help retrain the nation's workforce, and it was a leading approved institution under the government's Retrenched Workers Training Scheme. Informatics Malaysia, through its IPDC centres, have provided training to more than 1,000 retrenched workers during the year.

In the Philippines, Informatics has experienced another good year, firmly establishing Informatics as the premier education services

provider in the country, with many new centres added to its network. In addition, Informatics Philippines once again won the Franchise Excellence awarded for the third consecutive year, and was awarded the International Master Franchise of the Year by the Philippines Department of Trade and Industry and the Philippines Franchise Association. This is an affirmation of the quality programmes and commitment to excellence in education by Informatics Philippines. In addition, Informatics International College (IIC) opened a new campus in Filinvest Alabang, offering international degrees from prestigious universities worldwide.

There has been good progress and development in the Indonesian market, with many centres established in the last year, namely in Depok, Semarang, Yogyakarta, Gunung Sahari and Palembang. One significant development is its strategic partnership with one of the top Universities in Indonesia, the Mercuru Buana University, to conduct IT programmes at the University.

In Thailand, Informatics has added a new Cambridge Child Development Centre (CCDC) in Rayong, while in Vietnam, a new Thames Business School will be set up in Hanoi in September 2003. A strategic alliance with the Vietnam National University in Ho Chi Minh City is underway, to jointly offer Informatics' E-Commerce Diploma and Advanced Diploma programmes.

Informatics has made headway into Cambodia in the past year. It has partnered with the Faculty of Pedagogy at the Cambodian Ministry of Education Youth & Sports to offer

Informatics Corporate Learning (ICL) courses and IT degree programmes in the country. This initiative is targeted at training teachers and students in the primary and secondary levels.

Informatics has experienced growth in the Southeast Asia region, and will focus on expanding its network in key markets like Philippines, Indonesia, Malaysia and Thailand, while making further inroads in the other markets in the region.

NORTHEAST ASIA

In Northeast Asia, Informatics has expanded its network, continuing to add more centres, with China leading the growth in this region. Informatics in China has extended its network to more than 42 centres throughout many provinces like Guangzhou, Shandong, Tianjin, Dalian, Chengdu and Xian. New Informatics Colleges have been set up in Chang-chun, Jinhua, Guangzhou and Jilin provinces. Informatics Professional Development Centre (IPDC) has been established in Weihai and Yantai cities in Shandong. In August 2002, Informatics inked an agreement with the renowned Beijing University to jointly offer English Language courses at the University.

Informatics Shanghai, which has 6 training and education centres in the city, is an established household name and perceived as the leading provider of foreign education in China. Informatics Shanghai College offers a wide range of courses including Business Administration, Secretarial studies, Accounting, Computer Studies, English Language training, IT training and online courses through PurpleTrain.com. In

July 2002, the Informatics Language Centre was set up in Shanghai, to support the government's call to learn English, as China is opening up rapidly after its entry into the World Trade Organisation (WTO). China is expected to develop further and Informatics plans to cast a wider network into the China market in the year ahead.

It was a significant year for Hong Kong. The Informatics brand gained increased recognition in the territory, with positively strong response from the public for its programmes, particularly in the Higher Education segment, which witnessed a good growth in business degrees and postgraduate programmes. Strong growth was also registered for both the Corporate Learning and E-learning markets.

In Hong Kong, Informatics Corporate Learning (ICL) has established itself as the top 2 market leader in for providing quality, relevant and state-of-the-art training for professionals and corporations in both technical and non-technical skills. In the near future, Informatics plans to set up new sales offices and training sites for Corporate Learning. Key new programmes launched include: Certified Wireless Security Professional (CWSP), Project Management Professional (PMP), Sun Solaris Certification and Chartered Financial Analyst (CFA) preparation programmes.

Additionally, a new CAL Learning Centre has been set up in Causeway Bay to meet the increasing demand for quality IT education for children, to provide them with a headstart in IT skills.

Global Operations

“During the year, Informatics made its maiden foray into Libya with its first centre being established in the capital city, Tripoli.”



Within the Northeast Asia region, Informatics will continue to grow our business and brand name, and to continue to improve our quality, services and customer base.

MIDDLE EAST/ AFRICA

Informatics has made significant inroads into the Middle East and Africa regions. During the year, Informatics made its maiden foray into Libya with its first centre being established in the capital city, Tripoli. Another centre is expected to be set up in the city of Benghazi, with more centres being planned in other cities in Libya. In Saudi Arabia, a new Thames Business School has been added to the network, with more centres expected in Riyadh and Jeddah towards the end of the year.

In Iran, Informatics has signed an MOU with the master franchisee, together with the Islamic Azad University (IAU), to extend the franchise tenure for Iran to 10 years, for its Informatics Computer School and Thames Business School centres. Informatics in Iran will collaborate with IAU, the largest private non-profit university with 170 branches

in the country, to promote and run Informatics courses.

Informatics has also expanded its network in Nigeria and Kenya. Informatics Kenya saw its first graduation of 300 students in November 2002. In September 2002, Informatics established Thames Business School and CAL Learning Centre in Dubai, the United Arab Emirates. Informatics in Botswana has just established its first Informatics Computer School (ICS) and Thames Business School, with two other centres to commence operations in August 2003.

Informatics recognizes the education needs and growth potential of the Middle East and African regions, and has immediate plans to make further inroads in other countries in these regions. Specifically, a strategic tie-up with a local university in this region would be significant to the development of the network.

SOUTHWEST ASIA

Southwest Asia holds some of the key markets with good growth potential for Informatics. The most significant

development and progress has been in India, where the Informatics has aggressively expanded its network, spanning across many states, including Jammu, Kashir, Himachal Pradesh, Punjab, Haryana, Delhi, Uttar Pradesh, Uttranchal, Pajasthan, Maharashtra, Gujarat, Calcutta, Assam, Bihar, Jharkhand, Tamil Nadu, Kerala and others. Informatics in India has partnered with the Government of India, key institutions and academic bodies.

In the State of Mizoram, in North Eastern India, Informatics India has tied up with the local Government to develop and conduct the Entrepreneur Development Programme, aimed at helping the unemployed youths. In tandem with the Indian government's initiatives for Bio-Informatics, Informatics in India has partnered with India's Institute of Genomics & Integrative Biology (IGIB) to provide Bio-Informatics training to India's aspiring researchers and scientists. In addition, Informatics India was awarded the contract to provide IT training to a group of Afghan diplomats on behalf of the Ministry of External Affairs, Government of India. Informatics

India has also collaborated with the Madhav Institute of Technology and Science (MITS), a top Indian institute in Engineering, on providing IT programmes at the Institute.

Informatics in Sri Lanka, Singapore Informatics Computer Institute (SICI) has experienced strong growth in the past year, expanding its network of centres. SICI has seen successes in many of the degree and master programmes launched including e-learning. Inroads were made into Southern Sri Lanka, with the setting up of its first Informatics Computer Schools (ICS) in Matara and Ratnapura cities. The latest addition to the network is a newly set-up SICI centre in Rajagiriya in the capital of Jayawardenapura. Another new centre is due to commence operations in Jaffna Peninsula later in the year.

Informatics network has grown steadily in Pakistan, with presence in the cities of Karachi, Lahore, Multan, Faisalabad, Peshawar and Islamabad. It recently opened a Thames Business School in the town of Rawalpindi. The University Grants Commission (UGC), Pakistan has accorded recognition to the Bachelor of Business (IT) programme conducted by Informatics, in collaboration with Curtin University of Technology, Australia. This is the first-ever multi-campus recognition of a programme granted to any institute in Pakistan operating under a foreign collaboration agreement. In the Himalayas, Informatics has added a new Cambridge Child Development Centre (CCDC) in the Nepalese capital of Kathmandu.

Informatics in Southwest Asia, with its strong presence in India, Sri

Lanka and Pakistan, will continue to strengthen its brand and product offerings in these countries. The other countries in the Southwest Asia region offers good penetration potential for Informatics to spread its wings further in the year ahead.

AUSTRALASIA

This year marked a new milestone for Informatics as the Group has opened up the Australian market in March 2003, with the establishment of its first Informatics Computer School (ICS) and Thames Business School (TBS) in the country. Plans are underway to set up a network of ICS and TBS in the continent down under.

Informatics has plans to further develop its network in Australia and to add more centres in New Zealand.

UNITED STATES OF AMERICA

Since its first inroad in the United States in partnership with Salem International University (SIU), Informatics has made progress in bringing a quality American higher education to students all over the world, via e-learning and a blend of both classroom and online learning, including on-campus education at the SIU campus in West Virginia. SIU's prestigious standing in the US has contributed to the quality of curricula content of Informatics programmes, enhancing the education qualifications offered by Informatics.

In the past year, SIU has seen a significant increase in enrolment from students all over the world through the Informatics global network. A

sizeable proportion of the students are enrolled with SIU via online learning, delivered through the e-learning platform, PurpleTrain.com.

The US is a huge education market and with SIU, Informatics has gained a foothold in the US market. The next step forward for Informatics is to look into increasing this foothold and strengthening its presence in the US education market.

EUROPE

Informatics' Sweden operations, Cornerstone Sweden AB, has established itself as a leading IT education institution for IT professionals in the country, particularly well-reputed for providing quality professional IT competence development solutions. With its unique programme offerings, Cornerstone has made outstanding market penetration and has carved a niche position in the Swedish IT training market. For the coming year, Cornerstone will enhance its position as the leading player in the field of system development training, continue to expand security product offerings, and to develop major corporate customers.

Informatics Group UK (IGUK) is an established IT training company that provides independent, high quality training to IT professionals and leading corporations in Europe. It has operations in Birmingham, Bristol, Edinburgh, Glasgow, Leeds, London and Manchester. To meet market needs, IGUK has broadened its technical product portfolio, adding Cisco, Wireless, Storage and Novell training programmes.

Global Operations

“To meet market demands, IGUK has broadened its technical product portfolio...”



There is an increasing market demand in the UK for professional skills like project management and change management, and IGUK has implemented a new set of core courses in these subject areas that are unique in the market, focusing on professional skills for the IT professional and use up-to-date examples on e-business implementation. During the year, IGUK won major contracts with organizations such as the Ministry of Defence, TNT and Canon, while continuing to deliver high quality services with major clients such as Microsoft, Birmingham City Council and Accenture. IGUK also made major innovations in its service delivery to customers through programmes such as No Limit Learning – a service which gives customers the freedom to book courses at a cost-effective one-off fee for the whole year.

IGUK achieved a number of accolades during the year. In September 2002, it was awarded the Gold Standard Accreditation from the Institute of IT Training in the UK for the fifth consecutive year, recognizing IGUK's commitment to maintain the highest standards in delivering quality training products and services. In March 2003, it received the prestigious Microsoft Gold Partner title for Learning Solutions in recognition of IGUK's proven skill

set to assess, design, customize and plan training solutions for medium to large-scale organizations. IGUK is the third company in the UK to receive this Gold status, and is one of only five worldwide.

NCC Education in the UK had a successful year. The NCC Education network now comprises 350 centres in 45 countries. There was strong demand for undergraduate degree and postgraduate qualifications, which saw huge growth. Good growth was experienced from the Computer Pioneers product in the schools market.

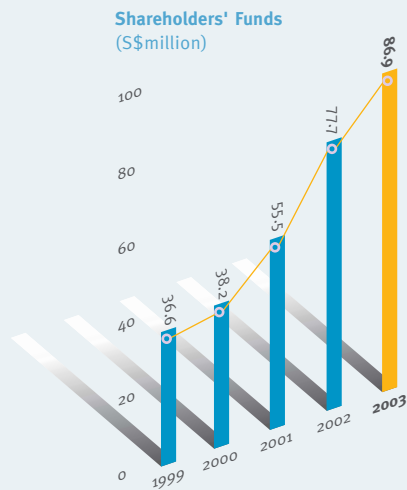
NCC Education reacted quickly to market trends by diversifying into business programmes and new university partnerships, for example, with Huddersfield and Portsmouth Universities. The most significant development was the launch of the new Education Partnership Programme in March 2003. This new licensing model offers an extensive portfolio of academic programmes (including English Language and foundation-level programmes) and a comprehensive support package for start-up education businesses. This enables Education Partner Centres to offer the most relevant products for their markets, differentiating them from competitors in their region and increasing student choice.

NCC Education's automated testing business performed extremely well during the year. The three major contributors were the selection of NCC Education's ATS test software for the English National Health Service ECDL Project, the strengthening of its partnership with Cambridge International Examinations and the continued growth of the overseas business where NCC Education's regional offices and local business partnerships provide an excellent channel and market presence.

NCC Education will continue to focus on growth in testing, certification and education services in global markets. In 2004, further competitive advantage will be added by developing the company's positioning as a broad-based services provider for education businesses. Its entry into the potentially huge China market will be consolidated and extended. Strong growth is expected in automated testing through overseas operations and large UK-based contracts. Inroads into the Schools sector will be developed further.

The rest of Europe holds good potential for Informatics and the Group plans to inch into the other markets in due course.

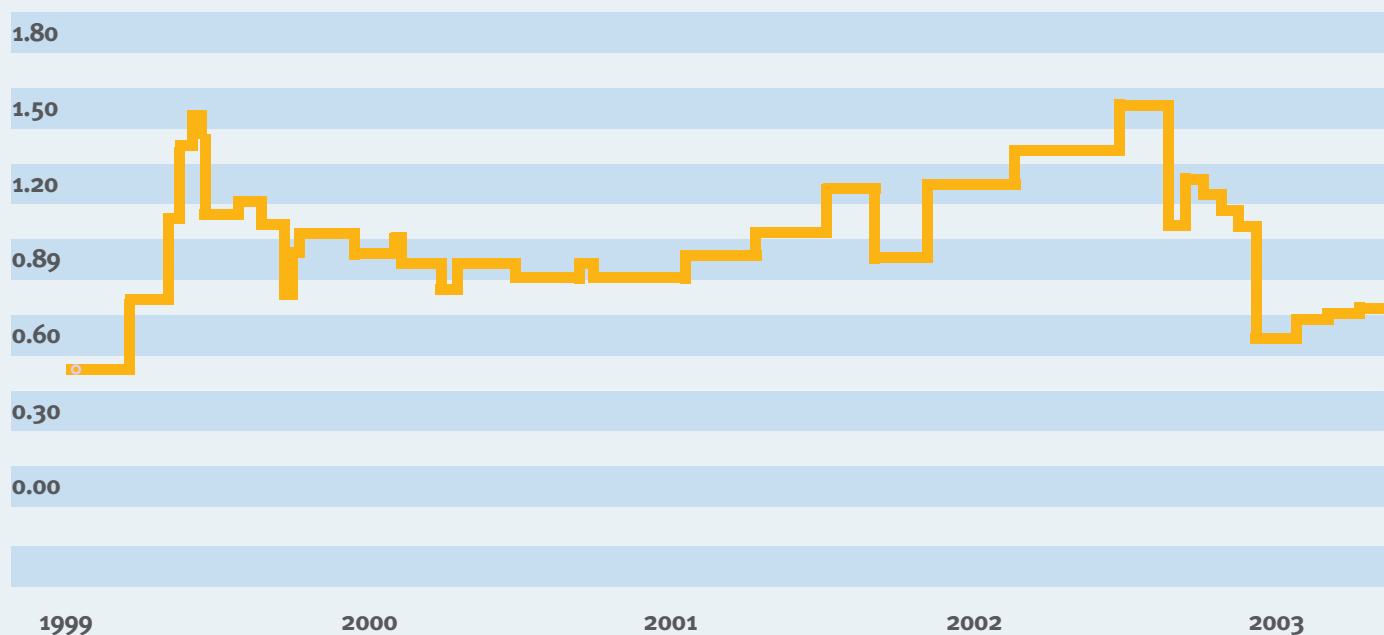
Five-Year Financial Highlights



	2003	2002	2001	2000	1999
For The Year (S\$'000)					
Turnover	185,371	200,184	182,562	159,714	145,242
Profit before Tax	7,268	19,776	19,039	15,711	13,469
Profit after Tax before Minority Interests	5,921	15,340	14,996	12,386	10,363
Profit Attributable to Shareholders	12,232	21,484	17,343	12,502	10,001
At Year End (S\$'000)					
Shareholders' Funds	86,894	77,694	55,478	38,173	36,589
Fixed Assets	28,856	34,276	33,231	34,019	39,657
Current Assets	110,752	79,849	71,933	60,783	56,025
Current Liabilities	62,042	46,844	52,939	49,742	53,548
Per Share Data (Cents)					
Net Earnings	3.91	6.94	5.62	4.08	3.29
Net Tangible Assets	25.66	23.30	16.90	11.53	11.47

Group Financial Highlights

Informatics Share Price Movement



For The Year (\$\$'000)	2003	2002	Change (%)
Turnover	185,371	200,184	(7.4)
Profit before Tax and Minority Interests	7,268	19,776	(63.2)
Profit after Tax before Minority Interests	5,921	15,340	(61.4)
Profit after Tax and Minority Interests	12,232	21,484	(43.1)
Net Dividends	3,669	2,155	70.3
At Year End (\$\$'000)			
Issued Share Capital	15,678	15,551	0.8
Reserves	71,216	62,143	14.6
Shareholders' Funds	86,894	77,694	11.8
Minority Interests	5,565	6,073	(8.4)
Fixed Assets	28,856	34,276	(15.8)
Current Assets	110,752	79,849	38.7
Current Liabilities	62,042	46,844	32.4
Financial Ratios (Cents)			
Net Earnings	3.91	6.94	(43.7)

Corporate Governance

Informatics is committed to high standards of corporate governance. The Board believes that good corporate governance is essential to achieving Informatics' objective of maximizing shareholders value and safeguarding the interest of its stakeholders.

The following report describes the corporate governance policies and practices of Informatics during financial year ended 2003, which are generally in line with the Code Corporate Governance issued by the Committee on Corporate Governance.

THE BOARD OF DIRECTORS

The Board sets the overall business direction and objectives of Informatics. The Board reviews the Company major investments, business plan, annual budgets and operating results achieved. The Board's approval is required for 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.

The Board comprises a non-executive Chairman, three non-executive directors and two executive directors. The non-executive directors are Messrs Frank Yung-Cheng Yung, Tang Chun Choy and Dr Seet Ai Mee nee Ling. The Board considers its current size adequate for its operations. The current Board comprises members with diverse corporate and business experience who, as a group, provide core competencies relevant to the business of Informatics. Detailed information on the directors' experience and qualifications can be found on pages 18 to 19.

Currently, the Company's Articles of Association ("the Articles") require all directors except the managing director to retire once in every 3 years. The Articles will be amended at this forthcoming Extraordinary General Meeting to require all directors including the managing director to retire once in every 3 years. Executive directors, being staff of Informatics, are employed on terms which allow termination by notice.

The Board conducts regular scheduled quarterly meetings. Ad-hoc meetings are convened when circumstances require. The - Articles allow a board meeting to be conducted by way of telephone conference or video-conference. The

attendance of the directors at meetings of the Board and Board Committee, as well as the frequency of such meetings, is disclosed in this report.

Informatics maintains a budget for directors' training needs. Guidance is given to new directors on the requirements of disclosure of interest, restrictions on dealing in securities and duties and responsibilities of directors under Singapore law. Directors are updated on changes in relevant accounting standards. The Company Secretary, to whom the directors have independent access, assist the Board and keeps it apprised of relevant laws and regulations. The directors may also request independent professional advice, at Informatics expense.

ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with CEO. The Chairman reviews most board papers before they are presented to the Board and the board members are provided with complete, adequate and timely information. Management staff who have prepared the papers, or who can provide additional insight into the matters may be required to attend the board meeting. The Chairman assists to ensure that procedures are introduced to comply with the Code.

During the year under review, the Board assigned the non-executive Chairman, Dr. Wong Tai to certain executive duties on an as and when required basis. The Board considered these short term assignments were in the best interest of the Company

The CEO is the most senior executive in the Company and bears executive responsibility for the Company's business, while the Chairman bears responsibility for the workings of the Board. The Chairman and CEO are not related.

AUDIT COMMITTEE

Mr Frank Yung-Cheng Yung (Chairman)
Dr Seet Ai Mee nee Ling
Mr Tang Chun Choy

The Audit Committee carries out the functions set out in the Code and Companies Act. The Audit Committee comprises

Corporate Governance

three members, all of whom are independent non-executive directors.

The principal responsibility of the Audit Committee is to assist the Board to maintain a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting process and internal control systems and risk management of the Group. The Committee has been given full access to and received full cooperation from the Management. The Committee has the power to conduct or authorize investigations into any matters within the Committee's scope of responsibility.

The Audit Committee also governs the Company's policy on risk. All risks taken must be identified, measured, monitored and managed within a strong management framework, and that returns must commensurate with the risks taken.

The Audit Committee have during the year held meetings with the auditors and the internal auditor without the attendance of Management.

The Audit Committee also reviews the non-audit services provided by external auditors and is satisfied with their independence.

OPERATIONAL REVIEW AND CORPORATE STANDARDS COMMITTEE

Mr Tang Chun Choy (Chairman)
Mr Ong Boon Kheng
Mr Cedric Chan Chee Meng
Mr Patrick Lau Li Tah

The Committee was renamed from Corporate Standards Committee to Operational Review and Corporate Standards Committee.

The Committee was set up 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 operational management in the conduct of day-to-day business.

The committee also seeks to improve the system of operational controls and efficiency through review of

operational performance matrices for every business sector against established benchmarks.

NOMINATING COMMITTEE

Dr Seet Ai Mee nee Ling (Chairman)
Mr Ong Boon Kheng

The Nominating Committee's primary function is to identify candidates and review all nominations for appointments of:

- members of the Board of Directors including their reappointment;
- members of the Audit Committee; and
- Chief Executive Officer and President including any other officer by whatever name called who has responsibilities and functions similar to any of these officers;

REMUNERATION AND STRATEGIC HUMAN RESOURCE COMMITTEE

Mr Frank Yung-Cheng Yung (Chairman)
Dr Wong Tai
Dr Seet Ai Mee nee Ling
Mr Ong Boon Kheng
Mr Cedric Chan Chee Meng

The Remuneration and Strategic Human Resource Committee's function is in attracting, retaining and rewarding well-qualified people to serve the Group, by pegging remuneration and benefits at competitive market rates. From time to time, directors' fees and the base salaries of staff are reviewed to ensure they are at sufficiently competitive levels. A compensation system is in place to reward staff based on their merit and performance through annual merit service increments and profit sharing. The Company's share option scheme for directors, senior management and executives serves as a long-term incentive plan for more senior-level is also based on individual performance.

In addition, the duties and responsibilities of the Committee include:-

- review and advise the Board of Directors on the terms of appointment and remuneration of its members and senior management of the Company;

- review working environment and succession planning for management; and
- review the terms of the employment arrangements with management so as to develop consistent group wide employment practices subject to regional differences

The remuneration packages of each of the top 5 management staff, who are not directors of the company are below \$250,000.

There are no employees of the Group who are immediate family members of a Director or CEO earning more than \$150,000 per annum.

INVESTOR RELATIONS AND BOARD PERFORMANCE COMMITTEE

Mr Ong Boon Kheng (Chairman)
Dr Wong Tai
Mr Tang Chun Choy

The Investor Relations and Board Performance Committee evaluates the Board's performance as a whole. The assessment process adopts both quantitative and qualitative criteria, such as return on equity, the success and long-term objective set by the Board, and the effectiveness of the Board in monitoring management's performance against the goals that have been set by the Board. The Company's share price performance over a period of 10 years, adjusted for returns against the benchmark of STI and Services index, is considered to be a relevant criterion for assessment. Indicators given by analysts and reports in the media may also be used as performance criteria for assessing the Board's performance as a whole.

MERGER AND ACQUISITION COMMITTEE

Dr Wong Tai (Chairman)
Mr Frank Yung-Cheng Yung
Mr Yew How Kien

The Merger and Acquisition Committee provides an important function to the Company and to keep the shareholders updated and informed, its duties and responsibilities are as follows :-

- to identify investment opportunities for the Company and its subsidiaries that could add value to the Company's

- shareholders' return, such investments not being restricted to the current business of the Group;
- to conduct investment analyses of these investment opportunities;
- to report to the Board of Directors its findings and from time to time on matters arising and requiring the attention of the Committee; and
- to undertake such other reviews and projects as may be requested by the Board of Directors.

SERVICE EXCELLENCE COMMITTEE

Mr Cedric Chan Chee Meng (Chairman)
Dr Seet Ai Mee nee Ling
Mr Ong Swee Teck

The Service Excellence Committee spearheads the company's improvement efforts to raise the service performance standards in Informatics, with a key focus on delivering superior customer care and customer service to all its customers. Through the Committee's constant drive, service excellence has become a cornerstone of the Informatics business culture.

Customer care, customer intimacy and customer sensitivity have now been firmly established by the Committee as the key corporate drivers for Informatics and integrated into our service excellence model. The model incorporates key service performance indicators for every business sectors. Benchmarks are set against world class service organizations and improvement measure are implemented to bridge the service gap.

INTERNAL CONTROLS

The Company has a well established internal audit function. There are formal procedures for both internal and external auditors to report the conclusions and recommendations of their audit findings to management and the Audit Committee.

The Company's Internal Audit function reports to the Audit Committee and assist the Board in monitoring and managing business risks and internal controls. The Company's internal audit plan is approved by the Audit Committee. The results of the audit findings are submitted to the Audit Committee for its review in its meetings.

Corporate Governance

The scope of the Internal Audit covers the audits of all units and operations, including overseas offices, subsidiaries, associates and franchisees.

The Board believes that the system of internal controls maintained by the Company is adequate to safeguard shareholders' investment and Company's assets.

COMMUNICATION TO SHAREHOLDER

Informatics has for the past three years, disclosed its year-end results within one month of the date of closure of account. It recognises the need to communicate with all shareholders on all material business matters affecting the Group. Timely, as well as detailed disclosures are made to the shareholders in compliance with SGX guidelines. The Company has regular dialogue sessions with investors, analysts and fund managers.

At annual general meetings, shareholders are encouraged to ask questions on the Group's operating and financial performance and resolutions being proposed. Separate resolutions on each distinct issue are proposed at general meetings for approval. The external auditors and legal advisers (if necessary) are present to assist the Directors in addressing any queries by shareholders. Informatics does not practice selective disclosure of information. Investors and shareholders can visit Informatics' investor relations website at www.informaticsgroup.com

DEALING IN SECURITIES

Policy on share dealings has been issued to all Directors and employees of the Group, setting out the implications of insider trading and the recommendations of the Best Practices Guide. The Group has also adopted a code of conduct, modelled on the Best Practices Guide to provide further guidance to employees on dealing in the Company's shares.

DIRECTORS' ATTENDANCE DURING THE FINANCIAL YEAR

Number of Meetings Attended During the Financial Year 2003								
Name of Director	Board of Directors	Audit Committee	Operational Review and Corporate Standards Committee	Nominating Committee	Remuneration and Strategic Human Resource Committee	Investor Relations and Board Performance Committee	Merger & Acquisition Committee	**Service Excellence Committee
Total Number of Meetings Held	5	7	4	4	4	4	4	2
Dr Wong Tai	5	-	-	-	4	4	4	-
Mr Ong Boon Kheng	5	-	4	4	4	4	-	-
Mr Cedric Chan Chee Meng	4	-	4	-	4	-	-	2
Mr Frank Yung Cheng-Yung	5	7	-	-	4	-	4	-
Dr Seet Ai Mee nee Ling	5	7	-	4	4	-	-	2
Mr Tang Chun Choy	4	6	4	-	-	4	-	-
*Mr Ortega Valentine Philip	2	-	-	-	-	-	-	-

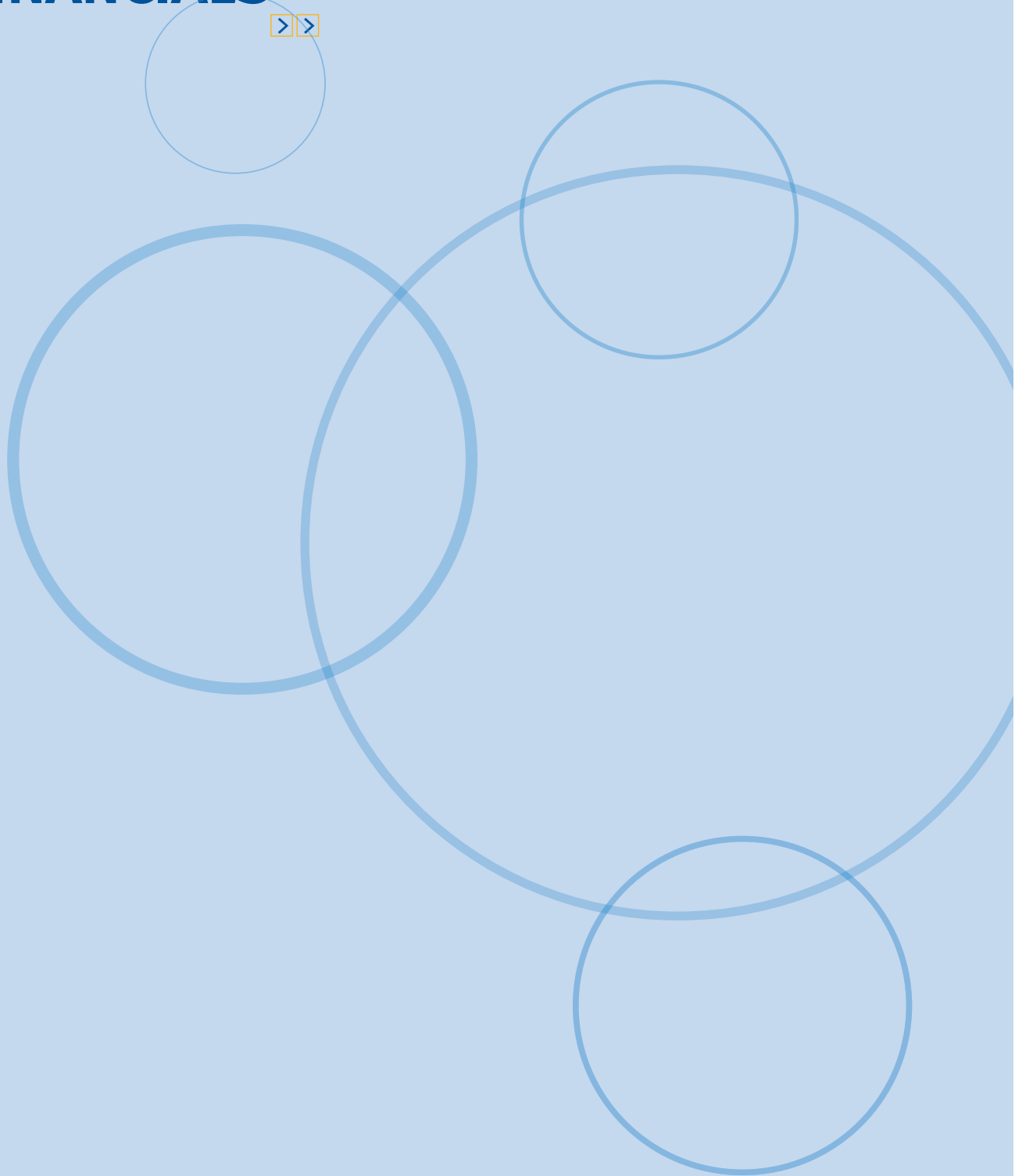
* Mr Ortega Valentine Philip attended 2 board meetings during the financial year 2003. He retired on 16 August 2003 and he presently is the Adviser to the Group Business Unit - Higher Education of Informatics.

** The Service Excellence Committee was set up in January 2003 and has held 2 meetings since.

in-depth
interactive
innovative
ingenious
insightful



FINANCIALS



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Directors' Report

The directors are pleased to present their report to the members together with the audited financial statements of the Company and the Group for the financial year ended 31 March 2003.

DIRECTORS

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

Dr Wong Tai (Chairman)
 Mr Ong Boon Kheng
 Mr Cedric Chan Chee Meng
 Mr Frank Yung-Cheng Yung
 Dr Seet Ai Mee nee Ling
 Mr Tang Chun Choy

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding, franchisor for computer and commercial training centres and examination facilitators. The Company also operates under the names "Informatics International", "Informatics Academy", "Informatics Consulting", "Thames Management Centre International", "Thames Academy", "Thames International", "Computer Assisted Learning International", "Informatics Higher Education" and "Informatics Corporate Learning", being sole-proprietorships registered under the name of the Company.

The principal activities of the subsidiary companies include:

- * IT education and training;
- * business education and training; and
- * investment holding

Details of these subsidiary companies are shown in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS FOR THE FINANCIAL YEAR

	Group \$'000	Company \$'000
Profit after tax	5,921	4,185
Minority interests	6,311	-
Profit attributable to shareholders	12,232	4,185
Dividends paid	(2,444)	(2,444)
Retained profit transferred to revenue reserve	9,788	1,741

MATERIAL TRANSFERS TO OR FROM RESERVES OR PROVISIONS

Except as shown in the financial statements, there were no material transfers to or from reserves or provisions during the financial year.

ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

The following interests in subsidiary companies were acquired during the financial year:

Name of subsidiary company	Effective interest acquired %	Effective interest after acquisition %	Consideration \$'000	Net tangible liabilities acquired \$'000
Held by the Company				
LMN Education Pte Ltd	70	100	516	405

The following subsidiary companies were disposed of during the financial year:

Name of subsidiary company	Effective interest disposed of %	Effective interest after disposal %	Consideration \$'000	Net tangible assets disposed of \$'000
Held by a subsidiary company				
Citinetics Sdn Bhd (formerly known as Novapoint Corporation Sdn Bhd)	100	-	-	5
Informatics Perkasa Sdn Bhd	50	20	-	853

The following subsidiary company was incorporated during the financial year:

Name of subsidiary company	Country of incorporation and place of business	Effective interest held by the Group %
Held by a subsidiary company		
Informatics Young Learners Group Pte Ltd	Singapore	100

The following subsidiary companies have been liquidated or have commenced liquidation or striking-off procedures during the financial year:

Held by the Company

IM Pte Ltd
Informatics International Co Ltd
Informatics Resources (HK) Ltd

Held by a subsidiary company

Informatics Technology & Systems Sdn Bhd

Except as disclosed above, there were no other acquisitions or disposals of subsidiary companies during the financial year.

Directors' Report

ISSUE OF SHARES OR DEBENTURES

During the financial year, the Company issued the following ordinary shares of \$0.05 each, for cash, at the respective exercise price per share upon the exercise of options granted by the Company under the Informatics Group Share Option Scheme:

Offer date of share options	Number of ordinary shares issued	Exercise price per ordinary share
23.07.1997	934,000	\$0.895
21.07.1998	216,000	\$0.363
15.07.1999	415,000	\$1.043
31.08.2000	667,000	\$0.858
20.08.2001	302,000	\$1.130

During the financial year, a subsidiary company, Informatics Group (Europe) Limited increased its authorised share capital from £12 million to £16 million by the creation of 4 million new ordinary shares of £1 each.

During the financial year, the following subsidiary companies issued shares:

Name of subsidiary companies	Description of shares issued	Purpose of issue
Informatics Group (Europe) Limited	2,912,466 ordinary shares of £1 each at par for consideration other than cash	To capitalise amounts due to the holding company
Informatics Investments Limited	2,912,466 ordinary shares of £1 each at par for consideration other than cash	To capitalise amounts due to the ultimate holding company
	1,941,644 ordinary shares of £1 each at par for cash	To provide additional working capital
Informatics Group (U.K.) Limited	4,854,110 ordinary shares of £1 each at par for consideration other than cash	To capitalise loans from the ultimate holding company

Except as disclosed above, no other shares or debentures were issued by any company in the Group during the financial year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Except for the Company's Informatics Group Share Option Scheme, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The interests of the directors who held office at the end of the financial year in the shares or debentures of the Company and related corporations, according to the register kept by the Company for the purposes of Section 164 of the Companies' Act, were as follows:

	Held in the name of director		Deemed interest	
	1.4.2002	31.3.2003	1.4.2002	31.3.2003
The Company				
Informatics Holdings Ltd				
Ordinary shares of \$0.05 each				
Dr Wong Tai	72,655,304	72,655,304	-	-
Mr Ong Boon Kheng	20,268,952	17,268,952	-	-
Mr Cedric Chan Chee Meng	20,000	-	-	-
Mr Frank Yung-Cheng Yung	60,000	60,000	-	-
Mr Tang Chun Choy	4,000	4,000	12,000,000	12,000,000

	1.4.2002	31.3.2003	Held by director		Exercise period
			21.4.2003	Exercise price	
Options to subscribe for ordinary shares of \$0.05 each					
Dr Wong Tai	400,000	400,000	400,000	0.858	01.09.2001 to 30.08.2005
	400,000	400,000	400,000	1.130	21.08.2002 to 19.08.2006
	-	400,000	400,000	1.600	01.06.2003 to 31.05.2007
Mr Ong Boon Kheng	250,000	250,000	250,000	0.858	01.09.2001 to 30.08.2005
	250,000	250,000	250,000	1.130	21.08.2002 to 19.08.2006
	-	250,000	250,000	1.600	01.06.2003 to 31.05.2007
Mr Cedric Chan Chee Meng	-	750,000	750,000	1.460	22.09.2003 to 21.09.2007
Mr Tang Chun Choy	-	100,000	100,000	1.600	01.06.2003 to 31.05.2007

Directors' Report

	1.4.2002	31.3.2003	Held by director 21.4.2003	Exercise price	Exercise period
Dr Seet Ai Mee nee Ling	150,000	150,000	150,000	0.858	01.09.2001 to 30.08.2005
	150,000	150,000	150,000	1.130	21.08.2002 to 19.08.2006
	-	150,000	150,000	1.600	01.06.2003 to 31.05.2007
Mr Frank Yung-Cheng Yung	250,000	250,000	250,000	0.858	01.09.2001 to 30.08.2005
	250,000	250,000	250,000	1.130	21.08.2002 to 19.08.2006
	-	250,000	250,000	1.600	01.06.2003 to 31.05.2007

There is no change in any of the above mentioned Directors' interests between the end of the financial year and on 21 April 2003.

By virtue of section 7 of the Companies Act Cap. 50, Dr Wong Tai is deemed to have an interest in the shares held by the Company in all its subsidiary companies.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit (other than a benefit or any fixed salary of a full time employee of the Company included in the aggregate amount of emoluments shown in the financial statements; or any emoluments received from related corporations), by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

DIVIDENDS

Dividends paid or proposed since the end of the previous financial year were as follows:

	\$'000
A final dividend of 0.5 cents per share, less tax at 22%, paid in respect of the previous financial year and as shown in the director's report for that year	<u>1,221</u>
An interim dividend of 0.5 cents per share, less tax at 22%, paid in respect of the financial year ended 31 March 2003	<u>1,223</u>
A final dividend of 0.5 cents per share, less tax at 22%, in respect of the financial year ended 31 March 2003 proposed by the directors and subject to approval at the annual general meeting of the Company	<u>1,223</u>
A special dividend of 0.5 cents per share, less tax at 22%, in respect of the financial year ended 31 March 2003 proposed by the directors and subject to approval at the annual general meeting of the Company	<u>1,223</u>

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain that proper action had been taken in relation to writing off bad debts and providing for doubtful debts of the Company and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount of bad debts written off or the amount of provision for doubtful debts in the Group inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain that any current assets of the Company which were unlikely to realise their book values in the ordinary course of the business had been written down to their estimated realisable values or that adequate provision had been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the consolidated financial statements misleading.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

At the date of this report, no charge on the assets of the Company or any other corporation in the Group which secures the liabilities of any other person has arisen since the end of the financial year and no contingent liability of the Company or any other corporation in the Group has arisen since the end of the financial year.

ABILITY TO MEET OBLIGATIONS

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company and of the Group to meet their obligations as and when they fall due.

OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements which would render any amount stated in the financial statements of the Company and consolidated financial statements misleading.

UNUSUAL ITEMS

In the opinion of the directors, the results of the operations of the Company and of the Group for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

UNUSUAL ITEMS AFTER THE FINANCIAL YEAR

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

SHARE OPTIONS

The Informatics Group Share Option Scheme ("the Scheme") was approved by the members of the Company at an Extraordinary General Meeting held on 7 September 1994 and subsequently amended at Extraordinary General Meetings held on 2 September 1997, 1 October 1999 and 16 August 2002.

Directors' Report

The Scheme provides an opportunity for the executive directors and employees of the Company and its subsidiary companies as well as non-executive directors of the Company to participate in the equity of the Company.

The Scheme is administered by a committee comprising the following members:

Dr Wong Tai (Chairman)
Mr Ong Boon Kheng

It shall continue to be in force at the discretion of the Committee for a period of 10 years from 7 September 1994. However, the period may be extended with the approval of members at a general meeting of the Company and of any relevant authorities which may then be required.

The subscription price in respect of which an option is exercisable shall be payable on the exercise of the option and may be at the market price based on the average of the last dealt price of the ordinary shares of the Company, as determined by the Committee, by reference to the daily Financial News published by the Stock Exchange for the three consecutive trading days immediately preceding the Date of Grant or at a discount of not more than 20% to the market price, provided always that the subscription price shall be at least the nominal amount of a share.

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. 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.

None of the options granted to date have been at a discount.

Details of outstanding options to subscribe for ordinary shares of \$0.05 each of the Company granted to directors holding office at the end of the financial year of the Group pursuant to the Scheme are as follows:

	Exercise price \$	Exercise period	Options granted during the financial year	Aggregate options granted since commencement of Scheme to end of financial year	Aggregate options exercised/lapsed since commencement of Scheme to end of financial year	Aggregate options outstanding as at end of financial year
Options to subscribe for ordinary shares of \$0.05 each						
Dr Wong Tai *	0.858	01.09.2001 to 30.08.2005	-	400,000	-	400,000
	1.130	21.08.2002 to 19.08.2006	-	400,000	-	400,000
	1.600	01.06.2003 to 31.05.2007	400,000	400,000	-	400,000
Mr Ong Boon Kheng	0.858	01.09.2001 to 30.08.2005	-	250,000	-	250,000
	1.130	21.08.2002 to 19.08.2006	-	250,000	-	250,000
	1.600	01.06.2003 to 31.05.2007	250,000	250,000	-	250,000

*also a controlling shareholder

	Exercise price \$	Exercise period	Options granted during the financial year	Aggregate options granted since commencement of Scheme to end of financial year	Aggregate options exercised/lapsed since commencement of Scheme to end of financial year	Aggregate options outstanding as at end of financial year
Options to subscribe for ordinary shares of \$0.05 each						
Mr Cedric Chan Chee Meng	1.460	22.09.2003 to 21.09.2007	750,000	750,000	-	750,000
Dr Seet Ai Mee nee Ling	0.858	01.09.2001 to 30.08.2005	-	150,000	-	150,000
	1.130	21.08.2002 to 19.08.2006	-	150,000	-	150,000
	1.600	01.06.2003 to 31.05.2007	150,000	150,000	-	150,000
Mr Frank Yung-Cheng Yung	0.858	01.09.2001 to 30.08.2005	-	250,000	-	250,000
	1.130	21.08.2002 to 19.08.2006	-	250,000	-	250,000
	1.600	01.06.2003 to 31.05.2007	250,000	250,000	-	250,000
Mr Tang Chun Choy	1.600	01.06.2003 to 31.05.2007	100,000	100,000	-	100,000

Except for the above, no options have been granted to other directors and controlling shareholders of the Company or their associates and no employees of the Company have received 5% or more of the total options available under the Scheme.

During the financial year, the following share options were granted by the Company to directors and employees of the Group pursuant to the Scheme:

Offer date	Period during which options are exercisable	Exercise price	Number of options to subscribe for ordinary shares of \$0.05 each
31.05.2002	01.06.2003 to 31.05.2007	\$1.600	4,497,000
21.08.2002	22.09.2003 to 21.09.2007	\$1.460	945,000

OPTIONS EXERCISED

During the financial year, 2,534,000 ordinary shares of \$0.05 each were issued by virtue of the exercise of options to take up unissued shares of the Company at their respective exercise prices. The excess of the exercise prices over the par value less related charges of the shares issued totaling \$2,134,029 was recorded in the share premium account.

Directors' Report

OPTIONS OUTSTANDING

As at 31 March 2003, outstanding options over the unissued shares of the Company granted to directors and employees of the Group are as follows:

Offer date	Period during which options are exercisable	Exercise price	Number of outstanding options to subscribe for ordinary shares of \$0.05 each
21.07.1998	22.07.1999 to 20.07.2003	\$0.363	410,000
15.07.1999	16.07.2000 to 14.07.2004	\$1.043	2,064,000
31.08.2000	01.09.2001 to 30.08.2005	\$0.858	2,761,000
20.08.2001	21.08.2002 to 19.08.2006	\$1.130	3,470,000
31.05.2002	01.03.2003 to 31.05.2007	\$1.600	3,866,000
21.08.2002	22.09.2003 to 21.09.2007	\$1.460	945,000
			13,516,000

Except as disclosed above, there were no unissued shares of the Company or its subsidiary companies under option as at the end of the financial year.

The options granted by the Company do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, one of whom is also the Chairman of the Committee. The members of the Committee are:

Mr Frank Yung-Cheng Yung (Chairman)
 Dr Seet Ai Mee nee Ling
 Mr Tang Chun Choy

The Committee performs the functions set out in the Companies Act. In performing those functions, the Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The Committee met with the internal and external auditors to discuss the results of their respective audits and their evaluation of the systems of internal accounting controls. The Committee also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the year ended 31 March 2003, as well as the external auditors' report thereon.

In addition, the Audit Committee reviewed related party transactions for the financial year ended 31 March 2003 to satisfy itself that the transactions are on normal commercial terms. The Committee reviewed the results of the work of the internal auditors to ensure that the Company's procedures relating to related party transactions have been complied with, and was satisfied that the procedures were complied with.

The Committee has recommended to the Board of Directors that Ernst & Young be nominated for reappointment as auditors at the forthcoming annual general meeting of the Company.

OTHER INFORMATION REQUIRED BY THE STOCK EXCHANGE SECURITIES TRADING LIMITED

No material contracts to which the Company or any subsidiary, is a party and which involve directors' interests subsisted at the end of the financial year, or have been entered into since the end of the previous financial year.

AUDITORS

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

On behalf of the Board of Directors:

Dr Wong Tai
 Director

Mr Ong Boon Kheng
 Director

Statement by Directors Pursuant to Section 201 (15)

We, Dr Wong Tai and Mr Ong Boon Kheng, being two of the directors of Informatics Holdings Ltd, do hereby state that, in the opinion of the directors:

- (i) the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2003 and of the results of the business, and changes in equity of the Company and the Group and the cash flow of the Group for the year then ended, and
- (ii) 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.

On behalf of the Board of Directors:

Dr Wong Tai
Director

Mr Ong Boon Kheng
Director

Singapore
8 July 2003

Auditors' Report to the Members of Informatics Holdings Ltd

We have audited the financial statements of Informatics Holdings Ltd and the consolidated financial statements of the Group set out on pages 65 to 97. These financial statements comprise the balance sheets of the Company and of the Group as at 31 March 2003, the profit and loss accounts, the statements of changes in equity of the Company and of the Group, and the statement of cash flows of the Group for the year ended 31 March 2003, and notes thereto. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended 31 March 2002 were audited by another auditor whose report dated 8 July 2002 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - (i) the state of affairs of the Company and of the Group as at 31 March 2003, the results and changes in equity of the Company and of the Group and the cash flow of the Group for the year then ended; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors and the financial statements of subsidiary companies which are not required to present audited financial statements by the laws of their respective countries of incorporation, being financial statements included in the consolidated financial statements. The names of these subsidiary companies are shown in Note 4 to the financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and, in respect of the subsidiary companies incorporated in Singapore, did not include any comment made under Section 207(3) of the Act.

ERNST & YOUNG
Certified Public Accountants

Singapore
8 July 2003

Balance Sheets as at 31 March 2003

(In Singapore dollars)

	Note	Group		Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Fixed assets	3	28,856	34,276	10,493	10,711
Subsidiary companies	4	-	-	31,571	44,481
Associated companies	5	4,811	4,833	4,733	4,892
Other investments	6	3,302	3,302	785	785
Intangible assets	7	2,205	1,775	750	-
Deferred tax assets	19	2,448	1,500	-	-
Goodwill on consolidation	8	4,216	3,439	-	-
Trade debtors, non-current	9	662	5,028	662	5,028
Current assets					
Stocks	10	1,152	919	-	-
Trade debtors	9	52,154	30,620	29,105	14,182
Other debtors, deposits and prepayments	11	20,188	13,125	5,899	2,934
Due from subsidiary companies (trade)		-	-	5,366	3,223
Due from associated companies (trade)		9,044	3,194	1,688	1,464
Due from subsidiary companies (non-trade)	12	-	-	22,681	12,312
Due from associated companies (non-trade)	12	739	511	1,533	418
Loans to subsidiary companies	12	-	-	4,192	15,541
Due from minority shareholder of a subsidiary company (non-trade)	13	1,506	-	1,506	-
Fixed deposits		4,744	10,999	3,870	10,321
Cash and bank balances		21,225	20,481	6,851	4,208
		110,752	79,849	82,691	64,603
Current liabilities					
Bank overdrafts (secured)	14	8,210	-	-	-
Fees received in advance		2,062	3,718	-	-
Trade creditors		13,290	8,172	2,115	929
Other creditors and accrued expenses	15	35,629	29,354	9,275	9,755
Due to subsidiary companies (trade)		-	-	437	305
Due to associated companies (trade)		-	21	-	-
Due to subsidiary companies (non-trade)	16	-	-	378	314
Due to associated companies (non-trade)	16	19	-	-	-
Hire purchase creditors	17	3	66	-	-
Bank term loans - current portion (secured)	18	1,137	190	-	-
Provision for tax		1,692	5,323	932	1,990
		62,042	46,844	13,137	13,293
Net current assets		48,710	33,005	69,554	51,310
Non-current liabilities					
Due to subsidiary companies (non-trade)	16	-	-	33,100	35,761
Hire purchase creditors	17	21	32	-	-
Bank term loans - non-current portion (secured)	18	1,456	1,681	-	-
Deferred tax liabilities	19	1,274	1,678	362	362
		92,459	83,767	85,086	81,084
Share capital and reserves					
Share capital	20	15,678	15,551	15,678	15,551
Reserves	21	71,216	62,143	69,408	65,533
		86,894	77,694	85,086	81,084
Minority interests		5,565	6,073	-	-
		92,459	83,767	85,086	81,084

The accounting policies and explanatory notes on pages 70 to 97 form an integral part of the financial statements.

Statements of Profit and Loss

for the Year ended 31 March 2003 (In Singapore dollars)

	Note	Group		Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Operating revenue	22	185,371	200,184	46,579	43,107
Other income	23	80	45	80	9
Staff costs	24	(65,674)	(63,688)	(9,344)	(6,474)
Depreciation of fixed assets	3	(10,624)	(12,211)	(1,162)	(984)
Other operating expenses		(101,518)	(103,699)	(8,991)	(11,490)
Profit from operations	25	7,635	20,631	27,162	24,168
Interest expense	26	(346)	(579)	-	-
Interest income	26	362	331	66	235
Impairment loss on investments in subsidiary companies		-	-	21,260	-
Share of results of associated companies		(383)	(607)	-	-
Profit before taxation		7,268	19,776	5,968	24,403
Taxation	27	(1,347)	(4,436)	(1,783)	(2,473)
Profit after taxation		5,921	15,340	4,185	21,930
Minority interests		6,311	6,144	-	-
Net profit attributable to shareholders		12,232	21,484	4,185	21,930
Earnings per share	28	Cents	Cents		
Basic		3.91	6.94		
Diluted		3.88	6.90		

Statements of Changes in Equity

for the year ended 31 March 2003 (In Singapore dollars)

	Share capital \$'000	Share premium \$'000	Translation reserve \$'000	Revenue reserve \$'000	Total \$'000
Group					
Balance at 1 April 2001	15,446	4,012	(354)	36,374	55,478
Net profit	-	-	-	21,484	21,484
Dividends paid (Note 29)	-	-	-	(1,867)	(1,867)
Issue of shares	105	1,517	-	-	1,622
Exchange differences arising on consolidation	-	-	977	-	977
Balance at 31 March 2002	15,551	5,529	623	55,991	77,694
Net profit	-	-	-	12,232	12,232
Dividends paid (Note 29)	-	-	-	(2,444)	(2,444)
Issue of shares	127	2,134	-	-	2,261
Exchange differences arising on consolidation	-	-	(2,849)	-	(2,849)
Balance at 31 March 2003	15,678	7,663	(2,226)	65,779	86,894

	Share capital \$'000	Share premium \$'000	Revenue reserve \$'000	Total \$'000
Company				
Balance at 1 April 2001	15,446	4,012	39,941	59,399
Net profit	-	-	21,930	21,930
Dividends paid (Note 29)	-	-	(1,867)	(1,867)
Issue of shares	105	1,517	-	1,622
Balance at 31 March 2002	15,551	5,529	60,004	81,084
Net profit	-	-	4,185	4,185
Dividends paid (Note 29)	-	-	(2,444)	(2,444)
Issue of shares	127	2,134	-	2,261
Balance at 31 March 2003	15,678	7,663	61,745	85,086

Consolidated Statement of Cash Flows

for the year ended 31 March 2003 (In Singapore dollars)

	Note	2003 \$'000	2002 \$'000
Cash flow from operating activities			
Profit before tax and minority interests		7,268	19,776
Adjustments:			
Amortisation of intangible assets		1,265	1,108
Amortisation of goodwill on consolidation		194	182
Bad trade debts written off		1,064	874
Bad non-trade debts written off		-	6
Depreciation of fixed assets		10,624	12,211
Fixed assets written off		-	458
Goodwill written off		-	251
Interest expense		346	579
Interest income		(362)	(331)
Loss on disposal of subsidiary companies		559	-
Loss on disposal of associated companies		-	1,030
Loss/(gain) on disposal of fixed assets		16	(158)
Provision/(write-back) for doubtful trade debts		3,872	(443)
Provision for doubtful non-trade debts		-	40
Provision for stock obsolescence		83	124
Share of results of associated companies		383	607
Operating profit before working capital changes		25,312	36,314
Decrease/(increase) in:			
Stocks		(379)	189
Debtors		(31,277)	(11,503)
Increase/(decrease) in:			
Fees received in advance		(1,656)	(2,881)
Creditors		13,408	(3,046)
Due to associated companies (non-trade)		(209)	(656)
Due to associated companies (trade)		(5,871)	(566)
Cash (used in)/generated from operations		(672)	17,851
Interest received		362	331
Interest paid		(346)	(579)
Income taxes paid		(6,330)	(3,376)
Net cash (used in)/generated from operating activities		(6,986)	14,227
Cash flow from investing activities			
Acquisition of additional interests in a subsidiary company		-	(2,904)
Acquisition of subsidiary company, net of cash acquired		(375)	(435)
Disposal of subsidiary companies, net of cash disposed	A	(310)	-
Other investments	A	-	(2,925)
Purchase of fixed assets		(6,837)	(14,170)
Increase in intangible assets		(1,594)	(796)
Proceeds from disposal of fixed assets		289	849
Proceeds from disposal of associated companies		-	1,567
Net cash used in investing activities		(8,827)	(18,814)

Consolidated Statement of Cash Flows

for the year ended 31 March 2003 (In Singapore dollars)

	Note	2003 \$'000	2002 \$'000
Cash flow from financing activities			
Payment of hire purchase instalments		(74)	(43)
Proceeds/(repayment) of bank term loans		722	(166)
Proceeds from issue of shares		2,261	1,622
Proceeds from shares issued to minority shareholders of subsidiary companies		3,918	804
Dividends paid to shareholders of the Company		(2,444)	(1,867)
Net cash from financing activities		4,383	350
Net decrease in cash and cash equivalents		(11,430)	(4,237)
Cash and cash equivalents at beginning of year	30	31,480	35,416
Effect of exchange rate changes on balances in foreign currencies		(2,291)	301
Cash and cash equivalents at end of year	30	17,759	31,480

Note A

Acquisition and disposal of subsidiary companies have been shown in the consolidated statement of cash flows as a separate item. The effect on the individual assets and liabilities is set out below:

Acquisition	\$'000
Fixed assets	43
Cash at bank	141
Debtors	179
Creditors	(768)
	(405)
Goodwill arising on acquisition	921
Total consideration	516
Less: Cash and cash equivalents acquired	(141)
Cash outflow on acquisition	375
Disposal	
Fixed assets	979
Stocks	63
Cash at bank	310
Debtors	2,289
Creditors	(2,783)
	858
Loss on disposal of subsidiary companies	(559)
Investment in an associated company	(299)
Proceeds on disposal	-
Cash and cash equivalents disposed of	310
Cash outflow on disposal	310

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

1. CORPORATE INFORMATION

The financial statements of Informatics Holdings Ltd (the "Company") and the consolidated financial statements of Informatics Holdings Ltd and subsidiary companies (the "Group") for the year ended 31 March 2003 were authorised for issue in accordance with a resolution of the directors dated on 8 July 2003.

The Company is a limited liability company which is incorporated in Singapore. The address of the Company's registered office and principal place of business is 5 International Business Park, Informatics Building, Singapore 609914.

The principal activities of the Company are those of investment holding, franchisor for computer and commercial training centres and examination facilitators. The Company also operates under the names "Informatics International", "Informatics Academy", "Informatics Consulting", "Thames Management Centre International", "Thames Academy", "Thames International", "Computer Assisted Learning International", "Informatics Higher Education" and "Informatics Corporate Learning", being sole-proprietorships registered under the name of the Company.

The principal activities of the subsidiary companies include:

- * IT education and training;
- * business education and training; and
- * investment holding

Details of these subsidiary companies are shown in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements which are expressed in Singapore dollars, are prepared in accordance with Singapore Statements of Accounting Standard, applicable provisions of the Companies Act and under the historical cost convention.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous financial year.

(b) Principles of consolidation

The accounting year of the Company and all its subsidiary companies ends on 31 March and the consolidated financial statements comprise the financial statements of the Company and all its subsidiary companies, after the elimination of all material intercompany transactions. The equity and net profit attributable to minority shareholders are shown separately in the consolidated balance sheet and consolidated profit and loss account, respectively.

The results of subsidiary companies acquired or disposed of during the year are included or excluded from the respective dates of acquisition or disposal, as applicable.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Assets, liabilities and results of overseas subsidiary companies are translated into Singapore dollars on the basis outlined in paragraph (v) below.

(c) Subsidiary companies

A subsidiary is a company in which the Group, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Investments in subsidiary companies are stated at cost less any impairment loss in the Company's balance sheet.

An assessment of investment in subsidiary companies is performed when there is indication that the asset has been impaired or the impairment losses recognised in the prior years no longer exist.

(d) Associated companies

An associated company is an entity, not being a subsidiary company, in which the Group has a long-term interest of not less than 20% nor more than 50% of the equity and in whose financial and operating policy decisions the Group exercises significant influence.

The Group's investment in associated company is accounted for under the equity method. Investment in associated company is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of an associated company, less any impairment loss. The Group's share of the results of associated company is included in the consolidated profit and loss account.

When the Group's share of losses exceeds the carrying amount of the investment, the investment is reported at nil value and recognition of losses is discontinued except to the extent of the Group's commitment.

Unrealised gains arising from transactions with the associated company are eliminated to the extent of the Group's interest in the associated company, against the investment in the associated company. Unrealised losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred.

Investment in associated company is stated at cost less any impairment loss in the Company's balance sheet. An assessment of investment in associated company is performed when there is indication that the asset has been impaired or the impairment losses recognised in the prior years no longer exist.

(e) Investments in unquoted shares

Unquoted investments held on a long-term basis are stated at cost less any impairment loss. An assessment is performed when there is indication that the investments have been impaired or the impairment losses recognised in the prior years no longer exist.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any impairment in value. The initial cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to a working condition for its intended use. Expenditure for maintenance and repairs are charged to the profit and loss account in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of fixed asset beyond its originally assessed standard of performance, the expenditures are capitalised as an additional cost of fixed asset. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount and if carrying values exceed their recoverable amount, assets are written down.

(g) Depreciation

Depreciation is provided on all fixed assets, other than freehold land, at the following rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life:

	Years
Buildings on freehold and leasehold land	50 years or over the remaining period of lease
Leasehold units	Over remaining period of lease
Plant and equipment	15 - 20
Furniture and fittings, office and computer equipment	3 - 10
Improvement to premises	3 - 5
Training aids	5
Motor vehicles	6

Fully depreciated fixed assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of fixed assets.

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

(h) Intangible assets

Development costs incurred in developing new courses and the accompanying manuals are capitalised and amortised on a straight-line basis over the expected life of the courses, which on average is three years.

Cost incurred in relation to the acquisition of rights to run courses at universities are capitalised and amortised on a straight-line basis over the period of the rights.

The carrying value of intangible assets are reviewed at each balance sheet date for impairment when circumstances indicate that the carrying value may not be recoverable.

(i) Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary company at the date of acquisition. Goodwill is amortised using the straight-line basis over the period of expected benefit not exceeding 20 years. The estimated useful life is revised for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is stated at cost less accumulated amortisation and any impairment.

(j) Impairment of assets

Fixed assets, intangible asset, goodwill and long term investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for an asset no longer exists or has decreased. The reversal is recorded in the profit and loss account.

(k) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated normal selling price, less estimated costs necessary to make the sale. Provision is made for deteriorated, damaged, obsolete and slow-moving stocks.

(l) Trade and other debtors

Trade debtors, which generally have 30 day terms, are recognised and carried at original invoiced amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Amounts owing from subsidiary companies, associated companies and minority shareholder of a subsidiary company are recognised and carried at cost less an allowance for any uncollectible amounts.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks, including bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost.

(n) Trade and other creditors

Trade creditors, which are normally settled on 30 - 90 day terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Amounts owing to subsidiary and associated companies are carried at cost.

(o) 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 a reliable estimate can be made of the amount of the obligation.

(p) Borrowings

Borrowings are recognised initially at cost, being the fair value of the consideration received, net of transaction costs. Borrowing costs are generally expensed as incurred.

(q) Employee benefits**Defined contribution plan**

As required by law, the Group's companies in Singapore and certain overseas subsidiary companies make contributions to the state pension schemes of the respective countries. Such contributions are recognised as compensation expenses in the same period as the employment that give rise to the contribution.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

Share options

The Company has in place a Share Option Scheme for the granting of options to eligible employees to subscribe for shares in the Company. There are no charges to earnings upon the grant or exercise of the options.

(r) Leases**(i) Finance lease**

Finance leases, which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss account.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(ii) Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

(s) Revenue recognition

Initial franchise fee is recognised upon completion of the designated phases of the franchise setup and transfer of know-how. Recurring franchise fees are recognised on a periodic basis upon billing.

Royalty fee, interest and commission income are recognised on an accrual basis.

Course fee income is recognised over the period of the course.

Course fee income from courses hosted on the e-learning portal is recognised over the access period allowed which typically coincides with the period of the courses.

Examination fee is recognised on completion of the related services.

Income from service contracts is recognised over the period of the contract. Income from consultancy and software development services is recognised upon the completion of the contract.

Dividend income from subsidiary companies and associated companies are included in the Company's profit and loss account on the date it is declared payable by the investee company.

Group turnover excludes intercompany transactions and turnover of associated companies.

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

(t) Government grants

Asset related grants from the Government are deferred and recognised as income over the useful life of the related assets. Income related grants from the Government are taken to the profit and loss account in the periods to which they relate.

(u) Income taxes

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiary and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

At each balance sheet date, the group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

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

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

(v) Foreign currency translation

Transactions in foreign currencies are recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at balance sheet date. All resultant exchange differences are recognised in the profit and loss account.

Assets and liabilities of foreign entities are translated into Singapore dollars equivalents at exchange rates ruling at balance sheet date. Revenues and expenses are translated at average exchange rates for the year. All resultant exchange differences are taken directly to equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the profit and loss account as a component of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquiring entity and are recorded at the exchange rate at the date of the transaction.

(w) Segment information

For management purposes, the Group is organised on a world-wide basis into four major operating businesses. The businesses are the basis on which the Group reports its primary segment information.

Segment revenue, expenses and results include transfers between business segments and between geographical segments. Such transfers are accounted for on an arm's length basis.

3. FIXED ASSETS

	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Leasehold units \$'000	Plant and equipment \$'000	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Training aids \$'000	Motor vehicles \$'000	Total \$'000
Group									
Cost									
As at 1 April 2002	6,627	6,452	4,470	2,667	55,463	11,150	1,807	2,072	90,708
Additions	-	-	-	-	4,307	1,670	536	324	6,837
Arising from acquisition of a subsidiary company	-	-	-	-	43	-	-	-	43
Disposals	-	-	-	(101)	(2,674)	(842)	-	(621)	(4,238)
Arising from disposal of subsidiary companies	-	-	-	-	(1,358)	-	-	-	(1,358)
Exchange differences on consolidation	(192)	(124)	(101)	(106)	(387)	43	9	20	(838)
As at 31 March 2003	6,435	6,328	4,369	2,460	55,394	12,021	2,352	1,795	91,154
Accumulated depreciation									
As at 1 April 2002	486	1,070	1,103	1,507	42,123	7,611	1,492	1,040	56,432
Charge for the year	86	125	89	179	7,727	1,834	342	242	10,624
Disposals	-	-	-	(101)	(2,668)	(754)	-	(410)	(3,933)
Arising from disposal of subsidiary companies	-	-	-	-	(379)	-	-	-	(379)
Exchange differences on consolidation	(67)	(27)	(25)	(56)	(325)	37	7	10	(446)
As at 31 March 2003	505	1,168	1,167	1,529	46,478	8,728	1,841	882	62,298
Charge for 2002	49	160	99	70	8,764	2,537	231	301	12,211
Net book value									
As at 31 March 2003	5,930	5,160	3,202	931	8,916	3,293	511	913	28,856
As at 31 March 2002	6,141	5,382	3,367	1,160	13,340	3,539	315	1,032	34,276

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

3. FIXED ASSETS (cont'd)

	Leasehold buildings \$'000	Leasehold units \$'000	Plant and equipment \$'000	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Training aids \$'000	Motor vehicles \$'000	Total \$'000
Company								
Cost								
As at 1 April 2002	5,741	4,470	1,146	2,581	337	1,003	1,163	16,441
Additions	-	-	-	412	32	488	324	1,256
Disposals	-	-	-	(56)	-	-	(369)	(425)
Transfer to a subsidiary company	-	-	-	(14)	-	-	(85)	(99)
As at 31 March 2003	5,741	4,470	1,146	2,923	369	1,491	1,033	17,173
Accumulated depreciation								
As at 1 April 2002	890	1,093	539	1,717	167	907	417	5,730
Charge for the year	115	89	70	470	100	154	164	1,162
Disposals	-	-	-	(52)	-	-	(149)	(201)
Transfer to a subsidiary company	-	-	-	(3)	-	-	(8)	(11)
As at 31 March 2003	1,005	1,182	609	2,132	267	1,061	424	6,680
Charge for 2002	115	89	70	351	114	70	175	984
Net book value								
As at 31 March 2003	4,736	3,288	537	791	102	430	609	10,493
As at 31 March 2002	4,851	3,377	607	864	170	96	746	10,711

Included in the fixed assets of the Group and the Company are the following:

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(i) Net book value of office equipment acquired under hire purchase arrangements	32	84	-	-
(ii) Net book value of assets mortgaged to banks for banking facilities - freehold and leasehold land and buildings (Note 18)	3,981	4,572	-	-

4. SUBSIDIARY COMPANIES

	Company	
	2003 \$'000	2002 \$'000
Unquoted equity shares, at cost	54,770	47,141
Impairment losses	(23,199)	(2,660)
	<u>31,571</u>	<u>44,481</u>
Movements in impairment losses during the financial year were as follows:		
At beginning of year	2,660	2,660
Impairment during the year	21,260	-
Written off during the year	(721)	-
At end of year	<u>23,199</u>	<u>2,660</u>

Name of company (country of incorporation and place of business)	Principal activities	Effective equity held by the Group		Cost of investment	
		2003 %	2002 %	2003 \$'000	2002 \$'000
Held by the Company					
* Informatics YLG Pte Ltd (formerly known as Informatics Technology & System Pte Ltd) (Singapore)	Business management consultancy and child development	100	100	586	586
* Informatics Children Education Pte Ltd (Singapore)	Dormant	100	100	315	315
* ICS Pte Ltd (Singapore)	Dormant	100	100	3,195	3,195
* Informatics Group (Singapore) Pte Ltd (Singapore)	Computer and business education and training, business management consultancy and child development	100	100	725	725
* PurpleTrain.com Pte Ltd (Singapore)	Operation of e-learning portal providing e-learning for higher education, corporations and education services	100	100	50	50
* SIU Recruitment Centre Pte Ltd (Singapore)	Recruitment of international students and related consultancy services	100	100	464	464
* Thames Resources Pte Ltd (Singapore)	Dormant	100	100	61	61
* Informatics Regional Applied Computing Centre Pte Ltd (Singapore)	Dormant	100	100	557	557

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

4. SUBSIDIARY COMPANIES (cont'd)

Name of company (country of incorporation and place of business)	Principal activities	Effective equity held by the Group		Cost of investment	
		2003 %	2002 %	2003 \$'000	2002 \$'000
Held by the Company					
* Informatics Centre For Marketing and Management Pte Ltd (Singapore)	Dormant	100	100	174	174
– IM Pte Ltd (Singapore)	Dormant	-	100	-	628
* LMN Education Pte Ltd (Singapore)	Operation of computer training schools in the Peoples' Republic of China	100	30	696	-
❖ Thames Advancement Pte Ltd (Singapore)	Dormant	100	100	384	384
❖ Thames Centre Pte Ltd (Singapore)	Dormant	100	100	510	510
** Futurekids Learning Centre Sdn Bhd (Malaysia)	Computer education and training	100	100	284	284
† Stance Sdn Bhd (Malaysia)	Dormant	100	100	52	52
** Informatics Resource Corporation Sdn Bhd (Malaysia)	Computer education and training, educational and business management consultancy	100	100	3,204	3,204
** Informatics Resources Group (M) Sdn Bhd (Malaysia)	Educational and business management consultancy	100	100	973	973
** PT Informatics Rigtenders Indonesia (Indonesia)	Computer education and training	60	60	632	632
** Singapore Informatics Computer Institute (Private) Ltd (Sri Lanka)	Computer education and training	100	100	788	788
– Informatics Resources (HK) Ltd (Hong Kong)	Dormant	-	100	-	93
◆ Informatics (HK) Ltd (Hong Kong)	Computer education and training	100	100	776	776
◆ Informatics (Shanghai) Ltd (Hong Kong)	Computer education and training	100	100	909	909
◆ Computer Assisted Learning (HK) Ltd (Hong Kong)	Dormant	100	100	@	@
◆ Informatics (North China) Ltd (Hong Kong)	Dormant	100	100	215	215

Name of company (country of incorporation and place of business)	Principal activities	Effective equity held by the Group		Cost of investment	
		2003 %	2002 %	2003 \$'000	2002 \$'000

Held by the Company

+ Informatics Group (Europe) Limited (United Kingdom)	Investment holding	100	100	37,804	30,150
▲ Informatics Consultancy (Shanghai) Co., Ltd (People's Republic of China)	Investment consultancy, development of market for business management and computer training schools	100	100	594	594
✦ Informatics International Co Ltd @@ (Thailand)	Computer education and training	82	82	754	754
# Corbata Property Management Limited Liability Company (Hungary)	Investment holding	100	100	68	68
				54,770	47,141

Held by the subsidiary companies

* Informatics Young Learners Group Pte Ltd (Singapore)	Dormant	100	-	-	-
* NCC Services (S.E.Asia) Pte Ltd (Singapore)	Dormant	100	100	-	-
** Informatics Technology & Systems Sdn Bhd - (Malaysia)	Dormant	-	100	-	-
** Informatics Computer Centre Sdn Bhd (Malaysia)	Computer education and training	100	100	-	-
** Lambang Saga Sdn Bhd (Malaysia)	Property investment	100	100	-	-
** Informatics Training Sdn Bhd (Malaysia)	Computer education and training	70	70	-	-
** Informatics Training (Sarawak) Sdn Bhd (Malaysia)	Computer education and training	100	100	-	-
** Informatics Perkasa †† Sdn Bhd (Malaysia)	Computer education and training	20	70	-	-

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

4. SUBSIDIARY COMPANIES (cont'd)

Name of company (country of incorporation and place of business)	Principal activities	Effective equity held by the Group		Cost of investment	
		2003 %	2002 %	2003 \$'000	2002 \$'000
** Citinetics Sdn Bhd (formerly known as Novapoint Corporation Sdn Bhd) (Malaysia)	Computer education and training	-	100	-	-
** Thames Consulting Group Sdn Bhd (Malaysia)	Educational and business management consultancy	100	100	-	-
** Informatics Open Learning Services Sdn Bhd (formerly known as K-Provider Learning Services Sdn Bhd) (Malaysia)	Investment holding	100	100	-	-
** IAHE Consultants Sdn Bhd (Malaysia)	Educational and business management consultancy	51	51	-	-
** PurpleTrain.com (M) Sdn Bhd (Malaysia)	Provision of education and training facilities	100	100	-	-
** Computer Assisted Learning Centre Sdn Bhd (Malaysia)	Computer education and training	100	100	-	-
Held by the subsidiary companies					
** NCC Education (M) Sdn Bhd (Malaysia)	Computer education and training	100	100	-	-
** Twin Unity Sdn Bhd @@@ (Malaysia)	Educational and business management consultancy	72	72	-	-
◆ Info-Crest (HK) Ltd (Hong Kong)	Dormant	100	100	-	-
+ NCC Education Limited (United Kingdom)	Educational and business management consultancy	100	100	-	-
+ Informatics Investments Limited (United Kingdom)	Investment holding	60	60	-	-

Name of company (country of incorporation and place of business)	Principal activities	Effective equity held by the Group		Cost of investment	
		2003 %	2002 %	2003 \$'000	2002 \$'000
+ Informatics Group (UK) Limited (United Kingdom)	Computer education and training	60	60	-	-
+ I-Skills Alliance Limited (United Kingdom)	Investment holding	100	100	-	-
++ Cornerstone Sweden Aktiebolag (Sweden)	Computer education and training	60	60	-	-
▲ Informatics, Inc. (United States of America)	Investment holding	100	100	-	-

@ Denotes less than \$1,000.

@@ This represents the Group's effective interest in Informatics International Co. Ltd. The Company holds a 78.5% (2002: 78.5%) direct interest in Informatics International Co. Ltd and the remaining 3.5% (2002: 3.5%) is held through a subsidiary company.

@@@ This represents the Group's effective interest in Twin Unity Sdn Bhd. A subsidiary company holds a 60% (2002: 60%) direct interest in Twin Unity Sdn Bhd and the remaining 12% (2002: 12%) is held through an associated company.

* Audited by Ernst & Young, Singapore.

** Audited by associated firms of Ernst & Young, Singapore.

◆ Audited by PriceWaterhouseCoopers, Hong Kong.

+ Audited by Grant Thornton, United Kingdom.

++ Audited by Grant Thornton, Sweden.

✦ Audited by Chuangchote Chottsorayudha, Thailand.

Audited by HeziComp Ltd, Hungary.

❖ Audited by Barry Wee & Co., Singapore.

† Audited by K. H. Kuan & Co., Malaysia.

†† Reflected as an associated company in the current financial year.

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

— Liquidated during the year.

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

5. ASSOCIATED COMPANIES

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unquoted equity shares, at cost	6,487	6,406	5,100	5,318
Group's share of post-acquisition results and reserves	(1,676)	(1,573)	-	-
	4,811	4,833	5,100	5,318
Impairment losses	-	-	(367)	(426)
	4,811	4,833	4,733	4,892

Movement in impairment losses during the financial year was as follows:

	Company	
	2003 \$'000	2002 \$'000
At beginning of year	426	862
Written off during the year	(59)	(436)
At end of year	367	426

Name of company (country of incorporation and place of business)	Principal activities	Effective equity held by the Group		Cost of investment	
		2003 %	2002 %	2003 \$'000	2002 \$'000
Held by the Company					
* IAF Pte Ltd (Singapore)	Management of computer training schools in the Peoples' Republic of China	30	30	270	270
φ IGHT Pte Ltd (Singapore)	Management of computer training schools in Cambodia	40	40	318	318
* IIHE Pte Ltd (Singapore)	Management of computer training schools in the Peoples' Republic of China	40	40	553	553
φ United Info Summit Pte Ltd (Singapore)	Management of business and computer training schools in Myanmar	40	40	548	548
* Info-Millennium Pte Ltd (Singapore)	Management of computer training schools in the Peoples' Republic of China	40	40	252	252
t TIV Pte Ltd (Singapore)	Dormant	-	20	-	59
+ LMN Education Pte Ltd (Singapore)	Operation of computer training schools in the Peoples' Republic of China	-	30	-	180
◆ PT Triaksara Saraswathi (Indonesia)	Management of computer training schools in Indonesia	20	20	172	172

Name of company (country of incorporation and place of business)	Principal activities	Effective equity held by the Group		Cost of investment	
		2003 %	2002 %	2003 \$'000	2002 \$'000
Held by the Company					
◆ Informatics Holdings Philippines Inc (Philippines)	Investment holding	40	40	1,487	1,487
◆ De Chazal Du Mee Informatics Ltd (Mauritius)	Computer education and training	20	20	101	101
◆ Edutech Informatics India Ltd (India)	Computer education and training	23	23	1,310	1,310
◆ Berjaya Informatics Sdn Bhd (Malaysia)	Computer and education training	30	30	89	68
				<u>5,100</u>	<u>5,318</u>
Held by the subsidiary companies					
** Institute Sarjana Sdn Bhd (Malaysia)	Computer education and training	30	30	-	-
** Informatics Training Technology Sdn Bhd (Malaysia)	Computer education and training	20	20	-	-
** Informatics Perkasa Sdn Bhd ++ (Malaysia)	Computer education and training	20	70	-	-
◆ Multimedia Computer Assisted Learning Ltd (Hong Kong)	Dormant	40	40	-	-
◆ Informatics (Macau) Limited (Macau)	Computer education and training	40	40	-	-
◆ Informatics Computer Institute, Inc (Philippines)	Computer education and training	40	40	-	-

+ During the year, the Group acquired an additional interest in this company. As a result, this company is reflected as a subsidiary company in the current financial year.

++ Reflected as subsidiary company in prior year.

◆ These associated companies are not significant as defined under Rule 718 of the SGX-ST Listing Manual.

t Liquidated / under members' voluntary liquidation during the financial year.

* Audited by Ernst & Young, Singapore.

** Audited by associated firms of Ernst & Young, Singapore.

φ Audited by BDO, Singapore.

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

6. OTHER INVESTMENTS

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unquoted investments, at cost				
At beginning of year	3,459	257	942	157
Additions	-	2,925	-	-
Transferred from associated companies	-	277	-	785
	3,459	3,459	942	942
Impairment loss at beginning and at end of year	(157)	(157)	(157)	(157)
	3,302	3,302	785	785

7. INTANGIBLE ASSETS

At cost				
At beginning of year	5,177	4,189	-	-
Additions	1,594	796	899	-
Exchange differences on consolidation	114	192	-	-
	6,885	5,177	899	-
Less: Accumulated amortisation	(4,680)	(3,402)	(149)	-
	2,205	1,775	750	-

Movements in accumulated amortisation during the financial year are as follows:

At beginning of year	3,402	2,204	-	-
Amortisation for the year	1,265	1,108	149	-
Exchange differences on consolidation	13	90	-	-
At end of year	4,680	3,402	149	-

8. GOODWILL ON CONSOLIDATION

	Group	
	2003 \$'000	2002 \$'000
At cost		
At beginning of year	3,687	1,350
Arising from additional investments in subsidiary companies	921	2,595
Goodwill written off	-	(251)
Exchange differences on consolidation	92	(7)
	4,700	3,687
Less: Accumulated amortisation	(484)	(248)
	4,216	3,439

Movements in accumulated amortisation during the financial year were as follows:

At beginning of year	248	57
Amortisation for the year	194	182
Exchange differences on consolidation	42	9
At end of year	484	248

9. TRADE DEBTORS

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade debtors	57,980	37,709	32,240	20,018
Provision for doubtful trade debts	(5,164)	(2,061)	(2,473)	(808)
	<u>52,816</u>	<u>35,648</u>	<u>29,767</u>	<u>19,210</u>
Classified as follows:				
Current portion	52,154	30,620	29,105	14,182
Non-current portion	662	5,028	662	5,028
	<u>52,816</u>	<u>35,648</u>	<u>29,767</u>	<u>19,210</u>

Movements in provision for doubtful trade debts during the financial year were as follows:

At beginning of year	2,061	4,959	808	2,771
Provision/(write-back) for the year	3,872	(443)	2,352	183
Written off against provision	(687)	(2,485)	(687)	(2,146)
Exchange differences on consolidation	(82)	30	-	-
At end of year	<u>5,164</u>	<u>2,061</u>	<u>2,473</u>	<u>808</u>

10. STOCKS

	Group	
	2003 \$'000	2002 \$'000
Finished goods, at net realisable value	1,152	919
Finished goods are stated after deducting provision for stock obsolescence of \$214,000 (2002: \$126,000).		
Movements in provision for stock obsolescence during the financial year were as follows:		
At beginning of year	126	-
Provision for the year	83	124
Exchange differences on consolidation	5	2
At end of year	<u>214</u>	<u>126</u>

11. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Other debtors	14,429	6,322	5,598	2,401
Deposits	2,527	2,802	12	49
Prepayments	3,169	4,001	289	484
Staff loans	63	-	-	-
	<u>20,188</u>	<u>13,125</u>	<u>5,899</u>	<u>2,934</u>

12. DUE FROM SUBSIDIARY COMPANIES (NON-TRADE) DUE FROM ASSOCIATED COMPANIES (NON-TRADE) LOANS TO SUBSIDIARY COMPANIES

These amounts are unsecured, interest-free and have no fixed terms of repayment.

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

13. DUE FROM MINORITY SHAREHOLDER OF A SUBSIDIARY COMPANY (NON-TRADE)

These amounts are unsecured, interest-free and have no fixed terms of repayment.

14. BANK OVERDRAFTS (SECURED)

The bank overdrafts bear interest at 5% (2002: Nil%) per annum.

15. OTHER CREDITORS AND ACCRUED EXPENSES

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Deposits received	914	632	-	-
Other creditors	4,774	6,185	441	2,835
Deferred franchise fees	6,482	2,968	5,473	2,886
Deferred income	3,674	661	183	229
Accrued operating expenses	19,785	18,908	3,178	3,805
	35,629	29,354	9,275	9,755

16. DUE TO SUBSIDIARY COMPANIES (NON-TRADE) DUE TO ASSOCIATED COMPANIES (NON-TRADE)

These amounts are unsecured, interest-free and have no fixed terms of repayment except for the amount due to subsidiary companies of \$33,100,000 (2002 : \$35,761,000) which is not repayable within the next 12 months.

17. HIRE PURCHASE CREDITORS

The Group leases certain equipment for its operating activities. The average discount rate implicit in the hire purchase is 9%-15% (2002: 13%-15%) per annum.

Future minimum lease payments together with the present value of the minimum lease payments are as follows:

	Group			
	2003		2002	
	Minimum payments \$'000	Present value of payments \$'000	Minimum payments \$'000	Present value of payments \$'000
Within one year	3	3	44	66
After one year but not more than five years	26	21	80	32
Total minimum lease payments	29	24	124	98
Less: Amounts representing finance charges	(5)	-	(26)	-
Present value of minimum lease payments	24	24	98	98

Lease terms range from 1 to 5 years with options to purchase at the end of the lease term. Lease terms do not contain restrictions concerning dividends, additional debt or further leasing.

18. BANK TERM LOANS (SECURED)

	Group	
	2003 \$'000	2002 \$'000
Repayable within one year	1,137	190
Repayable after one year	1,456	1,681
	<u>2,593</u>	<u>1,871</u>

The bank term loans are secured by way of a first legal charge over the freehold land and buildings of subsidiary companies with a net book value as at 31 March 2003 of \$3,981,000 (2002: \$4,572,000) (Note 3).

Details of the bank term loans are as follows:

(i) Repayable by monthly instalments from 1992 to 2007. Interest is charged at a rate of 8.15% (2002: 6.5% to 8.75%) per annum.	150	190
(ii) Repayable by monthly instalments from 1995 to 2010. Interest is charged at a rate of 8.4% (2002: 6.5% to 8.90%) per annum.	105	118
(iii) Repayable by monthly instalments from 2000 to 2011. Interest is charged at a fixed rate of 8.4% (2002: 8.15% to 8.55%) per annum.	1,375	1,563
(iv) Repayable on 30 December 2003. Interest is charged at a fixed rate of 5.84% (2002: Nil%) per annum.	963	-
	<u>2,593</u>	<u>1,871</u>

19. DEFERRED INCOME TAXES

(a) Deferred tax assets as at 31 March 2003 related to the following:

	Group	
	2003 \$'000	2002 \$'000
Excess of depreciation over capital allowances	688	521
Unutilised tax losses	1,529	979
Other deductible temporary differences	231	-
	<u>2,448</u>	<u>1,500</u>

(b) Deferred tax liabilities as at 31 March 2003 related to the following:

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Accelerated depreciation for tax purposes	1,289	1,683	377	386
Unrealised exchange losses, net	(15)	(5)	(15)	(24)
	<u>1,274</u>	<u>1,678</u>	<u>362</u>	<u>362</u>

No deferred tax liability has been provided for undistributed earnings of foreign subsidiary companies as it is the intention of the Company to indefinitely reinvest these earnings outside Singapore.

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

20. SHARE CAPITAL

	Group and Company	
	2003	2002
	\$'000	\$'000
Authorised:		
400,000,000 ordinary shares of \$0.05 each	20,000	20,000
Issued and fully paid:		
At beginning of year		
311,023,000 (2002: 308,928,000) ordinary shares of \$0.05 each	15,551	15,446
Issued during the year		
2,534,000 (2002: 2,095,000) ordinary shares of \$0.05 each	127	105
At end of year		
313,557,000 (2002: 311,023,000) ordinary shares of \$0.05 each	15,678	15,551

During the year, 2,534,000 (2002: 2,095,000) ordinary shares of \$0.05 each were issued by the Company by virtue of the exercise of the options granted to directors and eligible executives under the Informatics Group Share Option Scheme ("the Scheme"). The excess of the exercise price over the par value of the shares issued amounting to \$2,134,000 (2002: \$1,517,000) was recorded in the share premium account.

The Committee administering the Scheme comprises the following Directors as at the date of this report:

Dr Wong Tai (Chairman)
 Mr Ong Boon Kheng

Under the Scheme, options are granted to directors of the Company and eligible executives employed in the Group for a term of 5 years to purchase ordinary shares of the Company at a discount of not more than 20% of the market price of the shares at the date of the grant. The 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. 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.

Under the Scheme, the options granted, exercised, lapsed during the financial year and outstanding as at 31 March 2003 were as follows:

Date granted	Exercise price	Option period	At 1 April 2002	Options granted	Options lapsed	Options exercised	At 31 March 2003
1997	\$0.895	24.07.1998 - 22.07.2002	2,016,000	-	1,082,000	934,000	-
1998	\$0.363	22.07.1999 - 20.07.2003	650,000	-	24,000	216,000	410,000
1999	\$1.043	16.07.2000 - 14.07.2004	2,792,000	-	313,000	415,000	2,064,000
2000	\$0.858	01.09.2001 - 30.08.2005	3,663,000	-	235,000	667,000	2,761,000
2001	\$1.130	21.08.2002 - 19.08.2006	3,963,000	-	191,000	302,000	3,470,000
2002	\$1.600	01.06.2003 - 31.05.2007	-	4,497,000	631,000	-	3,866,000
2002	\$1.460	22.09.2003 - 21.09.2007	-	945,000	-	-	945,000
			13,084,000	5,442,000	2,476,000	2,534,000	13,516,000

21. RESERVES

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Share premium	7,663	5,529	7,663	5,529
Translation reserve	(2,226)	623	-	-
Revenue reserve	65,779	55,991	61,745	60,004
Total reserves	71,216	62,143	69,408	65,533
Made up of				
Distributable reserves	63,553	56,614	61,745	60,004
Non-distributable reserves	7,663	5,529	7,663	5,529
	71,216	62,143	69,408	65,533

22. OPERATING REVENUE

Training and education income	159,229	173,533	10,934	12,378
Franchise operations and service income	21,268	22,522	21,214	18,226
Management fee	3,450	1,901	13,119	10,947
Rental income	1,424	2,228	1,312	1,556
	185,371	200,184	46,579	43,107

23. OTHER INCOME

Grant income recognised	80	45	80	9
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24. STAFF COSTS

Number of employees at end of the year	1,016	1,066	131	127
Staff costs*				
- wages, bonuses and other costs	61,098	58,243	8,618	5,853
- staff provident fund	3,858	4,264	726	621
- termination benefits	718	1,181	-	-
	65,674	63,688	9,344	6,474

* This includes the amount shown as directors' remuneration in Note 25.

25. PROFIT FROM OPERATIONS

This is determined after charging (crediting) the following:

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Amortisation of intangible assets	1,265	1,108	149	-
Amortisation of goodwill on consolidation	194	182	-	-
Auditors' remuneration				
- Auditors of the Company				
- current year	186	171	60	60
- Other auditors			-	-
- current year	462	231	-	-
- over provision in respect of prior year	(1)	-	-	-
- Non-audit fees paid to auditors of the Company	83	69	49	48

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

25. PROFIT FROM OPERATIONS (cont'd)

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Bad debts recovered				
- non-trade	-	-	-	(105)
- subsidiary companies	-	-	-	(90)
Bad debts written off				
- trade	1,064	874	1,064	-
- non-trade	-	6	-	802
Loss/(gain) on disposal of fixed assets	16	(158)	(4)	7
Depreciation of fixed assets	10,624	12,211	1,162	984
Directors' remuneration				
- directors of the Company	1,082	1,294	1,082	1,294
- directors of subsidiary companies	1,070	970	-	-
Directors' fees	185	156	177	150
Directors' profit-sharing	101	-	88	-
Fixed assets written off	-	458	-	-
Foreign exchange loss/(gain), net	96	(360)	37	(236)
Goodwill written off	-	251	-	-
Impairment loss on investments in subsidiary companies	-	-	21,260	-
Waiver of debts owing from subsidiary companies	-	-	(4,558)	-
Provision for/(write back of)				
- doubtful trade debts	3,872	(443)	2,352	183
- doubtful non-trade debts	-	40	-	-
- stock obsolescence	83	124	-	-
Loss on disposal of subsidiary companies	559	-	-	-
Loss on disposal of associated companies	-	1,030	-	224
Operating lease expenses	14,340	16,118	525	552

26. INTEREST EXPENSE/INCOME

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Interest expense				
- bank term loans	169	166	-	-
- bank overdrafts	120	36	-	-
- hire purchase	16	17	-	-
- others	41	360	-	-
	346	579	-	-
Interest income				
- fixed deposits	304	189	50	165
- bank interest	58	142	16	70
	362	331	66	235

27. TAXATION

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Major components of income tax expense for the year ended 31 March 2003 were:				
Current tax				
- current year	2,331	5,330	940	1,800
- (over)/under provision in respect of prior year	(674)	177	-	-
Deferred tax				
- current year	(1,195)	(1,305)	-	-
- over provision in respect of prior year	-	(454)	-	-
Foreign tax	868	673	843	673
	<u>1,330</u>	<u>4,421</u>	<u>1,783</u>	<u>2,473</u>
Share of tax of associated companies	17	15	-	-
	<u>1,347</u>	<u>4,436</u>	<u>1,783</u>	<u>2,473</u>

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rates is as follows:

Profit before taxation	7,268	19,776	5,968	24,403
Tax at the applicable tax rate of 22% (2002: 24.5%)	1,599	4,845	1,313	5,979
Tax effect of				
- different tax rates in other countries	(1,282)	(1,069)	-	-
- income not subject to tax	(5,270)	(4,901)	(5,166)	(4,878)
- expenses not deductible for tax purposes	2,254	1,129	4,937	699
- utilisation of previously unrecognised tax losses	-	(237)	-	-
- current year tax losses not recognised as deferred tax assets	3,943	4,273	-	-
- tax rebates and exemption	(91)	-	(12)	-
Utilisation of tax benefits transferred from a subsidiary company	-	-	(132)	-
Over provision in respect of prior year	(674)	(277)	-	-
Foreign tax	868	673	843	673
Tax expense	<u>1,347</u>	<u>4,436</u>	<u>1,783</u>	<u>2,473</u>

The Company

The Company was awarded the "Export of Services Incentive" Scheme with effect from 1 April 1993 for its overseas fee income under the Business Headquarters Programme ("BHQ"). The qualifying income is taxed at a reduced tax rate for an initial period of five years with extension subject to certain terms and conditions which are to be met by the Company. With effect from 1 April 1998, the Company was granted an extension of this incentive for two years by the Economic Development Board and from 1 April 2000, a further extension of three years was granted. The "Export of Services Incentive" Scheme expired on 31 March 2003.

The Group

The Group has deductible temporary differences and unutilised tax losses of \$1,281,000 and \$32,587,000 respectively (2002: \$380,000 and \$18,675,000) for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies in the Group operate.

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

28. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on:

	Group	
	2003 \$'000	2002 \$'000
(i) Net profit for the year attributable to Members of the Company	12,232	21,484
	Number of Shares	
	2003 \$'000	2002 \$'000
(ii) Weighted average number of ordinary shares:		
At beginning of year	311,023	308,928
Issued during the year under the Informatics Group Share Option Scheme	1,840	689
	<u>312,863</u>	<u>309,617</u>

(b) Diluted earnings per share

When calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted for the effect of all dilutive potential ordinary shares.

The average fair value of one ordinary share during the financial year was \$1.30 (2002: \$1.0781). The weighted average number of ordinary shares adjusted for the unissued ordinary shares under the Informatics Group Share Option Scheme is as follows:

Weighted average number of ordinary shares in issue used in the calculation of basic earnings per share	312,863	309,617
Potential dilutive ordinary shares under share options	2,096	1,612
	<u>314,959</u>	<u>311,229</u>

29. DIVIDENDS

	Group and Company	
	2003 \$'000	2002 \$'000
Final dividend of 0.50 cents (2002 : 0.40 cents) per ordinary share of \$0.05 each, less tax at 22% (2002 : 24.5%) in respect of the previous financial year	1,221	933
Interim dividend of 0.50 cents (2002 : 0.40 cents) per ordinary share of \$0.05 each, less tax at 22% (2002 : 24.5%) in respect of the current financial year	1,223	934
	<u>2,444</u>	<u>1,867</u>

Subsequent to the balance sheet date, the Directors proposed a final dividend of 0.5 cents per share, less tax at 22% amounting to \$1,223,000 and a special dividend of 0.5 cents per share, less tax at 22% amounting to \$1,223,000 in respect of the financial year ended 31 March 2003.

30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Group's consolidated statement of cash flows comprise the following balance sheet amounts:

	Group	
	2003 \$'000	2002 \$'000
Cash and bank balances	21,225	20,481
Fixed deposits	4,744	10,999
Bank overdrafts	(8,210)	-
	<u>17,759</u>	<u>31,480</u>

31. RELATED PARTY INFORMATION

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties, on terms agreed between the parties, were as follows:

Associated companies

	Group	
	2003 \$'000	2002 \$'000
Training and education income	735	651
Franchise operations and service income	541	637

During the financial year, there were no interested person transactions as defined under Chapter 9 of the SGX-ST Listing Manual.

32. CONTINGENT LIABILITIES AND COMMITMENTS

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(a) Contingent liabilities				
(i) Secured guarantees issued to certain banks in respect of bank facilities granted to subsidiary companies	-	-	10,275	2,056
(ii) Secured guarantees issued to certain banks in respect of bank facilities granted to a third party	8,379	5,551	8,379	5,551

The secured guarantees entered into by the Company are earmarked against facilities that the Company has with the respective banks.

(iii) The Company has undertaken to provide continuing financial support to subsidiary companies that are in net shareholders' deficit positions to enable them to operate as going concerns at least through 12 months from the date of the Directors' Report.

(b) Non-cancellable operating lease commitments

The Group has various operating lease agreements for equipment, offices and other facilities. Most leases contain renewable options. Some of the leases contain escalation clauses and provide for contingent rentals based on percentages of sales derived from assets held under operating leases. Lease terms do not contain restriction on the Group's activities concerning dividends, additional debt or further leasing.

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Not later than 1 year	7,983	9,522	222	215
1 year through 5 years	7,296	18,834	887	852
Later than 5 years	4,056	8,745	3,161	3,461
	<u>19,335</u>	<u>37,101</u>	<u>4,270</u>	<u>4,528</u>

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

33. SEGMENT INFORMATION

(a) Analysis by business activities

The Group is organised on a worldwide basis into four major operating businesses, namely:

- Higher Education
- Informatics Corporate Learning
- E-Learning
- Young Learners Group

	Higher Education \$'000	Informatics Corporate Learning \$'000	E-Learning \$'000	Young Learners Group \$'000	Others \$'000	Elimination \$'000	Group \$'000
2003							
Turnover	94,756	54,026	28,577	6,620	1,392	-	185,371
Operating profit	19,919	(17,430)	3,310	793	1,043	-	7,635
Interest expense							(346)
Interest income							362
Share of results of associated companies							(383)
Tax							(1,347)
Minority interests							6,311
Net profit							12,232
Assets	85,557	48,781	4,942	5,977	4,736	-	149,993
Investments in associated companies							4,811
Unallocated assets							2,448
Total assets							157,252
Liabilities	33,318	18,997	4,567	2,328	-	-	59,210
Unallocated liabilities							5,583
Total liabilities							64,793
Capital expenditure	5,094	2,904	77	356	-	-	8,431
Depreciation and amortisation	7,065	4,029	380	494	115	-	12,083
Other non-cash expenses	3,079	1,755	928	215	-	-	5,977

(a) Analysis by business activities

	Higher Education \$'000	Informatics Corporate Learning \$'000	E-Learning \$'000	Young Learners Group \$'000	Others \$'000	Elimination \$'000	Group \$'000
2002							
Turnover	101,648	63,774	27,550	5,630	1,582	-	200,184
Operating profit	24,179	(8,577)	3,315	448	1,266	-	20,631
Interest expense							(579)
Interest income							331
Share of results of associated companies							(607)
Tax							(4,436)
Minority interests							6,144
Net profit							21,484
Assets	71,065	44,586	3,231	3,936	4,851	-	127,669
Investments in associated companies							4,833
Unallocated assets							1,500
Total assets							134,002
Liabilities	22,456	14,089	3,476	1,244	-	-	41,265
Unallocated liabilities							8,970
Total liabilities							50,235
Capital expenditure	8,534	5,354	605	473	-	-	14,966
Depreciation and amortisation	7,767	4,873	316	430	115	-	13,501
Other non-cash expenses	1,427	896	387	79	-	-	2,789

(b) Analysis by geographical segments

	Turnover		Assets		Capital Expenditure	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Singapore	71,718	78,266	111,784	75,963	5,473	5,989
Asia Pacific	67,567	70,683	25,014	35,115	1,188	6,364
Europe	46,086	51,235	20,454	22,924	1,770	2,613
	185,371	200,184	157,252	134,002	8,431	14,966

Notes to the Financial Statements

31 March 2003 (In Singapore dollars)

34. DIRECTORS' REMUNERATION

Number of directors of the Company in remuneration bands

	2003			2002		
	Executive Directors	Non-Executive Directors	Total	Executive Directors	Non-Executive Directors	Total
\$500,000 and above	2	1	3	1	-	1
\$250,000 to \$499,999	-	-	-	1	-	1
Below \$250,000	-	3	3	1	3	4
	2	4	6	3	3	6

35. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

It is the Group's policy to minimise exposure to interest rate fluctuations by obtaining minimal financing through bank borrowings and leasing arrangements.

Surplus funds are placed with reputable banks and financial institutions which generate interest income for the Group.

Liquidity risk

Funding is generally obtained from internal resources of the Group. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the Management to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

Foreign currency risk

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

The Group is primarily exposed to fluctuations in US dollars and British pound sterling exchange rates arising from cash flows from anticipated transactions. The Group reviews periodically monetary assets and liabilities held in currencies other than the Singapore dollars to ensure that net exposure is kept at an acceptable level.

Credit risk

Exposure to credit risk is monitored on an ongoing basis and credit evaluations are performed on all customers requiring credit over a certain amount.

The carrying amount of cash and cash equivalents, trade debtors and other debtors represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The Group has no significant concentrations of credit risk.

Fair value

As at 31 March 2003, the fair values of financial assets and liabilities which do not approximate their carrying values are presented as follows:

	Group		Company	
	Carrying amount \$'000	Estimated fair value \$'000	Carrying amount \$'000	Estimated fair value \$'000
Trade debtors, non current	662	623	662	623
Bank term loans	2,593	2,084	-	-

The fair value of trade debtors and bank term loans with maturity exceeding one year is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Other financial assets and liabilities comprise cash and bank balances, trade and other debtors and creditors, bank term loans, amount due from minority shareholder of a subsidiary company and loans and balances due to or from associated and subsidiary companies which have relatively short term maturities. The book values of these financial instruments approximate their fair values.

It is not practicable to determine the fair value of long term unquoted investments and non-trade balances due to subsidiary companies because of the lack of quoted market prices and the timing of the expected cash flows of these instruments cannot be reasonably determined.

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation. The comparative figures were audited by a firm of certified public accountants, other than Ernst & Young.

Portfolio of Properties

INFORMATICS HOLDINGS LTD

Informatics Building 5, International Business Park Singapore 609914	4,665 sq m	Corporate headquarters	Lease 1/7/1992 to 30/6/2022
1, Sophia Road #02-05 Peace Centre Singapore 228149	70 sq m	Shop space for rental	Lease 2/6/1970 to 1/6/2069
1, Sophia Road #03-40 Peace Centre Singapore 228149	327 sq m	Shop space for rent	Lease 2/6/1970 to 1/6/2069
32 Adis Road #01-42 Sophia Court Singapore 229978	124 sq m	Apartment for rental	Freehold
1, Sophia Road #02-16 Peace Centre Singapore 228149	64 sq m	Shop space for rental	Lease 2/6/1970 to 1/6/2069
Blk 258 #01-46 Bt Panjang Ring Road Singapore 670258	139 sq m	Shop space for rental	Lease 1/12/1989 to 30/11/2088
Blk 965 #01-211 Jurong West Street 93 Singapore 640965	63 sq m	Shop space for rental	Lease 1/1/1991 to 31/12/2089
Blk 846 #01-3631 Yishun Ring Road Singapore 760846	136 sq m	Shop space for rental	Lease 1/1/1991 to 31/12/2089
Blk 846 #01-3633 Yishun Ring Road Singapore 760846	136 sq m	Shop space for rental	Lease 1/1/1991 to 31/12/2089
Pte Lot C-230 Kelurahan 1, Pk 1.4/1.5 Batam Centre Indonesia	144 sq m	Staff recreation	Lease 19/6/1989 to 18/6/2018

INFORMATICS CHILDREN EDUCATION PTE LTD

1 Jalan Anak Bukit #B1-52 Bukit Timah Plaza Singapore 588996	139 sq m	Shop space for rental	Lease 30/8/1976 to 29/8/2075
--------------------------------------------------------------------	----------	-----------------------	---------------------------------

INFORMATICS COMPUTER CENTRE SDN BHD

491 Plaza Melaka Jalan Hang Tuah 75300 Melaka, Malaysia	715 sq m	31/2 storey shop lot for rental and for computer training centre	Freehold
4 Leboh Gopeng 41400 Klang, Selangor Malaysia	1003 sq m	Office-cum-computer training school	Freehold

Portfolio of Properties

INFORMATICS RESOURCE CORPORATION SDN BHD

216 Jalan Negara 2 Phase 4 Town Centre Taman Melawati, Kuala Lumpur Malaysia	416 sq m	4-storey for rental office	Freehold
443 & 444 Jalan Tun Dr Ismail 70200 Seremban, Negeri Sembilan, Malaysia	882 sq m	2 units of 3-storey shophouses for office- cum-operator training school	Lease 19/4/1989 to 18/4/2088
131 Taman Pekan Baru SP Bandar Sungai Petani Daerah Kuala Muda, Kedah Malaysia	455 sq m	31/2 storey shophouse for office-cum-computer training school	Lease 1992 to 2019
36A & B, Jalan SS15/4 Subang Jaya, Selangor Malaysia	497 sq m	3-storey shophouses for office-cum-computer training school	Freehold
84 Jalan Sultan Idris Shah Ipoh, Perak Malaysia	650 sq m	4-storey shophouse for office-cum-computer training school	Freehold

LAMBANG SAGA SDN BHD

114 & 114A Jalan Bendahara 75100 Melaka Malaysia	1,579 sq m	Hotel-cum-catering sch	Freehold
Lot No 459, Bandar XX1 Daerah Melaka Tengah Melaka, Malaysia	803 sq m	Land	Freehold
No.116 Jalan Bendahara 75100 Melaka Malaysia	163 sq m	Hotel-cum-catering sch	Freehold

FUTUREKIDS SDN BHD

Lot 1094 SEC16, Lorong Abu Siti Georgetown, NED, Penang Malaysia	524 sq m	11-storey office-cum- computer training sch	Freehold
------------------------------------------------------------------------	----------	------------------------------------------------	----------

ShareHoldings Statistics as at 19 June 2003

AUTHORISED SHARE CAPITAL	:	S\$20,000,000
ISSUED AND FULLY PAID CAPITAL	:	S\$15,680,000
CLASS OF SHARES	:	ORDINARY SHARES OF S\$0.05 EACH
VOTING RIGHTS	:	ONE VOTE PER SHARE

ANALYSIS OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	2	0.06	67	0.00
1,000 - 10,000	2,683	78.33	13,252,664	4.23
10,001 - 1,000,000	723	21.11	31,625,012	10.08
1,000,001 AND ABOVE	17	0.50	268,722,257	85.69
	3,425	100.00	313,600,00	100.00

MAJOR SHAREHOLDERS LIST - TOP 20 AS AT 19 JUNE 2003

NO.	NAME	NO. OF SHARES HELD	%
1	WONG TAI	72,655,304	23.17
2	RAFFLES NOMINEES PTE LTD	54,998,000	17.54
3	DBS NOMINEES PTE LTD	41,013,000	13.08
4	CHEAH HON KUEN	21,174,093	6.75
5	ONG BOON KHENG	16,168,952	5.16
6	PHILLIP SECURITIES PTE LTD	13,845,625	4.41
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	11,933,600	3.81
8	DB NOMINEES (S) PTE LTD	8,241,703	2.63
9	CITIBANK NOMINEES SINGAPORE PTE LTD	6,043,200	1.93
10	HSBC (SINGAPORE) NOMINEES PTE LTD	4,277,500	1.36
11	HL BANK NOMINEES (S) PTE LTD	4,100,280	1.31
12	OVERSEA-CHINESE BANK NOMINEES PTE LTD	3,732,000	1.19
13	BNP PARIBAS NOMINEES S'PORE PTE LTD	3,717,000	1.19
14	THE ASIA LIFE ASSURANCE LIFE SOCIETY LTD - SINGAPORE LIFE FUND	2,264,000	0.72
15	KIM ENG ONG ASIA SECURITIES PTE LTD	1,929,000	0.61
16	UOB KAY HIAN PTE LTD	1,481,000	0.47
17	OCBC SECURITIES PRIVATE LTD	1,158,000	0.37
18	LEE SHIU	848,000	0.27
19	SIA CHEE HOE	716,000	0.23
20	CITIBANK CONSUMER NOMINEES PTE LTD	675,000	0.21
		270,971,257	86.41

ShareHoldings Statistics as at 19 June 2003

SUBSTANTIAL SHAREHOLDERS AS AT 19 JUNE 2003

(AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

NAME	DIRECT INTEREST	DEEMED INTEREST
WONG TAI	72,655,304	-
CHEAH HON KUEN	31,174,093	-
ARISAIG PARTNERS (BVI) LTD	31,026,000	-
THE CAPITAL GROUP COMPANIES, INC ("CGC")	-	19,022,000 *
ONG BOON KHENG	17,268,952	-

*CGC IS DEEMED TO BE INTERESTED IN THESE SHARES OWNED BY ACCOUNTS UNDER THE DISCRETIONARY INVESTMENT MANAGEMENT OF CGC'S MANAGEMENT COMPANIES.

SHAREHOLDINGS IN THE HANDS OF PUBLIC AS AT 19 JUNE 2003

THE PERCENTAGE OF SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC WAS APPROXIMATELY 41.45%% AND HENCE THE COMPANY HAS COMPLIED WITH RULE 723 OF THE LISTING MANUAL WHICH STATES THAT AN ISSUER MUST ENSURE THAT AT LEAST 10% OF ITS LISTED SECURITIES IS AT ALL TIMES HELD BY THE PUBLIC.

Informatics Holdings Ltd

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of INFORMATICS HOLDINGS LTD will be held at Ballroom 3 & 4 (level 2) Sheraton Towers Singapore 39 Scotts Road Singapore 228230 on Friday, 8 August 2003 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| 1. To receive the audited financial statements for the year ended 31 March 2003 and the Reports of the Directors and Auditors. | [Resolution 1] |
| 2. To declare a Final Dividend of 0.5 cents per share less 22% income tax and a Special Dividend of 0.5 cents per share less 22% income tax for the year ended 31 March 2003. | [Resolution 2] |
| 3. To approve Directors' Fees of \$177,000 for the year ended 31 March 2003. [2002 : \$150,000]. | [Resolution 3] |
| 4. To re-elect the following Directors who retire in accordance with the Company's Articles of Association and who, being eligible, offer themselves for re-election:- | [Resolution 4(a)]
[Resolution 4(b)] |
| (a) Dr Wong Tai | |
| (b) Mr Frank Yung-Cheng Yung | |
| [Note:- Mr Frank Yung-Cheng Yung is an Independent Director and Chairman of the Audit Committee.] | |
| 5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. | [Resolution 5] |

SPECIAL BUSINESS

- | | |
|-----------------------------------------------------------------------------------------------------------------|-------------------|
| 6. To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modification :- | [Resolution 6(i)] |
| (i) General Mandate to Directors to Issue Shares | |

"RESOLVED That pursuant to Section 161 of the Companies Act (Chapter 50) and Rule 806 of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the issued share capital of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's issued share capital at the time this resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time this resolution is passed and any subsequent consolidation or subdivision of the Company's shares), and unless revoked or varied by the Company in general meeting, such authority 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 earlier."

Informatics Holdings Ltd

Notice of Annual General Meeting

(ii) Mandate to Directors to Issue Scheme Shares

[Resolution 6(ii)]

“RESOLVED THAT the Directors be and are hereby authorised to grant options from time to time in accordance with the provisions of The Informatics Group Share Option Scheme (“the Scheme”); and pursuant to Section 161 of The Companies Act, Cap 50, to allot and issue from time to time such number of shares in the capital of the Company (the “Scheme Shares”) as may be required to be issued pursuant to the exercise of the options that may be granted under the Scheme Provided Always That the number of the Scheme Shares available under the Scheme shall not exceed 15% of the issued share capital of the Company from time to time; the aggregate number of Scheme Shares available to Participants who are controlling shareholders of the Company and their associates shall not exceed 25% of the Scheme Shares available under the Scheme and the number of Scheme Shares available to each Participant who is a controlling shareholder of the Company or his associates shall not exceed 10% of the Scheme Shares available under the Scheme.”

7. To transact any other business that may be transacted at an Annual General Meeting of which due notice shall have been given.

[Resolution 7]

BY ORDER OF THE BOARD

PATRICK LAU LI TAH
Secretary

Singapore, 16 July 2003

NOTES :-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Company's Registered Office, Informatics Building, 5 International Business Park, Singapore 609914 attention to the Company Secretary, not less than 48 hours before the Meeting.

Informatics Holdings Ltd

Notice of Annual General Meeting

NOTES (cont'd)

2. The effect of the resolution under the heading "Special Business" in the Notice of the forthcoming Annual General Meeting is :-

Explanatory Notes on Special Business to be transacted:-

Ordinary Resolution

- 6(i) is to authorise the Directors of the Company to issue shares and convertible securities up to 50% of the Company's issued share capital, with an aggregate sub-limit of 20% of the Company's share capital for any issue of shares and convertible securities not made on a pro-rata basis to shareholders of the Company.
- 6(ii) is to allow the Directors to issue shares pursuant to the Scheme.

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and Register of Members will be closed on 19 August 2003 for the preparation of dividend warrants. Duly completed transfers received by the Company's Registrar, M & C Services Private Limited, 138 Robinson Road #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 18 August 2003 will be registered to determine shareholders' entitlement to the proposed dividends.

The dividends, if approved at the Annual General Meeting, will be paid on 3 September 2003.



INFORMATICS HOLDINGS LTD

(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

- FOR INVESTORS WHO HAVE USED THEIR CPF MONEYS TO BUY ORDINARY SHARES IN THE CAPITAL INFORMATICS HOLDINGS LTD, THE ANNUAL REPORT IS FORWARDED TO THEM AT THE REQUEST OF THEIR CPF APPROVED NOMINEES AND IS SENT SOLELY FOR INFORMATION ONLY.
- THIS PROXY FORM IS NOT VALID FOR USE BY CPF INVESTORS AND SHALL BE INEFFECTIVE FOR ALL INTENTS AND PURPOSES IF USED OR PURPORTED TO BE USED BY THEM.

I/We, _____ (name)

_____ (address)

being a member/members of INFORMATICS HOLDINGS LTD hereby appoint

	Name	Address	NRIC/ Passport no.	Proportion of shareholdings (%)
(a)				
and/or (delete as appropriate)				
(b)				

as my/our proxy/proxies to vote for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held at Ballroom 3 & 4 (level 2) Sheraton Towers Singapore 39 Scotts Road Singapore 228230 on 8 August 2003 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the meeting.

No.	Resolutions relating to	For	Against
1	Adoption of accounts and reports of directors and auditors		
2	Declaration of final dividend and special dividend		
3	Approval of directors' fees.		
4	Re-election of directors		
	(a) Dr Wong Tai		
	(b) Mr Frank Yung-Cheng Yung		
5	Re-appointment of Auditors		
6	(i) General Mandate to Directors to Issue Shares		
	(ii) Mandate to Directors to Issue Scheme Shares		
7	Other Business		

Dated this _____ day of _____ 2003

Total Number of Shares Held	
-----------------------------------	--

Signature(s) of Member(s)/Common Seal

Telephone No: _____

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 130A of the Companies Act, Cap.50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, 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, this Proxy Form will be deemed to relate to the entire number of Shares registered in your name and/or Shares entered against your name in the Depository.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.
3. Where member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Informatics Building, 5 International Business Park, Singapore 609914, not less than 48 hours before the time appointed for the Annual General Meeting.
5. 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 an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. 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 member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Informatics around the world

Informatics operates from more than 583 centres in these countries and territories:

Australia	Indonesia	Philippines
Bahrain	Iran	Romania
Bangladesh	Japan	Saudi Arabia
Belize	Kenya	Singapore
Botswana	Laos	South Africa
Brazil	Libya	South Korea
Brunei	Macau	Sri Lanka
Cambodia	Malaysia	Sweden
China	Maldives	Taiwan
Egypt	Mauritius	Tanzania
Estonia	Myanmar	Thailand
Fiji	Nepal	Uganda
Ghana	Nigeria	United Arab Emirates
Greece	New Zealand	United Kingdom
Hong Kong	Oman	United States of America
India	Pakistan	Vietnam



Informatics Building, 5 International Business Park, Singapore 609914
Tel: (65) 6562 5625 Fax: (65) 6565 1371 www.informaticsgroup.com