

Transcending Boundaries,
Growing Opportunities



INFORMATICS EDUCATION LTD



ANNUAL REPORT 2011



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Transcending Boundaries Growing Opportunities

Exciting times lie ahead for Informatics. In Singapore, Informatics has been awarded the four-year EduTrust certification, a testament of our dedication to the quality of our processes and programs. Leveraging on our strengths, we have shifted to a campus that is better aligned to our mission of being an IT-Plus education institution. Internationally, Informatics is constantly on the lookout for opportunities in markets with good growth potential to increase our global footprint. We keep vigilant on possibilities where we can offer our quality programs in these markets.

Vision

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

Mission

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

Core Values

Student-Centric

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

People

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

Innovative Culture

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

Social Responsibility

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

Results

We endeavour to provide sustainable returns to our stakeholders.

Corporate Profile

Established in 1983, Informatics Education Ltd. was founded in response to Asia's economic growth fostering tremendous demands for skilled Information Technology (IT) manpower and knowledge-based workers to build and sustain the rapid economic development in the region.

The Group has grown from strength to strength, expanding rapidly from one centre when it was first established, to a global network of 267 centres in 53 countries spanning Asia Pacific, Africa, Middle East and Europe. Informatics offers a wide spectrum of programs, ranging from foundation programs to diploma, undergraduate and postgraduate degrees. Over the years, Informatics has built a strong track record for quality programs in infocomm technology, business, finance, management and language.

Informatics is one of the largest education and training institutes in Asia and the first private lifelong learning company to obtain a listing on SGX-Mainboard since May 1993.

Today, Informatics Education Ltd., together with its subsidiaries, NCC Education, Informatics Academy, Informatics Global Campus, and regional country offices are established global leaders in providing quality education and training services for individuals, institutions and corporations.



Chairman's Message

Dear Shareholders,

It is indeed an honour for me to join the Board as Chairman in June 2011. Together with the rest of the team, it is my mission to continue driving the Group forward in delivering long term value and growth.

On behalf of the Board, I am pleased to report that the Group has continued to maintain its profitability, registering a net profit of S\$2.5 million on a revenue of S\$36.1 million in FY2011. This is a performance that was made possible through the concerted effort of everyone in the Group despite ongoing challenges in the global economy.

Strategic Efforts and Achievements

In Singapore, Informatics is an early registrant with the Council for Private Education under the Enhanced Registration Framework. It has also been awarded the coveted four-year EduTrust certification by the Council for Private Education. This quality mark award reinforces Informatics as an established private education provider of definitive caliber with commendable processes and procedures.

The Group's positioning as an 'IT-Plus' global education service provider with our 40 signature programs essentially highlights our core strength in the area of Information Technology (IT) training and education. With this IT-Plus leverage, our students from other conventional courses, such as Business, Accounting and Tourism, will gain a new IT perspective in these subject disciplines as we integrate relevant IT components into the curriculum. In addition, our focused approach strengthens our academic infrastructure and enhances the productivity of our operations.

The Group's Singapore school operations have just moved to a brand new Informatics Campus in June 2011. Located in the heart of the city's education belt at Middle Road, this 46,000 square feet city campus is equipped with state-of-the-art classrooms and computer laboratories, providing abundant opportunities for students and lecturers to engage in cutting-edge learning and teaching experiences in a 'smart campus'. With the use of technology and innovation, the centrally-located city campus also better caters to Singaporeans, international students and working adult learners as the knowledge-based economy in this region gears up for its next cycle of growth.

Global Presence

We continue to grow our presence in important cities across regions in Europe, Africa and Asia through our 267 franchise and licensing partners spread over 53 countries. As we focus on improving the overall market relevance of our programs and maintaining strong working relationships with our affiliate partners, demand for our courses continues to rise in our key country markets while Singapore remains an important stronghold and springboard for the Group.

Forward Thinking

Our view of the global education market remains positive despite ongoing economic uncertainty in the global marketplace. We will continue to grow,

innovate and strengthen the groundwork we have laid over the past years that has made us profitable and more resilient as a unit.

Spearheading our drive for growth is our new management team, under the leadership of Mr Wong Wee Woon, our Chief Executive Officer appointed in November 2010. Prior to this, Mr Wong was an Executive Director of the Company since 2006, having joined the Company in October 2004. In Mr Wong, we have leadership and continuity, which are essential ingredients for a stable operating environment to pursue the Group's agenda.

As a Group, we will focus our efforts on maintaining the high academic quality of our signature programs with innovative service delivery whilst holding onto our core strength in offering IT-Plus programmes to our students around the world. We will also be looking at merger and acquisition exercises as part of our growth plan.

Engaging Learners in their Lifestyles

Naturally, we will tap into the established strength of the Group as an IT-Plus education provider with technology as its roots as we continue to shape and refine our signature programs. In addition to the conventional face-to-face learning mode, we have and will constantly upgrade our capabilities to support new ways of learning and teaching, such as our current e-learning and mobile learning platforms, which empower students with the ability to acquire knowledge at their own time and pace, and in tandem with their lifestyles.

We are confident that all these growth drivers will solidify our leadership within the industry and position Informatics as a true provider of quality education for many generations to come.

Note of Thanks

On behalf of the Board, I'm pleased to welcome Ms Mae Ho Seok Khen who joined the Board this financial year. With her extensive experience in the education industry, we look forward to her valuable wisdom and insights to help steer the Company forward with fellow Board members.

I would also like to extend our profound appreciation to the management, staff, academic advisors, students, teachers and business partners who have contributed towards the success and growth of Informatics. Last but not least, a big 'thank you' to all our shareholders for your continued support and belief in the Group through all the years.

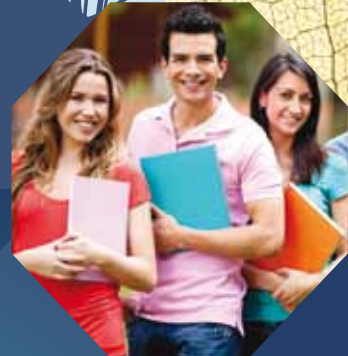
I look forward to sharing more good news with all of you as we work hard and strive towards achieving our goals.

Dato' Robin Tan Yeong Ching
Chairman, Informatics Education Ltd



**DATO' ROBIN
TAN YEONG CHING**
Chairman

Broadening Horizons



Operations Review 2011

NEW IMPETUS FOR GROWTH

Financial Review

In FY2011 the Group recorded revenue of S\$36.1 million compared to S\$39.2 million in the previous year. This decrease is mainly attributed to the revenue loss (S\$1.1 million) on currency translation in the European operations caused by the weaker GBP coupled with the increased student recruitment challenges in the school operations.

The Group reported a full year profit before tax of S\$2.3 million compared with S\$2.9 million last year. The profit reduction was mainly due to revenue decline, and largely offset by lower operating costs and write-back of excess provisions from the continuing consolidation and streamlining in operations. With less tax credit adjustments this year, the Group's net profit attributable to shareholders dropped to S\$2.5 million from S\$4.0 million last year.

Overall, the Group held a healthy increased free cash balance of S\$31.4 million as of 31 March 2011, compared to S\$24.0 million the previous year. Total equity more than tripled to S\$16.1 million from S\$3.9 million, due to the exercise of warrants and employee share options in addition to the current profit.

Strategic and Focused Steps

Geographically, although the Group's European operations showed 4% growth in business, revenue loss on currency translation caused a 5% decrease in Singapore dollar revenue.

The continued profitability of the Group, albeit on a smaller revenue base, underscores the strenuous efforts we have made in previous years, laying the foundations for a more business-savvy organisation with enhanced growth prospects.

These foundations include entering new markets worldwide, adopting a business enhancing partnership with our franchisees and licensees, refocusing our efforts on our key programs that are in high demand, developing new niche programs, strengthening our academic infrastructure and pedagogy and improving the overall market relevance of our programs.

In our plans to expand globally, Informatics continues to gain traction in African countries like Nigeria and Tanzania through its franchise partners.

In Singapore, Informatics has been awarded the 4-year EduTrust certification by the Council for Private Education, reinforcing our status as a quality player in Singapore's private education industry.

Our Singapore school operations has moved to a new Informatics Campus, located within the city's education belt at Middle Road in June 2011. With over 46,000 square feet of space, our "smart campus" has been equipped with state-of-the-art classrooms and computer laboratories, providing rich opportunities for students and lecturers to engage in new learning and teaching experience. This technology-equipped campus aims to revolutionise the way our students learn and the way we deliver our service-from our student recruitment to the way our lecturers teach our courses. This edge will put us in good stead to meet the needs of learners as the region's knowledge-based economy gears up for the next cycle of growth.

A New Way Forward

The new management team helmed by Mr Wong Wee Woon, our new Chief Executive Officer appointed in November 2010, will spearhead the Group's drive for organic growth. We will continue to focus on upgrading the quality of our signature programs with innovative service delivery. We will also focus our student recruitment on targeted programs to optimise operational efficiency, productivity and profitability. All, backed by strong and purposeful marketing activities.

Developing a successful model from the smart campus in Singapore will make it a flagship and prominent showcase for Informatics to grow our business in the rest of the franchised and licensed centres. We will continue to make our programs available in e-learning formats to support new ways of learning and teaching, tapping on Informatics' position as an education provider with technology in its DNA.

We are confident that this will solidify our leadership within the industry and position Informatics to deliver greater growth for generations to come.

S\$'000	Q1	Q2	Q3	Q4	Full Year
FY2011 Revenue	7,986	9,931	7,947	10,241	36,105
(Loss) / Profit Before Tax	(939)	1,107	(265)	2,429	2,332
(Loss) / Profit After Tax	(921)	1,043	106	2,311	2,539
FY2010 Revenue	8,747	10,840	9,698	9,928	39,213
(Loss) / Profit Before Tax	(1,206)	1,496	(393)	2,972	2,869
(Loss) / Profit After Tax	(1,251)	1,435	(380)	4,151	3,955



Cultivating *Global Reach*

Informatics is one of the largest education and training institutes in Asia, with a global network in Asia, Middle East, Africa, and Europe, across 53 countries.



52
FRANCHISED
CENTRES

215
LICENSED
CENTRES

1
STANDARD

Global Operations *Review*

INFORMATICS ACADEMY, SINGAPORE

Informatics Academy Pte Ltd (IAPL), a wholly-owned subsidiary of Informatics Education Ltd., operates as a flagship and prominent showcase in Singapore for Informatics group-wide operations. Formerly operating out of Jurong East, the Singapore campus was recently relocated to the bustling downtown Middle Road area of the city.

The new campus in the city also signifies a renewal for the Academy. In addition to building credibility, improving academic excellence, and raising service standards as our competitive advantages, the new campus will reinforce the Group's DNA positioning tagline, "IT-Plus," signifying a learning organisation centred on teaching and leveraging Information Technology in all aspects of the business.

Technology-enhanced Lifestyles

IAPL's competitive strategy will focus not only on a revamped physical look and feel, but also in the manner we use technology to reach out to potential and existing students, as well as in the way we teach and administer our programs. To empower smart learners, we will guide our students in acquiring the right learning tools to navigate and access the vast amount of information in today's knowledge economy. Lifestyle learning will be a key driver in our strategy.

Our approach to teaching and learning goes beyond rote learning and close-book assessments. Our students will use familiar modern day technologies to help them in their acquisition and application of knowledge. Leveraging on technology, webcasting will be made available for some classes so that learning is made available anywhere and at anytime. Regardless of location, a student will be able to log in for a lesson and watch a video of the class streaming 'live' on any device. Students who miss lessons that have been webcasted can now download them and catch up at their own pace, place and time.

Plans are also under way to roll out the use of new mobile devices such as iPad tablets for students to store notes and do online research, as well as for lecturers to disseminate learning materials. The revolutionary learning experience in store at this smart campus of the future will seal its position among the forerunning institutions in the region to use technology to enhance the speed and effectiveness of the learning process.

Smart Campus in the City

The new campus and office located at Middle Road, boasts over 46,000 square feet of space. Learning facilities include state-of-the-art classrooms and computer labs, providing rich opportunities for students and lecturers to engage in learning experiences in a "smart campus" with enhanced facilities. The centrally



located campus is within a 5-minute walk from major retail establishments and the Bugis MRT, which has been earmarked for upgrading as the Interchange serving the Downtown and East-West MRT lines. The Middle Road area is a major civic, arts and cultural hub of Singapore and has a growing community of educational institutions within the vicinity.

Our holistic strategy of a smart campus with smart recruitment, smart service delivery as well as smart teaching and learning is a reinforcement of our standing as a premier IT education and training Institution. Moving forward, we are expecting an increase in student enrolments as a direct result of our move into our centralised city campus location.

An Enriching Cross-Cultural Landscape

IAPL currently has a population of about 1,500 local and international students from 26 countries. This dynamic mix gives the student body a truly cross-cultural feel. Many activities are organised annually to provide students with a myriad of opportunities to better understand different customs and cultures. These include celebrations of various cultural seasons, as well as events such as talent competitions and charity drives. This year, students came together from various nationalities and backgrounds to put together “Informatics Maya”, which showcased talent and creative expressions. Proceeds from the sale of tickets totaling \$1,000 were donated to MINDS (Movement for the Intellectually Disabled of Singapore).

Quality Above All Else

In 2010, IAPL successfully obtained the prestigious 4-year EduTrust certification awarded by the Council for Private Education (CPE), a statutory board under the Singapore Ministry of Education. This award is

given to Private Education Institutions that have achieved commendable performance in key areas of management and the provision of educational services.

A voluntary quality certification scheme introduced by the CPE, the EduTrust certification assesses private education institutions in key areas of operations such as corporate governance, student protection, support services, academic processes, and quality assurance. Attaining this certification means that IAPL can continue to recruit international students without interruption. It is also an affirmation of our high quality standards in all aspects of operations.

Geared for Growth

With our new strategic focus and smart campus in the city, together with the national award for quality education, IAPL is poised for further growth in the three key segments that we are currently serving- College Going Students, Life-long Learners as well as corporate training.

We have also established good inroads into overseas markets with growing demand for education, such as China, Vietnam, India, and Indonesia. This move will add to the multicultural learning experience we provide to students as they embark on a technology-enhanced educational journey with us.



Global Operations Review (cont'd)

INFORMATICS EDUCATION, HONG KONG

Growing in Strength and Stability

Established in 1992, Informatics Education Hong Kong (IEHK) is a dynamic and integral subsidiary of Informatics Education Ltd. (IEL) with a current enrolment of over 900. Over 90% of the students are adult learners taking up postgraduate and undergraduate programs on a part-time basis while holding full-time occupations. The rest are the studying in Informatics Academy-awarded programs through the School Integration Program (SIP) on a full-time basis.

The Hong Kong school operations are based in the centrally located Tsim Sha Tsui area, known as the Heart of the City of Hong Kong. This school offers postgraduate programs from University of Southern Queensland, Australia, undergraduate programs from University of Portsmouth, Oxford Brookes University, Thames Valley University (now known as University of West London) and University of Hertfordshire, UK. For students who choose to further their studies in Hong Kong instead of overseas, IEHK also offers various diploma and advanced diploma courses from Informatics Academy.

Professional training programs are also provided for various emerging fields such as IT security, finance, and project management. In FY2011, IEHK remained the market leader in providing training for Project Management Professional (PMP) programs. Over 50 training courses are offered to a growing base of clientele which includes multinational corporations and various government departments in Hong Kong.

Aligned for Greater Growth

In FY2011, IEHK successfully started the School Integration Program with various institutions, such as YMCA and Kwun Tong Vocation Training Centre, through providing Informatics Academy diploma and advanced diploma programs in computing and business administration. Students under SIP will become feeders to the school's final year degree programs in due course. The SIP collaborative model has been extended to prestigious tertiary institutions in China, such as Tsinghua University, Shanghai Jiaotong University, Chinese University of Political Science and Law, Beijing Normal University and Shanghai University of Finance and Economics.

Looking forward, the new management thrust will work on repositioning the school and its programs for the local as well as nearby China market. Focus will be put on the higher education market while the corporate training aims for greater heights.



SINGAPORE INFORMATICS COMPUTER INSTITUTE, SRI LANKA

Deepening Our Mark

Singapore Informatics Computer Institute (SICI), Sri Lanka, was established in 1994 as an approved project of the Board of Investment (BOI) Sri Lanka. Since then, the Institution has transformed itself into a leading brand in private tertiary education and corporate training in the country.

In FY2011, SICI achieved a great milestone where we used to operate from different locations, such as a decentralised campus, SICI shifted into its new premises, a move that has enabled the Institute to acquire added synergy and vibrancy as a single and complete campus.

The new campus has given SICI the advantage of being in a very central location of the city with greater visibility and accessibility. This has also provided an ideal canvas for SICI to create its own unique environment for greater alignment to the corporate mission of educating and training global citizens to make them effective and competent contributors to society.

The 'Cyber Security Summit', which was conducted in collaboration with EC-Council, attracted a huge gathering of professionals and university students, and created substantial market awareness on cyber security training.

Reaching Higher, Doing More

During the year, SICI also remained focus on creating a stronger presence for the Institution in the higher education sector. Our current range of offerings, from diploma/advanced diploma programs to top-up degrees have given SICI good repute in the growing higher education sector.

In FY2011, SICI produced six students who have successfully graduated with First Class Honours, in the University of Portsmouth Bachelor of Science in Computing programs. This is a true testament to the quality of academic delivery from the faculty, as well as the hard work of the students in achieving academic excellence.

SICI has also been working on obtaining 'University of Wales' validation, so that additional degree top-up programs and Master's degree programs can be added to its portfolio, enhancing its strong standing as a tertiary education provider in Sri Lanka.

During the year, SICI also launched its Hospitality and Tourism degree programs in collaboration with Berjaya University College of Hospitality, Malaysia. These degree programs cater to the needs of the fast-emerging hospitality and tourism industry of Sri Lanka.

Moving forward, SICI will continue to be driven to establish itself as one of the best private education institution in Sri Lanka and to contribute as a profitable unit for the Group.



Global Operations Review (cont'd)

NCC EDUCATION

Quality Education on a Global Scale

Following another successful year in FY2011, NCC Education continues to maintain its position as a leader in the ever competitive field of professional and technical transnational education. Its continued push for global growth and expansion resulted in 26 new Accredited Partner Centres in over 45 countries worldwide this year. Despite a persistent climate of economic uncertainty, NCC Education's foresight and confidence remains palpable.

More than 9,000 new students embarked on a learning pathway through the Institution in the year. The diploma and advanced diploma programs in computer studies continue to be the most popular programs in key markets. Providing the opportunity for students to access a British education, without the expenses of having to leave their home country, has continued to be a recipe for success for NCC Education. Another unique attribute which sets the Institution apart from its competitors is the flexible and affordable pathways which enable students to join and exit at a level of study that best suits their professional and personal needs.

Winning Formula

NCC Education prides itself on being a global provider of education solutions and an awarding body of quality British qualifications, ranging from foundation to Master's level. Programs range from Information Communication Technology (ICT) for schools to the International Degree Journey in Business or IT. Programs are expertly designed to provide the required skills and knowledge to help students excel in their chosen career and are recognised by universities, professional bodies and employers alike. Students can also upgrade

their skills on professional development modular programs, or complete their university degrees and Master's either in their home country or in the UK via the NCC Education International Degree Journey.

This year alone, more than 80 new programmes were taken on by existing centres while three new programmes were launched by NCC Education. These include three new programs, including a Pre-Master's in IT, Pre-Master's in Business and an International Certificate in Business. The new programs showcase NCC Education's commitment to continually expand its portfolio and represent the interest of both students and partner centres. Alongside its 200 Accredited Partner Centres, NCC Education also has five international offices situated in the UK, China, Malaysia, Dubai and South Africa, which guarantees ongoing support to its international network.

NCC Education has continued to develop its strategic partnerships with numerous higher education providers worldwide. All of whom are committed to delivering high quality education and training. NCC Education and its Accredited Partner Centres work closely to ensure the seamless delivery of NCC Education programmes across the UK and Europe, East Asia, South East Asia, Africa, the Middle East and South Asia, as well as to raise the profile of NCC Education programs to students and prospective centres.

Quality Assurance

Few educational institutions in the world are more experienced than NCC Education in the provision of quality assurance on such a global scale. By continuously applying uniform administrative processes globally at its centres, NCC Education enables students to receive a high level of service



irrespective of their location. Students are also assured that assessment papers and grading systems comply consistently with worldwide best practices. All assessment papers, marking, moderation and issuing of certificates are controlled from the UK by the NCC Education Academic Board.

NCC Education is a recognised qualification-awarding organisation in the English Qualification and Credit Framework (QCF) and the National Qualification Framework (NQF). The Institution is regulated by the Office of Qualifications and Examinations Regulation (Ofqual) with respect to delivery of qualifications in these frameworks. NCC Education is also recognised as a Listed Body by the UK Government's Department for Business Innovation and Skills (BIS) and is an Associate Member of the British Council Education UK Partnership.

Growth in Tandem with Technology

NCC Education has firmly and successfully embraced the use of web-based tools, achieving development and growth at a whole new level through better reach and communication with and among prospective and existing students and partner centres all over the world. It also offers direct guidance and support to its partner centres in upgrading their existing global networks.

This year alone 2,531 registrations, enrolments and re-sits have taken place via CONNECT, NCC Education's new dedicated partner portal and on average 13,000 people per month have visited the newly launched website. The NCC Education community has also benefited greatly from its new online virtual campus, CAMPUS – a web-based learning, resource, feedback and networking platform designed specifically for students and Accredited

Partner Centre teaching staff. CAMPUS provides a home for a successful global learning community, where visitors can access program materials and past examination papers as well as participate in online forums.

This year's online success showcases NCC Education's tireless commitment to constant development and improvement for the benefit of students, partner centres and employees. High standards are facilitated through ongoing communication and feedback and opinions are of paramount importance to the Institution and the Group as a whole.

Looking Forward

NCC Education will continue to build upon the success of last year and remain committed to enhancing and perfecting all the services provided to students and Accredited Partner Centres. It will continue to ensure that its existing programs remain up-to-date, reflect changes in the Business and IT industry and meet the latest standards.

The new year will see the development of significantly enhanced IT diplomas and a range of new programs, including innovative postgraduate qualifications.

As for the Institution's own commitment to delivering tangible results and growth, the next year looks set to hold many more opportunities to strengthen its leadership position as well as its relationship with its worldwide network of students and partner centres.



Global Operations Review (cont'd)

INFORMATICS ACADEMY INTERNATIONAL

Informatics Academy International (IAI) is a key business unit within the Informatics family. It is responsible for safeguarding the quality of Informatics awards as well as ensuring the smooth and efficient distribution of its programs to all parts of the world.

Informatics awards are well-received by employers as well as universities for employment and credit transfer purposes respectively as a result of the high standards that IAI has maintained over the years. Through the years, Informatics has also nurtured strong affiliation in our strategic partnerships and smart alliances with more than 20 universities in the UK, USA, Australia and New Zealand. Our graduates can readily pursue further studies with top universities and earn internationally recognised qualifications.

IAI's charter includes curriculum development, admissions management, assessment services, quality assurance and coordination with school operations.

Assessment Service

The Assessment Services Division manages Assessment and Award related matters for the Group. The quality objectives of this division can be summarised as follows:

- Validity – ensuring consistency of scores across different academic staff and over time through rigorous moderation processes.
- Reliability – ensuring assessments are good measures of the learning outcomes through the process of results review involving independent academics.
- Fairness – ensuring no discrimination of students across countries, race or culture through student identity anonymity, rigorous marking, and moderation processes involving both internal and external examiners.

Quality Assurance

IAI is committed to providing quality programs and services to all students of Informatics relying heavily on an established academic framework of standards and procedures which regulate and steer Informatics programs and service standards. In December 2010, IAI's assessment support services have been fundamental in helping Informatics Academy Singapore attain the 4-year EduTrust Accreditation status, attesting to the Academy's success in achieving high standards in academic governance and quality.

The Academic Board

IAI's Academic Board comprises senior academics drawn from within Informatics as well as distinguished academics from other public institutions. The independent Board provides overall leadership on matters relating to academic standards and policies. It meets regularly

to review academic policies and procedures and foster continuous improvement. Part of its role involves the approval of all new awards as well as the recommendation of enhancement to existing programs.

External Examiners and the Examinations Board

To maintain integrity and transparency of the Informatics academic assurance systems, the Institute invites a panel of external examiners to authenticate our processes and records. These external examiners, usually faculty members from renowned tertiary institutions worldwide, ensure that grades awarded to students are appropriate, and conduct independent audits on marking schemes, examinations scripts and course work submitted from various centres. The Examinations Board oversees matters relating to examinations and assessments, ensuring that the integrity and quality of assessments meet the highest standards.

One Standard

As Informatics awards are offered globally, its standards must be applied uniformly and fairly. This is achieved through a three-stage screening process before students' results are confirmed and released.

Firstly, all assessments are examined by qualified academics who ensure that all students have been assessed fairly and suitably. The Chief Examiner (typically senior academics), will then moderate the graded scripts to ascertain that assessments are graded accurately and consistently across all participating schools. On top of this, Informatics invites validation bodies or university partners to scrutinise the assessment process.



Leveraging Technology

The use of technology in processing academic and assessment related functions continues to be part of our charter to enhance efficiency and service to all our centres worldwide. These online systems include the Student Administration System to process admission, Assessment Online (AOL) to administer tests and markings, as well as generate test and examination papers from our AOL question banks, and more.

Curriculum Development

The Curriculum Development Management (CDM) team is responsible for the development and maintenance of all IAI awards. This team of highly qualified staff constantly reviews and updates the curriculum to changing market demands. The CDM provides overall directions for all IAI awards and ensures quality standards, such as admission, assessment and award rules, are complied with. It also coordinates with external validation bodies to ensure that our programs meet regulatory and quality standards.

Special Projects

In December 2010, IAI was appointed by Council for Estate Agencies (CEA) to administer examination services for Real Estate Agents (REA) and Real Estate Salesperson (RES). To meet CEA's stringent requirements and qualify for the appointment, IAI was able to demonstrate that it has appropriate systems, expertise, knowledge and capacity to manage the large-scale assessment services in a professional and efficient manner.

Franchise and Licensing

In FY2011, the Franchise and Licensing (F&L) Unit was integrated with the Product Development and Assessment Services Units to form IAI. The enhanced F&L team intensified its interaction with our worldwide centres, responding promptly to emerging and changing market needs.

In FY2011, two new members joined the Informatics family. The Pokhara franchise in Nepal, officially launched in December 2010 and commenced class with more than 50 students in March 2011. We also welcome Spring College, our new license centre in Ghana, inaugurated in October 2010. Several of our existing centres have revitalised their relationships with Informatics, a testimony of their confidence in us. In this connection, we are grateful to Oriton, Global Reach, ITHB and System Academy for their continued contribution and support.

Our existing centres continue to register positive development and growth. For example, the Kathmandu Franchise centre in Nepal is amongst the first centres to adopt our new programs and now boast of an active and growing student base of over 1000. With the blessing of the Nigerian Government, our franchise centre in Jigawa State is operating at full-capacity with over 2000 students. In FY2011, Kazaure launched a suite of engineering programs and hence paved the way for continued growth. UCC, our licensed centre in Tanzania, has successfully enrolled the first cohort of students into the postgraduate diploma program. Other new licensed centres are actively preparing themselves to accept new students. Working closely with the Product Development team, the Myanmar franchised centre was able to rejuvenate its product offerings and substantially increase its enrolment numbers.

The concerted effort to strengthen the demand for Informatics products has shown positive results. Augmented by Informatics' attainment of the 4-year EduTrust certification, Informatics is poised for stronger growth in the years ahead.



INFORMATICS GLOBAL CAMPUS

Informatics Global Campus (IGC) is a wholly-owned subsidiary of Informatics Education Ltd., and the e-learning arm of the group since its launch in 1999 as Asia's first global e-learning institution and the largest outside USA. As a leading global e-learning education service provider, IGC is committed to using the latest advances in technology for education. Our foundation for success stems from a robust digital gateway that empowers facilitators and students to interact using tools built into our e-learning platforms. Course delivery as well as synchronous and asynchronous modes of discussion via forums are computer mediated via the Internet. Facilitation of modules of studies are done online through virtual classrooms which students can access online, anytime and anywhere.

To-date, IGC has trained over 72,000 e-learners from more than 68 countries. Its academic and professional development programs in business and information technology range from diploma and advanced diploma to Bachelor and Master's degree levels.

Catering primarily to adults, we recognise that learners have different career and lifestyle needs and wants. Our learning systems are designed to cater to customised learning journeys with programs delivered through flexible learning modes – online, mobile and distance learning.

Bridging the Education Divide

IGC will continue to expand and enhance its flexible learning modes with new programmes and new strategic partnerships.

Riding on the growing popularity of the computer tablet, IGC will be launching new mobile learning programs catering to this new mode of delivery.

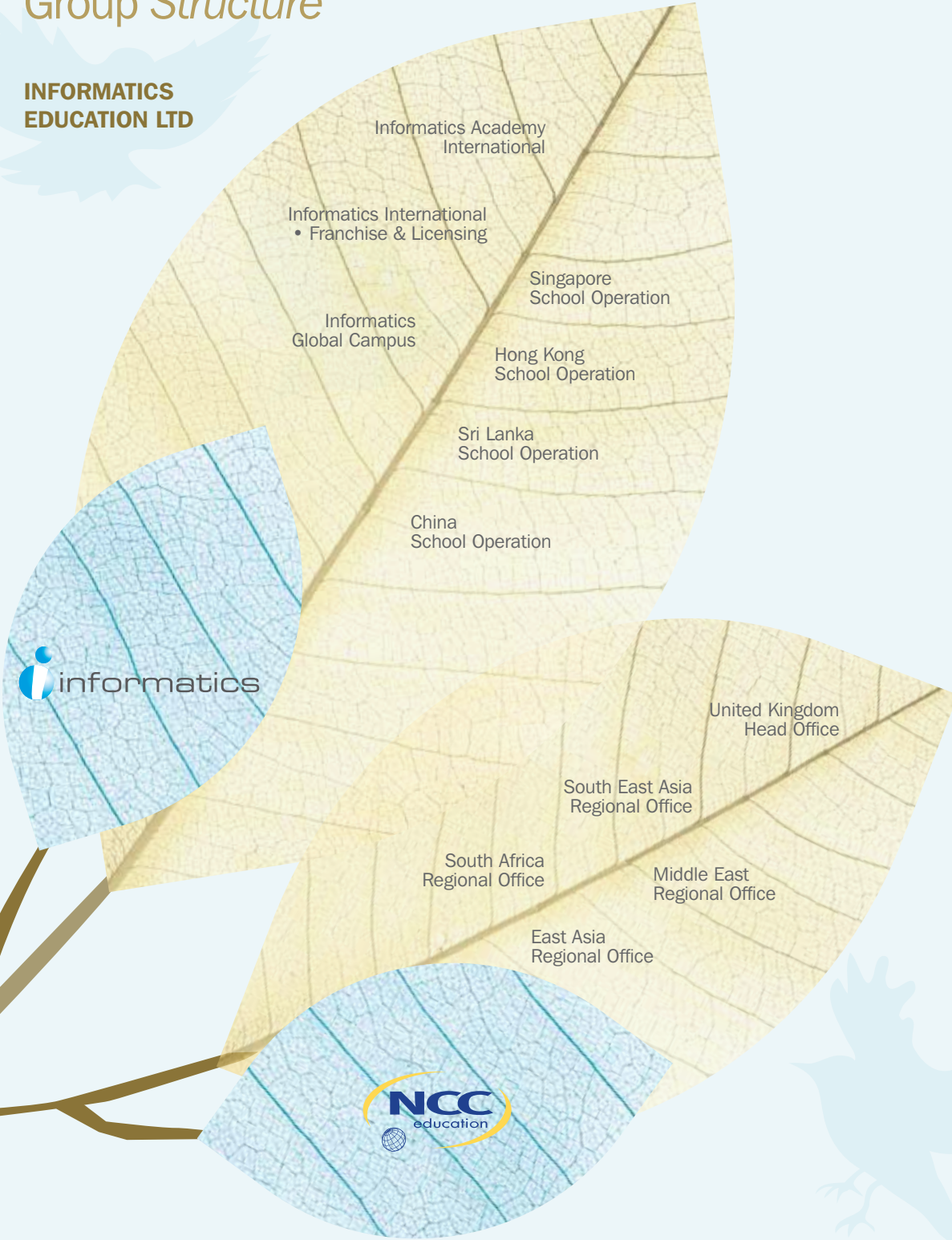
Leveraging the Group's extensive global network of partners and channels, IGC has over time acquired the width and depth of reach to access knowledge seekers all over the world.

Learners worldwide choose IGC as their route to a quality international education as IGC offers the benefits of continuous relevance, guidance and support as they continue their journey from classroom to career.



Group Structure

**INFORMATICS
EDUCATION LTD**



Board of Directors



1 Dato' Robin Tan Yeong Ching / 2 Mr Freddie Pang Hock Cheng / 3 Ms Mae Ho Seok Khen / 4 Mr Ung Gim Sei /
5 Professor Chew Soon Beng / 6 Mr Wong Wee Woon

Dato' Robin Tan Yeong Ching

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

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

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

Mr Freddie Pang Hock Cheng

Non-Executive, Non-Independent Director
Mr Freddie Pang Hock Cheng began his career with a predecessor firm of Messrs Ernst & Young where he worked for seven years until 1982, during which he qualified for entry as a member of the Malaysian Institute of Certified Public Accountants. He is also a member of the Malaysian Institute of Accountants. In the same year, Mr Pang joined the Corporate Advisory Department of the Malaysian International Merchant Bankers Berhad until his departure in 1990 to join Berjaya Group Berhad.

Mr Pang is currently the Chairman of Intan Utilities Berhad and an Executive Director of Berjaya Corporation Berhad and Berjaya Sports Toto Berhad. He is also a director of TMC Life Sciences Berhad, Berjaya Group Berhad, Berjaya Vacation Club Berhad and sits on the board of several other private limited companies.

Ms Mae Ho Seok Khen

Non-Executive, Non-Independent Director
Ms Mae Ho Seok Khen has been in the hospitality industry for the last 25 years. She made her first step towards the hospitality industry as a lecturer and as the Dean of the School of Hotel & Catering Management at Kolej Damansara Utama, Petaling Jaya. Subsequently, Ms Ho was appointed Director of the School of

Hospitality & Tourism Management at Sunway University College of Hospitality from 1997 until 2007. During her tenure at Sunway, Ms Ho was appointed Project Director for the China operations to set up the Xian-Sunway International Business Management to conduct corporate training programmes and summer schools.

Ms Ho sits on the panel of judges for the Hospitality Asia Platinum Award (HAPA) and her judging stretches across the ASEAN Continent for Service Excellence Awards, Signature Establishment Awards, Revolutionary Personality Awards and Fine Culinary Awards, just to name a few. She is also an active member and sits on the panel of judges for the Malaysia Retailers' Association (MRA), and is a Council member of the National Council of the Confrerie de la Chaine des Rotisseurs, Bailliage de Malaisie.

Ms Ho is currently the Chief Operating Officer of Berjaya University College of Hospitality, a subsidiary of the Berjaya Corporation Group, and is also the Director of the Academy of Nursing (M) Sdn Bhd and Berjaya Higher Education Sdn Bhd.

Mr Ung Gim Sei

Independent Director

Mr Ung Gim Sei is a partner of Singapore law firm Khattar Wong and a part-time lecturer in law. Prior to embarking on his law career, Mr Ung was in the media and publishing industry assuming key positions in leading newspaper companies in Singapore, Hong Kong and Shenzhen, China. Mr Ung is a member and legal advisor of Tan Kah Kee Foundation and the Singapore China Business Association. He is also a committee member of the Singapore China Friendship Association and the China Aw Boon Haw Foundation, and is an independent director of EMS Energy Ltd.

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

Professor Chew Soon Beng

Independent Director

Professor Chew Soon Beng is the chairman of the Graduate Programmes in the Division

of Economics at the Nanyang Technological University (NTU). He was the Founding Director of the Asia Commerce and Economics Studies (ACES) Center in the Nanyang Business School in 1993, and was also the Founding Director of the Master of Science programme in Managerial Economics (popularly known as the Mayor programme since its inception in 1998) at NTU.

Between 2004 and 2005, Prof Chew was a consultant to the Omani Ministry of Higher Education. He is currently also a member of the Singapore Institute of Arbitrators.

Prof Chew received his Ph.D. in Economics from the University of Western Ontario, Canada, after obtaining a Master of Social Science in Economics from the former University of Singapore and a Bachelor of Commerce (First Class Honours) from the former Nanyang University.

Mr Wong Wee Woon

Chief Executive Officer, Executive Director
Mr Wong Wee Woon was appointed Acting Chief Executive Officer on 15 November 2010, and was confirmed Chief Executive Officer on 1 June 2011.

Mr Wong joined Informatics in October 2004. He has a rich background and experience in educational publishing, having been with renowned educational publisher Longman Malaysia for 17 years from 1979 to 1996, where he rose from Regional Sales Executive to Managing Director. In 1997, Mr Wong was appointed the Managing Director of Longman Singapore/Malaysia and in the following year, he became the Managing Director of Addison Wesley Longman Asia. In 1999, Mr Wong was named President of Pearson Education Asia when Pearson acquired Prentice Hall and folded Prentice Hall into Addison Wesley Longman. From 2000 to 2002, Mr Wong held the post of President at Pearson Education South Asia. He moved on to become a consultant with India's Bhagat Publications in 2003, and was with an UK publishing house in 2004, before joining Informatics that same year.

Mr Wong graduated from the National University of Malaysia with a Bachelor of Science (Honours). He also holds a Master in Management from The Asian Institute of Management, Philippines.

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Corporate Governance Report

The Board of Directors of Informatics Education Ltd. (the “Company”) is committed to maintaining good standard of corporate governance and business practices and hence has continuously adopted processes and systems to enhance and safeguard the interest of its shareholders.

The following report describes the measures and the corporate governance policies and practices of the Company that are currently in place and used throughout the financial year 2011 (the “Year”) which incorporates policies and practices recommended in the Code of Corporate Governance 2005 (the “Code”).

1. Board’s Conduct of Affairs

The Board sets the overall business direction and objectives of the Company. The Board reviews and decides on major transactions, business plans, annual budgets and operating results of the Company. Besides providing entrepreneurial leadership, it also ensures that the necessary financial and human resources are in place for the Company to meet its objective. The Board’s approval is required for any 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.

All Directors must objectively make decisions in the interest of the Company. Appropriate training and orientation (including his or her duties as a Director and how to discharge those duties) are given when he or she is first appointed to the Board to ensure that the incoming Directors are familiar with the Company’s business and governance practices. Existing Directors also receive further relevant training relating to relevant new laws and regulations as well as changing business risks, practices and cultures from time to time. Upon the appointment of a new Director, the Company would issue a formal letter of appointment setting out the statutory and other duties and obligations of a director. The newly appointed Director will also be briefed by the Chief Executive Officer and other business heads on the Group’s business activities, operations, strategic direction and policies.

The Board as a whole is kept updated on risks management, corporate governance and the key changes in the relevant regulatory requirements and financial reporting standards.

2. Board Composition and Guidance

Presently, the Board has six members, comprising one Executive Director, three Non-Executive Directors, and two Independent Directors, as listed below:

- (1) Dato’ Robin Tan Yeong Ching - Non-Executive Chairman
- (2) Mr Wong Wee Woon – Executive Director and Chief Executive Officer
- (3) Mr Freddie Pang Hock Cheng - Non-Executive Director
- (4) Ms Mae Ho Seok Khen – Non-Executive Director
- (5) Mr Ung Gim Sei - Independent Director
- (6) Professor Chew Soon Beng @ Teo Soon Beng - Independent Director

The Chief Executive Officer is tasked to oversee the day-to-day management of all line and staff operations of the Company and the Group and the overall financial performance, and to direct the implementation of policies for all aspects of the Company and the Group and as set out by the Board.

The Board has adopted the definition of the Code of what constitutes an Independent Director in its review of the independence of each Director.

The current Board comprises members with diverse corporate and business experience who, as a group, provide the requisite skills, knowledge and experience relevant to the business of the Company. Detailed information on the Directors’ experience and qualifications can be found on pages 18 to 19 of the Annual Report. The Board is of the opinion that its current composition is appropriate taking into account the scope and nature of the operations of the Company and the Group and allows for effective decision making.

Corporate Governance Report (cont'd)

The Board conducts quarterly board meetings. In addition, ad-hoc meetings would be convened as circumstances require. The Company's Articles of Association allows the holding of board meetings to include the conducting of any of them by way of telephone conference or video-conference. Should the Board have informal discussion on matters requiring urgent attention, this would then be formally confirmed and approved by circular resolutions in writing.

To assist the Board in the discharge of its responsibilities, the Board has established the following committees:

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

The attendance of the Directors at the meetings of the Board and Board Committees during the Year were as follows:

Directors' Attendance in Financial Year 2011:

	No. of Meetings Attended in Financial Year 2011			
	Board of Directors	Audit & Risk Management Committee	Remuneration & Strategic HR Committee	Nominating Committee
Total No. of Meetings Held	4	5	4	4
Name of Director				
Mr Wong Wee Woon	4	NA	NA	NA
Mr Freddie Pang Hock Cheng	4	5	4	4
Ms Mae Ho Seok Khen ¹	2	NA	NA	NA
Mr Ung Gim Sei	4	5	4	4
Professor Chew Soon Beng @ Teo Soon Beng	3	4	3	3
Datuk Zainun Aishah binti Ahmad ²	0	NA	NA	NA
Tan Sri Professor Emeritus Dr Abu Hassan bin Othman ³	2	NA	NA	NA
Mr Patrick Ho Kwok Sum ⁴	3	NA	NA	NA

Notes:

¹ Ms Mae Ho Seok Khen was appointed as Director of the Company on 27 October 2010.

² Datuk Zainun Aishah binti Ahmad resigned as Director of the Company on 28 May 2010.

³ Tan Sri Professor Emeritus Dr Abu Hassan bin Othman ceased as Chairman and Director of the Company on 28 July 2010.

⁴ Mr Patrick Ho Kwok Sum resigned as Director of the Company on 31 December 2010.

Corporate Governance Report (cont'd)

During the Year, 3 matters were deliberated and approved via resolutions in writing by the Banking Committee. No meeting was held by the Committee.

Should the Committees have informal discussions on matters requiring their urgent attention, such discussions would subsequently be formally confirmed and approved by circular resolutions in writing.

During the Board and Board Committee meetings, all Directors, including the Non-Executive Directors and Independent Directors, took the opportunities to review the management's performance in meeting agreed goals, constructively challenged and helped develop proposals on strategy and provided guidance and opinions on issues.

3. Chairman & Chief Executive Officer

The current Non-Executive Chairman and Chief Executive Officer of the Company are Dato' Robin Tan Yeong Ching and Mr Wong Wee Woon respectively.

The position of Chairman is strictly a non-executive one. The Chairman assumes responsibility for the smooth functioning of the Board, ensures timely flow of information between the management and the Board and presides over Board meetings.

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer and this ensured an appropriate balance of power. The Chairman leads the Board to ensure its effectiveness on all aspects of its role and promotes high standards of corporate governance while the Chief Executive Officer is responsible for the day-to-day management of all line and staff operations of the Company, the overall financial performance and the direct implementation of the policies for all aspects of the Company's operations as set out by the Board.

The Chairman and the Chief Executive Officer are not related to each other.

4. Board Membership

The Board has established a Nominating Committee whose task include making recommendations to the Board on all board appointments including the appointment of board and committee members for both new appointment(s) and re-appointment(s).

For re-appointment, the Nominating Committee is charged with the responsibility of recommending to the Board the re-nomination of Directors having regard to their past contribution and performance.

In undertaking its task, the Nominating Committee takes cognizance that Article 71 of the Company's Articles of Association (the "Articles") requires all Directors to retire from office once at least in every 3 years. A retiring Director shall be eligible for re-election. The Nominating Committee has recommended that Professor Chew Soon Beng @ Teo Soon Beng, who shall retire pursuant to the said Article 71 be recommended for re-election at the Company's forthcoming Annual General Meeting.

The Nominating Committee further recommended that Mr Ung Gim Sei be re-appointed as a Director of the Company at the Company's forthcoming Annual General Meeting pursuant to s. 153(6) of the Companies Act, Cap. 50.

Corporate Governance Report (cont'd)

When the need for a new appointment arises, the Nominating Committee reviews the range of expertise, skills and attributes of the Board, identifies the Board's need and shortlists candidates with the appropriate profile. Where necessary, the Nominating Committee may seek advice from external consultants. New directors are appointed by way of a Board's resolution pursuant to Article 75 of the Articles after the Nominating Committee has reviewed and recommended the appointment of these new directors. The Nominating Committee has recommended, and the Board has accepted the recommendation and appointed Dato' Robin Tan Yeong Ching and Ms Mae Ho Seok Khen as the Directors of the Company. Article 75 of the Articles further requires that the directors appointed pursuant to the said Article 75 shall hold office until the next Annual General Meeting and shall be eligible for re-election. The Nominating Committee has recommended that Dato' Robin Tan and Ms Mae Ho who shall retire at the Company's forthcoming Annual General Meeting be recommended for re-election.

All Executive Directors, being employees of the Company, are employed on terms which allow termination by notice.

The initial appointment date and the date of last re-election/re-appointment of the Directors are set out below:

Name of Director	Date of initial Appointment	Date of last re-election/re-appointment
Dato' Robin Tan Yeong Ching	22 June 2011	N.A
Mr Wong Wee Woon	1 March 2006	28 July 2009
Mr Freddie Pang Hock Cheng	5 August 2004	28 July 2010
Ms Mae Ho Seok Khen	27 October 2010	N.A
Mr Ung Gim Sei	13 July 2004	28 July 2010
Professor Chew Soon Beng @ Teo Soon Beng	1 March 2006	31 July 2008

5. Board Performance

The Board has implemented a process to be carried out by the Nominating Committee for assessing the performance and effectiveness of the Board as a whole and of each individual Director.

The Directors are required to complete the appraisal forms as part of the process adopted to assess the overall effectiveness of the Board as a whole. The results of the appraisal exercise are reviewed by the Nominating Committee. The factors for consideration in the appraisal exercise include the size and composition of the Board and the Directors' conduct, achievement in discharging the principle function, attendance at meetings, contributions to board meetings, etc. During the appraisal, each Director shall discuss with the Chairman of the Nominating Committee on his role and identify areas for improvement with regard to the duty of the Board.

The Nominating Committee will evaluate the Board's performance by periodical assessment.

6. Nominating Committee

The Board has established a Nominating Committee ("NC"), members of which as at the date of this Report are as follows:

Chairman	: Mr Ung Gim Sei	(Independent Director)
Members	: Professor Chew Soon Beng @ Teo Soon Beng	(Independent Director)
	: Mr Freddie Pang Hock Cheng	(Non-Executive Director)

Corporate Governance Report (cont'd)

Mr Ung Gim Sei, the Chairman of the NC, is an Independent Director as contemplated by the Code. The majority of the NC are also independent.

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

The duties and responsibilities of the NC include the following:

- Review the composition of the Board to ensure that the required mix of expertise, skills, attributes and capabilities are present amongst its members;
- Identify, consider and recommend suitable candidate for appointment to the Board taking into account the Company's objectives and the Board's requirements;
- Review and recommend the re-appointment or re-election of Board members;
- Review the nomination and appointment of Executive Director(s) and any other officer(s) who has responsibilities and functions similar to that of an Executive Director;
- Review the independence of each Independent Director and ensure that at least one-third of the Board members are Independent Directors;
- Assist the Board in setting up procedures and criteria for assessing the effective performance of the Board as a whole and the contribution of each Director;
- Arrange orientation and education programmes for members of the Board with respect to the Company's business and its management, as is necessary.

The NC evaluates the Board's performance, and adopts both quantitative and qualitative criteria in its periodical assessment. It also considers the composition of the Board and assesses its degree of independence. All Independent Directors are required to declare that they were independent of management and not having any conflict of interest.

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

7. Access to Information

Guidance will be given to new Directors on the requirements under the Listing Manual of the Singapore Exchange Securities Trading Limited and other Singapore Law on disclosure of interest, restrictions on dealing in securities, duties and responsibilities of Directors. Directors are continually kept updated on changes in the requirements including relevant accounting standards.

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

The Directors have the authority to seek independent professional advice, at the Company's expense.

Corporate Governance Report (cont'd)

In addition, all Directors are given access to monthly financial report. The Board is also given separate access and independent access to the Company's senior management and Company Secretary. Prior to each board meeting, Board members are provided with the complete, adequate and timely information required for them to fulfill their responsibilities.

8. Remuneration and Strategic Human Resource Committee

The Board has established a Remuneration and Strategic Human Resource Committee ("RSHRC") to deal with remuneration matters. Members of the RSHRC are as follows:

Chairman	:	Professor Chew Soon Beng @ Teo Soon Beng	(Independent Director)
Members	:	Mr Ung Gim Sei	(Independent Director)
		Mr Freddie Pang Hock Cheng	(Non-Executive Director)

The RSHRC comprises of three members. All members are non-executive and majority of them including the Chairman, are independent directors. The RSHRC reviews and makes recommendations and assists in attracting, retaining and rewarding well-qualified people to serve the Company by pegging remuneration and benefits at competitive market rates. Accordingly, 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 the working environment and succession planning for management;
- review with management the terms of the employment arrangements so as to develop consistent group-wide employment practices subject to regional differences;
- administer The Informatics Group Share Option Scheme which was approved by the shareholders on 7 September 1994 and subsequently extended for a further period of ten years on 8 August 2003.
- recommend the allocation of share options to the Directors and employees of the Group; and
- determine the number of share options to be offered to the Directors and employees of the Group.

The Company has entered into a service agreement with the Executive Director of the Company. The service agreement cover the terms of employment and provide for termination by either the Executive Director or the Company upon each giving the other a written notice of not less than 3 months.

In line with the Code, RSHRC will submit its recommendation on the remuneration packages (including Directors' fee, salaries, allowance, bonuses, options and benefits in kind) for each Director for the endorsement of the entire Board. No Directors are involved in deciding his or her own remuneration. The RSHRC is also involved in the review of the remuneration scheme for the senior management.

Directors' fees are recommended by the Board for approval at the Company's Annual General Meeting.

The RSHRC has access to expert professional advice on human resource matters whenever there is a need to consult externally.

9. Level & Mix of Remuneration

It is the Company's policy to ensure that the level of remuneration should be appropriate to attract, retain and motivate the Executive Directors needed to run the Company and the Group successfully. The remuneration of Executive Directors are structured so as to link rewards to corporate and individual performance while the remuneration of Non-Executive Directors are tagged to their level of contribution to the Board and the Company taking into account factors such as effort and time spent, responsibilities of the directors. The Company attempts to ensure that Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. From time to time, remuneration packages of employees are reviewed to ensure that they are sufficiently competitive. A compensation system is in place to reward employees based on merit and performance through annual merit service increments and bonuses. The Company's share option scheme for Directors, senior management and executives, which serves as a long-term incentive plan for senior executives, is also based on merit and individual performance.

Corporate Governance Report (cont'd)

10. Disclosure of Remuneration

The remuneration of the Directors of the Company and its top 6 key executives (who are not Directors of the Company) for the financial year 2011 is as follows:

Name	Remuneration Band (\$\$)	Salary & Fees (%)	Performance Bonuses (%)	Other Benefits (%)
Non-Executive Directors				
Tan Sri Professor Emeritus Dr Abu Hassan Bin Othman ¹	<250,000	100	-	-
Datuk Zainun Aishah Binti Ahmad ²	<250,000	100	-	-
Mr Freddie Pang Hock Cheng	<250,000	100	-	-
Mr Ung Gim Sei	<250,000	100	-	-
Professor Chew Soon Beng @ Teo Soon Beng	<250,000	100	-	-
Ms Mae Ho Seok Khen ³	<250,000	100	-	-
Executive Directors				
Mr Wong Wee Woon ⁴	250,000- 499,000	52	15	33
Mr Patrick Ho Kwok Sum ⁵	250,000- 499,000	46	-	54
Other Top Executives (Non-Directors of the Company)				
Ms Cecilia Tong Chiu Fai	250,000- 499,000	67	13	20
Mr Valentine Philip Ortega ⁶	<250,000	74	11	15
Mr Philip Tan	<250,000	100	-	-
Mr Kenneth Mok Chi Tak	<250,000	100	-	-
Mr Mahen Jayalath	<250,000	69	-	31
Mr Felix Raoul Stravens ⁷	<250,000	81	-	19

Notes:

¹ Tan Sri Professor Emeritus Dr Abu Hassan bin Othman ceased as Chairman and Director of the Company on 28 July 2010.

² Datuk Zainun Aishah binti Ahmad resigned as Director of the Company on 28 May 2010.

³ Ms Mae Ho Seok Khen was appointed Director of the Company on 27 October 2010.

⁴ Mr Wong Wee Woon was appointed Acting Chief Executive Officer on 15 November 2010 and confirmed as Chief Executive Officer on 1 June 2011.

⁵ Mr Patrick Ho Kwok Sum resigned as Chief Executive Officer on 15 November 2010 and as Director of the Company on 31 December 2010.

⁶ Mr Valentine Philip Ortega was appointed Chief Operating Officer on 1 December 2010.

⁷ Mr Felix Raoul Stravens left the Company on 27 May 2011.

Corporate Governance Report (cont'd)

The Non-Executive Directors do not have service contracts. They are paid a basic fee as Directors and additional fees for serving on any Board Committees. The Board may, if necessary, consult experts on the remuneration of Non-Executive Directors. The Directors' fees are subject to the approval of shareholders at the Annual General Meeting.

The basis of allocation of the number of share options for Directors takes into account the Directors' contribution and additional responsibilities at Board's committees.

Details of the Informatics Group Share Option Scheme and options granted to Directors are disclosed in [paragraph (5)] of the Directors' Report.

There are no employees in the Company and the Group who are immediate family members of a Director or the Chief Executive Officer.

11. Accountability

The Board is accountable to the Company's shareholders while the management is accountable to the Board.

The management submits monthly financial reports to the Board. In addition, quarterly, half-yearly and full year financial statements are presented by the management to the Audit and Risk Management Committee for its review. The Committee then presents its findings on these financial statements for the further review and approval by the Board. Upon the Board's approval and authorization, the management will release the financial results to the public for their information via SGXNET on quarterly basis.

12. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") carries out the functions set out in the Code and the Companies Act, Cap. 50. Members of the ARMC as at date of this Report are as follows:

Chairman	:	Mr Ung Gim Sei	(Independent Director)
Members	:	Professor Chew Soon Beng @ Teo Soon Beng	(Independent Director)
		Mr Freddie Pang Hock Cheng	(Non-Executive Officer)

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

In addition, the ARMC seeks to establish corporate policies on minimum operating standards pertaining to specific areas of the business. These policies are aimed at providing the necessary operational controls to guide the day-to-day management and business operation of the Company which is under the purview and authority of the Chief Executive Officer. The ARMC aims to improve the system of operational controls and efficiency through reviews of operational performance matrices for every business sector against established benchmarks.

The ARMC is empowered to make recommendations to the Board on the appointment, re-appointment and removal of the External Auditors, and to approve the remuneration and terms of engagement of the External Auditors. For the Year, the ARMC having reviewed the scope and value of the non-audit services provided by External Auditors during the year, is satisfied that the nature and extent of such services did not prejudice the independence and objectivity of the External Auditors. The ARMC has recommended to the Board the nomination of Ernst & Young LLP, Certified Public Accountants for re-appointment as External Auditors of the Company at the forthcoming Annual General Meeting.

Corporate Governance Report (cont'd)

Members of the ARMC have independent access to both the External Auditors and the Internal Auditors.

During the Year, the ARMC has held meetings with both the External Auditors and the Internal Auditors without the presence of the management.

The ARMC has evaluated the findings of the Internal Auditors on the internal controls of the Group, and believes that the system of internal controls maintained by the Company is adequate to safeguard the Company's assets.

To achieve a good standard of corporate governance for the operations of the Group, employees must maintain a high level of integrity and professionalism in their conduct and ensure compliance with all laws and regulations in their dealings with all stakeholders. Accordingly, the Board has instituted the Employee Code of Ethics and Policy for Reporting Improper Action and Protecting Employees Against Retaliation ("Whistle Blower") since 2004. The Whistle Blower policy is liberally construed in favour of protecting the Group's interest in full disclosure of conflict of interest and promoting ethical standards of conduct for all employees. The Whistle Blower policy is administered by the Internal Auditors and is included in the staff orientation program for awareness and adherence.

13. Internal Controls

The ARMC has ensured that the management has maintained a sound system of internal controls to safeguard the shareholders' investment and the Company's assets and has reviewed the effectiveness of the internal controls including the financial, operational and compliance controls and risk management of the Company.

All business units have primary responsibility for managing their specific risk exposures based on the Group's guidelines. Each executive committee reviews its business unit's risk portfolio on a periodic basis. The Group's Internal Auditors coordinates and reports risk exposures to the ARMC for its review. Upon its risk assessment review, the ARMC will advise the Board on the adequacy of the risk management infrastructure that are in place and make recommendation for areas of improvement.

The ARMC will continue to review and ensure that there are adequate controls in the Company.

14. Internal Audit

The Company's Internal Auditors report to the ARMC and assist the Board in monitoring and managing business risks and internal controls. The ARMC has a duty to review and approve the Company's internal audit plan. The results of the audit findings by Internal Auditors will also be submitted to the ARMC for review.

The scope of the Internal Auditors covers the audit of all units and operations including the Company's overseas offices, subsidiaries, associates and franchisees.

To further enhance the internal controls of the Group, the ARMC may consider engaging an external audit firm to perform internal audit tasks from time to time.

Corporate Governance Report (cont'd)

15. Banking Committee

The Board has established a Banking Committee, members of which are as follows:

Chairman	:	Professor Chew Soon Beng	(Independent Director)
Members	:	Mr Wong Wee Woon	(Executive Director)

The committee's primary function is to review and approve the change in bank authorized signatories for all banking accounts maintained with the various banking institutions. The Banking Committee performs the following main functions:

- To review and approve any change in authorized signatories for operating the banking accounts according to the operation needs and the limits set by the Board of Directors
- To ensure proper approval procedures are in place for the bank accounts operations.

16. Communication with Shareholders

The Company recognises the need to communicate with all shareholders on all material business matters affecting the Company. Timely and detailed disclosures are made to the shareholders in compliance with SGX-ST guidelines and the Singapore Companies Act, Cap. 50.

All shareholders of the Company receive the Annual Report and Notice of Annual General Meeting. The Notice is advertised in the national newspaper. At Annual General Meetings, shareholders are encouraged to ask questions on the Company's operating and financial performance and the resolutions that are being proposed. A separate resolution on each distinct issue is proposed at general meetings.

The External Auditors and legal advisers are usually invited to be present to assist the Directors in addressing any queries raised by shareholders. The Company does not engage in or condone selective disclosure of material, price-sensitive information. Investors and shareholders can visit the Company's investor relations website at www.informaticseducation.com.

17. Dealings in Securities

The Group has adopted an internal practice which prohibits the Directors and executives of the Group from dealing in the Company's shares during the periods commencing two weeks and one month prior to the announcement of the Group's quarterly and full year results respectively and ending on the date of the announcement of the results, or if they are in possession of unpublished price-sensitive information of the Group. In addition, the Directors and key executives of the Company and Group are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

18. Interested Person Transactions

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

19. Material Contracts

Except for those disclosed above, there were no material contracts of the Company and its subsidiaries involving the interests of the Chief Executive Officer, the Director(s) or the controlling shareholder that has subsisted at the end of the financial year or that has been entered into since the end of the previous financial year.

Directors' Report

(In Singapore dollars)

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Informatics Education Ltd (the "Company") and its subsidiaries (collectively, the "Group"), and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2011.

1. Directors

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

Dato' Robin Tan Yeong Ching
 Wong Wee Woon
 Freddie Pang Hock Cheng
 Mae Ho Seok Khen
 Ung Gim Sei
 Prof. Chew Soon Beng @ Teo Soon Beng

2. Arrangements to enable directors to acquire shares or debentures

Except as described in paragraph 5 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares and debentures

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

Names of Directors	Direct interest			Deemed interest		
	At 1.4.2010	At 31.3.2011	At 21.4.2011	At 1.4.2010	At 31.3.2011	At 21.4.2011
The Company						
Informatics Education Ltd						
Ordinary shares						
Wong Wee Woon	–	908,823	908,823	–	–	–
Freddie Pang Hock Cheng	–	458,823	458,823	–	–	–
Ung Gim Sei	300,000	1,629,411	1,629,411	1,000,000	1,000,000	1,000,000
Prof. Chew Soon Beng @ Teo Soon Beng	450,000	1,550,000	1,550,000	1,000,000	1,000,000	1,000,000

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

Directors' Report (cont'd)

(In Singapore dollars)

3. Directors' interests in shares or debentures (cont'd)

	At the beginning of the financial year/date of appointment	At the end of the financial year	Held by directors		
			At 21.4.2011	Exercise price \$	Exercise period
Options to subscribe for ordinary shares					
Wong Wee Woon	458,823	–	–	0.048	01.04.2007 to 31.03.2011
	500,000	–	–	0.058	20.05.2008 to 19.05.2012
	700,000	700,000	700,000	0.065	05.12.2008 to 04.12.2012
	1,500,000	750,000	750,000	0.023	01.01.2010 to 31.12.2013
	–	1,400,000	1,400,000	0.045	05.03.2011 to 04.03.2015
	–	520,000	520,000	0.125	16.02.2012 to 15.02.2016
Freddie Pang Hock Cheng	458,823	–	–	0.048	01.04.2007 to 31.03.2011
	400,000	400,000	400,000	0.058	20.05.2008 to 19.05.2012
	400,000	400,000	400,000	0.065	05.12.2008 to 04.12.2012
	800,000	800,000	800,000	0.023	01.01.2010 to 31.12.2013
	–	1,000,000	1,000,000	0.045	05.03.2011 to 04.03.2015
	–	200,000	200,000	0.125	16.02.2012 to 15.02.2016
Ung Gim Sei	229,411	–	–	0.048	01.04.2007 to 31.03.2011
	400,000	–	–	0.058	20.05.2008 to 19.05.2012
	400,000	100,000	100,000	0.065	05.12.2008 to 04.12.2012
	800,000	400,000	400,000	0.023	01.01.2010 to 31.12.2013
	–	1,000,000	1,000,000	0.045	05.03.2011 to 04.03.2015
	–	200,000	200,000	0.125	16.02.2012 to 15.02.2016
Prof. Chew Soon Beng @ Teo Soon Beng	400,000	–	–	0.058	20.05.2008 to 19.05.2012
	400,000	100,000	100,000	0.065	05.12.2008 to 04.12.2012
	800,000	400,000	400,000	0.023	01.01.2010 to 31.12.2013
	–	1,000,000	1,000,000	0.045	05.03.2011 to 04.03.2015
	–	200,000	200,000	0.125	16.02.2012 to 15.02.2016
Mae Ho Seok Khen	–	34,000	34,000	0.125	16.02.2012 to 15.02.2016

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

Directors' Report (cont'd)

(In Singapore dollars)

4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit 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.

5. 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 last amended at the Extraordinary General Meeting held on 31 July 2006. At the Extraordinary General Meeting held on 8 August 2003, the members of the Company approved the extension of the Scheme for a further period of ten years from the expiry of the ten-year period of the Scheme on 7 September 2004.

The Scheme is administered by the Remuneration and Strategic Human Resource Committee (the "Committee") comprising the following members:

Prof. Chew Soon Beng @ Teo Soon Beng – Chairman and Independent Director
 Mr Ung Gim Sei – Independent Director
 Mr Freddie Pang Hock Cheng – Non-Executive Director

The members of the Company also approved at the Annual General Meeting held on 28 July 2010 to grant new options. 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
15.02.2011	16.02.2012 to 15.02.2016	0.125	3,097,000

Directors' Report (cont'd)

(In Singapore dollars)

5. Share options (cont'd)

Details of all the outstanding options to subscribe for ordinary shares of the Company pursuant to the Scheme as at 31 March 2011 are as follows:

Offer date	Period during which options are exercisable	Exercise price \$	Number of outstanding options to subscribe for ordinary shares
19.05.2007	20.05.2008 to 19.05.2012	0.058	815,000
04.12.2007	05.12.2008 to 04.12.2012	0.065	1,825,250
31.12.2008	01.01.2010 to 31.12.2013	0.023	5,543,500
04.03.2010	05.03.2011 to 04.03.2015	0.045	8,934,000
15.02.2011	16.02.2012 to 15.02.2016	0.125	2,975,000
			20,092,750

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

	Exercise price \$	Exercise period	Options granted during the financial year	Aggregate options granted since commencement of financial year	Aggregate options exercised/lapsed since commencement of financial year	Aggregate options outstanding at end of financial year
Options to subscribe for ordinary shares						
Wong Wee Woon	0.048	01.04.2007 to 31.03.2011	–	458,823	458,823	–
	0.058	20.05.2008 to 19.05.2012	–	500,000	500,000	–
	0.065	05.12.2008 to 04.12.2012	–	700,000	–	700,000
	0.023	01.01.2010 to 31.12.2013	–	1,500,000	750,000	750,000
	0.045	05.03.2011 to 04.03.2015	–	1,400,000	–	1,400,000
	0.125	16.02.2012 to 15.02.2016	520,000	520,000	–	520,000
Freddie Pang Hock Cheng	0.048	01.04.2007 to 31.03.2011	–	458,823	458,823	–
	0.058	20.05.2008 to 19.05.2012	–	400,000	–	400,000
	0.065	05.12.2008 to 04.12.2012	–	400,000	–	400,000
	0.023	01.01.2010 to 31.12.2013	–	800,000	–	800,000
	0.045	05.03.2011 to 04.03.2015	–	1,000,000	–	1,000,000
	0.125	16.02.2012 to 15.02.2016	200,000	200,000	–	200,000

Directors' Report (cont'd)

(In Singapore dollars)

5. Share options (cont'd)

	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 at end of financial year
Options to subscribe for ordinary shares						
Ung Gim Sei	0.048	01.04.2007 to 31.03.2011	–	429,411	429,411	–
	0.058	20.05.2008 to 19.05.2012	–	400,000	400,000	–
	0.065	05.12.2008 to 04.12.2012	–	400,000	300,000	100,000
	0.023	01.01.2010 to 31.12.2013	–	800,000	400,000	400,000
	0.045	05.03.2011 to 04.03.2015	–	1,000,000	–	1,000,000
	0.125	16.02.2012 to 15.02.2016	200,000	200,000	–	200,000
Prof. Chew Soon Beng @ Teo Soon Beng	0.058	20.05.2008 to 19.05.2012	–	400,000	400,000	–
	0.065	05.12.2008 to 04.12.2012	–	400,000	300,000	100,000
	0.023	01.01.2010 to 31.12.2013	–	800,000	400,000	400,000
	0.045	05.03.2011 to 04.03.2015	–	1,000,000	–	1,000,000
	0.125	16.02.2012 to 15.02.2016	200,000	200,000	–	200,000
Ho Seok Khen	0.125	16.02.2012 to 15.02.2016	34,000	34,000	–	34,000

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

- No options have been granted to the controlling shareholders of the Company and their associates;
- No participant has received 10% or more of the total options available under the plans;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

Directors' Report (cont'd)

(In Singapore dollars)

6. Warrants

The Group issued 195,999,994 Warrants 2011 on 6 January 2006 at an exercise price of \$0.05 per warrant.

The warrants are valid for exercise within a period of 5 years commencing from the first date of issue of the warrants.

162,367,290 Warrants 2011 were exercised during the year at an exercise price of \$0.05 per warrant.

2,593,375 Warrants 2011 which were not converted to shares had expired on 7 January 2011.

There were no outstanding warrants as at 31 March 2011.

7. Audit and Risk Management Committee

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

Mr Ung Gim Sei	–	Chairman and Independent Director
Prof. Chew Soon Beng @ Teo Soon Beng	–	Independent Director
Mr Freddie Pang Hock Cheng	–	Non-Executive Director

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

8. Auditors

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

On behalf of the Board of Directors:

Ung Gim Sei
Director

Wong Wee Woon
Director

Singapore
30 June 2011

Statement by Directors

Pursuant to Section 201(15)

We, Ung Gim Sei and Wong Wee Woon, being two of the directors of Informatics Education Ltd, do hereby state that, in the opinion of the directors,

- (i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and the results of the business, changes in equity and cash flows of the Group, and the changes in equity of the Company for the year ended on that date, 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:

Ung Gim Sei
Director

Wong Wee Woon
Director

Singapore
30 June 2011

Independent Auditors' Report

for the year ended 31 March 2011

To the Members of Informatics Education Ltd

Report on the financial statements

We have audited the accompanying financial statements of Informatics Education Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 40 to 94, which comprise the balance sheets of the Group and the Company as at 31 March 2011, the statements of changes in equity of the Group and the Company, the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Independent Auditors' Report (cont'd)

for the year ended 31 March 2011

To the Members of Informatics Education Ltd

Opinion

In our opinion, the financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

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

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore
30 June 2011

Consolidated Income Statement

for the year ended 31 March 2011 (In Singapore dollars)

	Note	2011 \$'000	2010 \$'000
Revenue	4	36,105	39,213
Employee benefits expense	5	(15,086)	(15,663)
Depreciation of property, plant and equipment	10	(650)	(936)
Other operating expenses	6	(18,141)	(19,850)
Interest income	7	104	105
Profit before taxation		<u>2,332</u>	<u>2,869</u>
Tax write-back	8	207	1,086
Profit for the year		<u><u>2,539</u></u>	<u><u>3,955</u></u>
Profit attributable to:			
Owners of the parent		2,559	3,962
Non-controlling interests		<u>(20)</u>	<u>(7)</u>
		<u><u>2,539</u></u>	<u><u>3,955</u></u>
Earnings per share attributable to owners of the parent (cents per share)			
	9		
Basic		0.19	0.32
Diluted		<u>0.19</u>	<u>0.31</u>

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

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2011 (In Singapore dollars)

	Note	2011 \$'000	2010 \$'000
Profit for the year		2,539	3,955
Other comprehensive income:			
Foreign currency translation		668	345
Other comprehensive income for the year, net of tax		668	345
Total comprehensive income for the year		<u>3,207</u>	<u>4,300</u>
Total comprehensive income attributable to:			
Owners of the parent		3,227	4,307
Non-controlling interests		(20)	(7)
		<u>3,207</u>	<u>4,300</u>

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

Balance Sheets

as at 31 March 2011 (In Singapore dollars)

	Note	Group		Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non-current assets					
Property, plant and equipment	10	1,125	1,373	418	455
Intangible assets	11	47	828	–	–
Investment in subsidiaries	12	–	–	23,511	16,692
Other investments	13	–	–	–	–
Deferred tax assets	14	37	36	–	–
		<u>1,209</u>	<u>2,237</u>	<u>23,929</u>	<u>17,147</u>
Current assets					
Inventories		–	10	–	–
Prepayments		1,278	1,020	182	116
Trade and other receivables	15	4,946	5,105	5,253	6,728
Cash and cash equivalents	16	31,432	23,953	3,273	2,598
Restricted cash at bank	16	522	1,766	–	–
		<u>38,178</u>	<u>31,854</u>	<u>8,708</u>	<u>9,442</u>
Current liabilities					
Fees received in advance		10,980	13,876	69	–
Deferred income and fees		504	789	422	575
Trade and other payables	17	11,600	15,232	9,521	10,706
Accruals for withholding tax		196	130	196	130
Income tax payable		7	200	–	–
		<u>23,287</u>	<u>30,227</u>	<u>10,208</u>	<u>11,411</u>
Net current assets/(liabilities)		<u>14,891</u>	<u>1,627</u>	<u>(1,500)</u>	<u>(1,969)</u>
Total net assets		<u><u>16,100</u></u>	<u><u>3,864</u></u>	<u><u>22,429</u></u>	<u><u>15,178</u></u>
Equity attributable equity holders of the Company					
Share capital	18	29,368	19,904	29,368	19,904
Reserves	19	(13,279)	(16,046)	(6,939)	(4,726)
		<u>16,089</u>	<u>3,858</u>	<u>22,429</u>	<u>15,178</u>
Non-controlling interests		11	6	–	–
Total equity		<u><u>16,100</u></u>	<u><u>3,864</u></u>	<u><u>22,429</u></u>	<u><u>15,178</u></u>

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

Statements of Changes in Equity

for the year ended 31 March 2011 (In Singapore dollars)

	Note	Attributable to owners of the Company						Total equity \$'000
		Share capital \$'000	Employee share option reserve \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Non- controlling interests \$'000	
Group								
At 1 April 2010		19,904	959	(2,765)	(14,240)	(16,046)	6	3,864
Profit for the year		–	–	–	2,559	2,559	(20)	2,539
Other comprehensive income for the year		–	–	668	–	668	–	668
Total comprehensive income for the year		–	–	668	2,559	3,227	(20)	3,207
Shares issued due to exercise of employee share options and warrants	18	9,464	(570)	–	–	(570)	–	8,894
Issuance of new shares to minority shareholder		–	–	–	–	–	25	25
Expiry of employee share options	19	–	(122)	–	122	–	–	–
Grant of equity-settled share options	19	–	110	–	–	110	–	110
At 31 March 2011		29,368	377	(2,097)	(11,559)	(13,279)	11	16,100
At 1 April 2009		19,870	1,093	(3,110)	(18,481)	(20,498)	–	(628)
Profit for the year		–	–	–	3,962	3,962	(7)	3,955
Other comprehensive income for the year		–	–	345	–	345	–	345
Total comprehensive income for the year		–	–	345	3,962	4,307	(7)	4,300
Shares issued due to exercise of employee share options	18	34	–	–	–	–	–	34
Issuance of new shares to minority shareholder		–	–	–	–	–	13	13
Expiry of employee share options	19	–	(279)	–	279	–	–	–
Grant of equity-settled share options	19	–	145	–	–	145	–	145
At 31 March 2010		19,904	959	(2,765)	(14,240)	(16,046)	6	3,864

Statements of Changes in Equity (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

	Note	Share capital \$'000	Employee share option reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
Company						
At 1 April 2010		19,904	959	(5,685)	(4,726)	15,178
Profit for the year		–	–	(1,753)	(1,753)	(1,753)
Other comprehensive income for the year		–	–	–	–	–
Total comprehensive income for the year		–	–	(1,753)	(1,753)	(1,753)
Shares issued due to exercise of employee share options and warrants	18	9,464	(570)	–	(570)	8,894
Expiry of employee share options	19	–	(122)	122	–	–
Grant of equity-settled share options	19	–	110	–	110	110
At 31 March 2011		29,368	377	(7,316)	(6,939)	22,429
At 1 April 2009		19,870	1,093	(6,008)	(4,915)	14,955
Profit for the year		–	–	44	44	44
Other comprehensive income for the year		–	–	–	–	–
Total comprehensive income for the year		–	–	44	44	44
Shares issued due to exercise of employee share options	18	34	–	–	–	34
Expiry of employee share options	19	–	(279)	279	–	–
Grant of equity-settled share options	19	–	145	–	145	145
At 31 March 2010		19,904	959	(5,685)	(4,726)	15,178

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

Consolidated Cash Flow Statement

for the year ended 31 March 2011 (In Singapore dollars)

	Note	2011 \$'000	2010 \$'000
Cash flow from operating activities			
Profit before taxation		2,332	2,869
Adjustments for:			
Depreciation of property, plant and equipment	10	650	936
Amortisation of intangible assets	11	37	–
Gain on disposal of property, plant and equipment	6	(68)	(32)
Fixed assets written-off	6	3	90
Write-back for doubtful receivables	6	(417)	(914)
Bad debts written-off	6	926	839
Gain on disposal of other investment	6	–	(552)
Employee share option expense	5	110	145
Intangible assets written-off	11	729	–
Interest income	7	(104)	(105)
Unrealised exchange loss		961	343
		<hr/>	<hr/>
Operating profit before working capital changes		5,159	3,619
Decrease in inventories		10	2
Decrease in restricted short-term deposits		–	1,050
Increase in trade and other receivables and prepayments		(608)	(1,026)
Decrease in cash held in escrow account		1,244	59
Decrease in fees received in advance		(2,896)	(3,027)
(Decrease)/increase in trade and other payables, deferred income and accruals for withholding tax		(3,917)	487
		<hr/>	<hr/>
Cash (used in)/generated from operations		(1,008)	1,164
Interest received		104	105
Tax refund/(paid)		80	(185)
		<hr/>	<hr/>
Net cash flows (used in)/generated from operating activities		(824)	1,084
Cash flow from investing activities			
Purchase of property, plant and equipment	10	(680)	(597)
Expenditure on intangible assets	11	–	(828)
Proceeds from disposal of property, plant and equipment		320	232
Proceeds on disposal of other investment		–	550
		<hr/>	<hr/>
Net cash used in investing activities		(360)	(643)
Cash flow from financing activities			
Proceeds from exercise of employee share options	18	776	34
Proceeds from exercise of warrants	18	8,118	*
Capital contribution by minority shareholder		25	13
		<hr/>	<hr/>
Net cash generated from financing activities		8,919	47
Net increase in cash and cash equivalents		7,735	488
Cash and cash equivalents at beginning of year		23,953	23,490
Effects of exchange rate changes on opening cash and cash equivalents		(256)	(25)
		<hr/>	<hr/>
Cash and cash equivalents at end of year	16	31,432	23,953
* Less than \$1,000		<hr/> <hr/>	<hr/> <hr/>

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

Notes to the Financial Statements

for the year ended 31 March 2011 (In Singapore dollars)

1. Corporate information

Informatics Education Ltd (the "Company") is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX"). The address of the Company's registered office and principal place of business is 133 Middle Road, #05-01, Singapore 188974.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except as disclosed below:

FRS 103 Business Combinations (revised) and FRS 27 Consolidated and Separate Financial Statements (revised)

The revised FRS 103 *Business Combinations* and FRS 27 *Consolidated and Separate Financial Statements* are applicable for annual periods beginning on or after 1 July 2009. As of 1 April 2010, the Group adopted both revised standards at the same time in accordance with their transitional provisions.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.2 *Changes in accounting policies (cont'd)*

FRS 103 Business Combinations (revised)

The revised FRS 103 introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the adoption of the revised FRS 103 include:

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately;
- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss;
- The Group elects for each acquisition of a business, to measure non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and this impacts the amount of goodwill recognised; and
- When a business is acquired in stages, the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provisions, the revised FRS 103 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 April 2010 are not adjusted.

FRS 27 Consolidated and Separate Financial Statements (revised)

Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss recognised in profit or loss;
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 27 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interests, attribution of losses to non-controlling interests and disposal of subsidiaries before 1 April 2010. The changes will affect future transactions with non-controlling interests.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
INT FRS 119 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2010
Revised FRS 24 <i>Related Party Disclosures</i>	1 January 2011
Amendments to INT FRS 114 <i>Prepayments of a Minimum Funding Requirement</i>	1 January 2011
<i>Agreements for the Construction of Real Estate</i>	1 January 2011
Amendments to FRS 107 <i>Disclosures – Transfers of Financial Assets</i>	1 July 2011
Amendments to FRS 12 <i>Deferred Tax – Recovery of Underlying Assets</i>	1 January 2012
<i>Improvements to FRSs 2010</i>	1 January 2011, unless otherwise stated

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2012.

2.4 *Basis of consolidation*

Business combinations from 1 January 2010

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

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

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

Business combinations are accounted by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.4 **Basis of consolidation (cont'd)**

Business combinations from 1 January 2010 (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquirer.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

In comparison to the above mentioned requirements, the following differences applied:

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.5 **Transactions with non-controlling interests**

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.6 Foreign currency

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

(a) Transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under translation reserve in equity. The translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

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

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

The Group elected to recycle the accumulated exchange differences in the separate component of other comprehensive income that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	-	Shorter of 50 years or remaining 77years of lease period
Furniture and fittings, office and computer equipment	-	3 to 10 years
Improvement to premises	-	3 years
Training aids	-	3 years
Motor vehicles	-	6 years

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

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

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

2.8 *Intangible assets*

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

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

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.8 *Intangible assets (cont'd)*

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

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

Development costs

Deferred development costs are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development. These costs are amortised over 3 years on a straight line basis.

2.9 *Subsidiaries*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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

2.10 *Other investments*

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

The accounting policy for such financial assets is stated in Note 2.13.

2.11 *Inventories*

Inventories are stated at the lower of cost or net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average cost basis. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.12 *Impairment of non-financial assets*

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount, that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.13 *Financial assets*

Initial recognition and measurement

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

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

Subsequent measurement

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

(a) *Loans and receivables*

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.13 *Financial assets (cont'd)*

(b) *Available-for-sale financial assets*

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

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

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses.

Derecognition

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

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.14 *Impairment of financial assets*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(a) *Financial assets carried at amortised cost*

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

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.14 *Impairment of financial assets (cont'd)*

(a) *Financial assets carried at amortised cost (cont'd)*

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

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

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

(b) *Financial assets carried at cost*

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

(c) *Available-for-sale financial assets*

In the case of equity instruments classified as available-for sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss.

Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management. Cash and cash equivalents exclude cash and deposits which are restricted in use.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.16 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 economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

2.17 Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.18 *Employee benefits*

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

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

(c) *Employee share option plans*

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

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

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

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

2.19 *Government grants*

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

Government grants related to income

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Course fees*

Course fee is generally recognised as revenue over the duration of the course. For courses hosted on the e-learning portal, course fee is recognised as revenue over the period access is granted, which typically coincides with the duration of the course. Fees received prior to the commencement of the courses are recorded as fees received in advance in the balance sheet.

(b) *Examination fees*

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

(c) *Franchise fees*

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

(d) *Licence fees*

Licence fee is recognised as revenue on an annual basis evenly spreading over the duration of the agreement. Accreditation fee from potential licensee is recognised upon completion and issue of accreditation report.

(e) *Interest income*

Interest income is recorded using the effective interest rate method.

(f) *Rental income*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(g) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.21 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

As lessee

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

2.22 Taxes

(a) *Current income tax*

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date, in the countries where the Company operates and generate taxable income.

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

(b) *Deferred tax*

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

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

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.22 Taxes (cont'd)

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

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

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

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

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

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

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) **Sales tax**

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

2.23 *Segment reporting*

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

2.24 *Share capital and share issue expenses*

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

2.25 *Contingencies*

A contingent liability is:

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

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

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

2.26 *Related parties*

A party is considered to be related to the Group if:

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Group;
 - (ii) has an interest in the Group that gives it significant influence over the Group; or
 - (iii) has joint control over the Group;
- (b) The party is an associate;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Group;
- (e) The party is a close member of the family of any individual referred to in (a) or (d); or
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made certain judgements, apart from those involving estimations, which has significant effect on the amounts recognised in the financial statements.

Development costs

Development costs are capitalised in accordance with the accounting policy in Note 2.8. Initial capitalisation of costs is based on management's judgement that economical feasibility is confirmed when the development project has reached a defined milestone according to an established project management model and when recoverability can be assessed with reasonable certainty. In determining the amounts to be capitalised, management makes assumptions regarding the expected future economic benefits of the project, discount rates to be applied and the expected period of benefits. The carrying amount of development costs capitalised at the end of the reporting period was \$47,000 (2010: \$828,000).

Income tax payable

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax payables as at 31 March 2011 was \$7,000 (2010: \$200,000). The carrying amount of the Group's deferred tax assets as at 31 March 2011 was \$37,000 (2010: \$36,000).

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plants and equipment to be within 3 to 10 years. The carrying amount of the Group's plant and equipment as at 31 March 2011 was \$933,000 (2010: \$980,000). Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Impairment of loans and receivables

To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the end of the reporting period is disclosed in Note 23 to the financial statements.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

3.2 Key sources of estimation uncertainty (cont'd)

Recognition of examination fees revenue

Examination fees are recognised as revenue when examination services are substantially performed. When examination dates fall in the next financial year, management is required to use its judgement to establish the proportion of fees to be recognised as revenue in the current period based on services performed during the period as a proportion of the total services to be performed. The proportion is derived based on the cost incurred for the respective services.

4. Revenue

	Group	
	2011	2010
	\$'000	\$'000
Training, examination and education course fees	34,822	38,388
Franchise and service income	745	509
Rental income	538	316
	36,105	39,213

5. Employee benefits expense

	Group	
	2011	2010
	\$'000	\$'000
Employee benefits expense (including key management personnel):		
- salaries and bonuses	13,938	14,277
- defined contribution plan contributions	1,064	1,671
- grant of equity-settled share options	110	145
- government grant from Jobs Credit Scheme	(26)	(430)
	15,086	15,663

Government grant

In 2009, the Singapore Finance Minister announced the introduction of a Jobs Credit Scheme. Under this Jobs Credit Scheme, the Company received a 12% cash grant on the first \$2,500 of each month's wages for each employee on their Central Provident Fund payroll.

The Jobs Credit Scheme was extended to June 2010 with payouts in March and June 2010 at stepped down rates of 6% and 3% respectively. The Group received grant income of \$26,000 (2010: \$430,000) during the financial year.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

5. Employee benefits expense (cont'd)

Employee share option plan

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

The Scheme is administered by the Remuneration and Strategic Human Resource Committee comprising the following members:

Prof. Chew Soon Beng @ Teo Soon Beng	– Chairman and Independent Director
Mr Ung Gim Sei	– Independent Director
Mr Freddie Pang Hock Cheng	– Non-Executive Director

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

There are no cash settlement alternatives in the Scheme.

Movement of share options during the financial year

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

	No. of options in financial year 2011	Weighted average exercise price in financial year 2011 \$	No. of options in financial year 2010	Weighted average exercise price in financial year 2010 \$
Outstanding at beginning of year	43,760,174	0.043	35,478,976	0.051
Granted during the year ⁽¹⁾	3,097,000	0.125	13,739,000	0.045
Exercised during the year ⁽²⁾	(16,930,166)	0.046	(958,823)	0.035
Forfeited during the year	(8,915,041)	0.044	(2,939,413)	0.046
Expired during the year ⁽³⁾	(919,217)	0.048	(1,559,566)	0.231
Outstanding at end of year	<u>20,092,750</u>	<u>0.053</u>	<u>43,760,174</u>	<u>0.043</u>
Exercisable at end of year	<u>10,564,500</u>	<u>0.044</u>	<u>19,936,174</u>	<u>0.046</u>

(1) The weighted average fair value of share option granted during the year was \$0.078 per share (2010: \$0.029 per share), with a share option acceptance date expiring on 14 March 2011.

(2) The weighted average share price at the date of exercise of the options exercised during the year was \$0.1626 (2010: \$0.0496).

(3) The weighted average remaining contractual life for the share options outstanding at the end of the year is 3.43 years (2010: 3.51 years).

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

5. Employee benefits expense (cont'd)

Movement of share options during the financial year (cont'd)

Details of outstanding share options as at 31 March 2011 are as follows:

Offer date	Period during which options are exercisable	Exercise price \$	Number of outstanding options to subscribe for ordinary shares
19.05.2007	20.05.2008 to 19.05.2012	0.058	815,000
04.12.2007	05.12.2008 to 04.12.2012	0.065	1,825,250
31.12.2008	01.01.2010 to 31.12.2013	0.023	5,543,500
04.03.2010	05.03.2011 to 04.03.2015	0.045	8,934,000
15.02.2011	16.02.2012 to 15.02.2016	0.125	2,975,000
			20,092,750

Fair value of share options granted

The fair value of share options as at the date of grant is estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used for the years ended 31 March 2011 and 2010 are shown below:

	2011	2010
Dividend yield (%)	–	–
Expected volatility (%)	95.00	95.00
Historical volatility (%)	95.00	95.00
Risk-free interest rate (%)	3.00	3.00
Expected life of options (years)	3.00 – 4.00	3.00 – 4.00
Weighted average share price (\$)	0.125	0.045

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

6. Other operating expenses

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

	Note	Group	
		2011 \$'000	2010 \$'000
Fixed assets written-off		3	90
Gain on disposal of property, plant and equipment		(68)	(32)
Gain on disposal of other investment		–	(552)
Write-back for impairment of trade and other receivables	15	(417)	(914)
Bad debts written-off	15	926	839
Foreign exchange loss		185	434
Operating lease expenses		3,421	3,616
Franchising and licensing, accreditation, registration and assessment fees		5,097	5,117
Training costs and materials		850	1,433
Selling and promotion costs		3,684	5,330
Intangible assets written-off	11	729	–
Utilities charges		1,038	1,001

7. Interest income

	Group	
	2011 \$'000	2010 \$'000
Interest income		
- cash and deposits	104	105

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

8. Income tax

The major components of income tax expense for the years ended 31 March 2011 and 2010 are:

	Note	Group	
		2011 \$'000	2010 \$'000
Current income tax:			
- current year		113	103
- over provision in respect of prior years		(386)	(5)
Deferred tax:			
- current year	14	-	14
Foreign withholding tax expense/(write-back)		66	(1,198)
Income tax credit recognised in profit or loss		(207)	(1,086)

The reconciliation between tax credit and the product of profit before taxation multiplied by the applicable corporate tax rates for the years ended 31 March 2011 and 2010 are as follows:

Profit before taxation	2,332	2,869
Tax at the applicable tax rate of 17% (2010: 17%)	396	488
Adjustments:		
Different tax rates in other countries	7	1,537
Income not subject to taxation	(146)	(682)
Non-deductible expenses	702	850
Deferred tax benefits not recognised	868	542
Over provision in respect of previous years	(386)	(5)
Foreign withholding tax expense/(write-back)	66	(1,198)
Benefits from previously unrecognised capital allowances and tax losses	(1,714)	(2,618)
Income tax credit recognised in profit or loss	(207)	(1,086)

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

9. Earnings per share

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

Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the effects of all dilutive potential ordinary shares.

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

	Group	
	2011	2010
	\$'000	\$'000
Profit for the year attributable to equity holders of the Company	2,559	3,962
	Number of shares	
	2011	2010
	'000	'000
Weighted average number of ordinary share for basic earnings per share computation	1,329,676	1,255,333
Effects of dilution:		
- share options	14,459	5,788
Weighted average number of ordinary share for diluted earnings per share computation	1,344,135	1,261,121

2,975,000 (2010: 16,245,174) share options granted to employees under the existing employee share option plans have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

Since the end of the financial year, senior executives have exercised the options to acquire 100,000 (2010: nil) ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

10. Property, plant and equipment

	Freehold land \$'000	Buildings \$'000	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Training aids \$'000	Motor vehicles \$'000	Total \$'000
Group							
Cost:							
At 1 April 2009	88	691	17,124	4,353	1,186	275	23,717
Additions	–	–	474	13	110	–	597
Disposals/write-off	–	(170)	(7,982)	(1,548)	(12)	(44)	(9,756)
Exchange differences on consolidation	–	22	(52)	(52)	(2)	(2)	(86)
At 31 March 2010 and 1 April 2010	88	543	9,564	2,766	1,282	229	14,472
Additions	–	–	348	105	117	110	680
Disposals/write-off	–	(258)	(44)	–	–	(116)	(418)
Exchange differences on consolidation	–	(18)	(60)	(64)	(2)	–	(144)
At 31 March 2011	88	267	9,808	2,807	1,397	223	14,590
Accumulated depreciation and impairment:							
At 1 April 2009	–	270	16,255	4,101	1,028	76	21,730
Charge for the year	–	11	612	159	116	38	936
Disposals/write-off	–	(48)	(7,906)	(1,460)	(8)	(44)	(9,466)
Exchange differences on consolidation	–	5	(48)	(54)	(2)	(2)	(101)
At 31 March 2010 and 1 April 2010	–	238	8,913	2,746	1,134	68	13,099
Charge for the year	–	–	430	32	145	43	650
Disposals/write-off	–	(70)	(35)	–	–	(58)	(163)
Exchange differences on consolidation	–	(5)	(50)	(64)	(2)	–	(121)
At 31 March 2011	–	163	9,258	2,714	1,277	53	13,465
Net book value:							
At 31 March 2011	88	104	550	93	120	170	1,125
At 31 March 2010	88	305	651	20	148	161	1,373

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

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

	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Training aids \$'000	Motor vehicles \$'000	Total \$'000
Company					
Cost:					
At 1 April 2009	562	2	1,677	229	2,470
Additions	136	–	70	–	206
Disposals	(16)	–	–	–	(16)
As at 31 March 2010 and 1 April 2010	682	2	1,747	229	2,660
Additions	59	–	68	110	237
Disposals	(4)	–	(1,567)	(116)	(1,687)
At 31 March 2011	737	2	248	223	1,210
Accumulated depreciation and impairment:					
At 1 April 2009	436	–	1,566	30	2,032
Charge for the year	81	1	55	38	175
Disposals	(2)	–	–	–	(2)
As at 31 March 2010 and 1 April 2010	515	1	1,621	68	2,205
Charge for the year	94	1	78	43	216
Disposals	(4)	–	(1,567)	(58)	(1,629)
At 31 March 2011	605	2	132	53	792
Net book value:					
At 31 March 2011	132	–	116	170	418
At 31 March 2010	167	1	126	161	455

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

11. Intangible assets

	Group 2011 \$'000
Cost:	
As at 1 April 2009	–
Additions	828
As at 31 March 2010 and 1 April 2010	828
Written off ⁽¹⁾	(729)
Exchange differences	(15)
As at 31 March 2011	84
Accumulated amortisation:	
As at 1 April 2009, 31 March 2010 and 1 April 2010	–
Additions	37
As at 31 March 2011	37
Net book value:	
As at 31 March 2011	47
As at 31 March 2010	828

(1) Development costs written-off during the year relate to programme certification costs capitalised by the Group in FY 2010. It was written off due to delays in obtaining approvals from the relevant authorities and significant uncertainty over the future economic benefits. The amount has been recognized in profit or loss under the line item "other operating expenses".

12. Investment in subsidiaries

	Company	
	2011 \$'000	2010 \$'000
Unquoted equity shares, at cost	104,903	104,903
Increase during the year	7,030	–
Impairment loss	(87,298)	(88,211)
Liquidation of subsidiaries	(1,124)	–
Carrying amount	23,511	16,692
Movement in impairment loss is as follows:		
Balance at beginning of year	88,211	57,993
Charge for the year	211	30,375
Liquidation of subsidiaries	(1,124)	(157)
Balance at end of year	87,298	88,211

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

12. Investment in subsidiaries (cont'd)

Name of Company (country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interests		Cost of investment by the Company	
		2011 %	2010 %	2011 \$'000	2010 \$'000
Held by the Company					
(1) Informatics Academy Pte Ltd (Singapore) (Note a)	Computer and business education and training, business management consultancy and child development	100	100	52,424	45,724
(1) PurpleTrain.com Pte Ltd (Singapore)	Operation of e-learning portal providing e-learning for higher education, corporations and education services	100	100	50	50
(1) Informatics International Pte Ltd (Singapore)	Franchise and licensing business and operation system support	100	100	100	100
(1) Informatics Global Campus Pte Ltd (Singapore)	Operation of e-learning portal providing e-learning for higher education, corporations and education services	100	100	50	50
(2) Citinetics Sdn Bhd (Malaysia)	Dormant	100	100	–	–
Futurekids Learning Centre Sdn Bhd (Malaysia)	Under member's voluntary liquidation	100	100	284	284
(2) Informatics Education Malaysia Sdn Bhd (Malaysia)	Computer education and training, educational and business management consultancy	100	100	14,054	14,054
Informatics Resources Group (M) Sdn Bhd (Malaysia)	Under member's voluntary liquidation	100	100	2,327	2,327
(2) Informatics Computer Education Sdn Bhd (Malaysia)	Dormant	100	100	1,182	1,182
(7) Singapore Informatics Computer Institute (Pvt) Ltd (Sri Lanka)	Computer education and training	100	100	788	788
(3) Informatics Education (HK) Ltd (Hong Kong)	Computer education and training	100	100	776	776
* Informatics (Shanghai) Ltd (Hong Kong)	Liquidated	–	100	–	909

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

12. Investment in subsidiaries (cont'd)

Name of Company (country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interests		Cost of investment by the Company	
		2011 %	2010 %	2011 \$'000	2010 \$'000
Held by the Company (cont'd)					
* Informatics (North China) Ltd (Hong Kong)	Liquidated	–	100	–	215
Informatics Group (Europe) Limited (United Kingdom)	Under member's voluntary liquidation	100	100	37,850	37,850
⁽⁵⁾ Informatics Education UK Ltd (United Kingdom)	Investment holding	100	100	@	@
** Informatics Consultancy (Shanghai) Co., Ltd (The People's Republic of China)	Dormant	100	100	594	594
** Silicon Valley International University, Inc (USA) (Note a)	E-learning portal for higher education programs and other education services	100	–	194	–
** Informatics Global Campus, Inc (USA) (Note a)	Operation of e-learning portal providing e-learning for higher education, corporations and education services	100	–	136	–
				110,809	104,903

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

12. Investment in subsidiaries (cont'd)

Name of Company (country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interests	
		2011 \$'000	2010 \$'000
Held by the subsidiaries			
Informatics Financial Learning Pte Ltd (Singapore)	Under member's voluntary liquidation	75	75
* Informatics Smarter Education Sdn Bhd (Malaysia)	Liquidated	–	70
Informatics Open Learning Services Sdn Bhd (Malaysia)	Under member's voluntary liquidation	100	100
* IAHE Consultants Sdn Bhd (Malaysia)	Liquidated	–	100
* PurpleTrain.com (M) Sdn Bhd (Malaysia)	Liquidated	–	100
Institute Sarjana Sdn Bhd (Malaysia)	Under member's voluntary liquidation	100	100
⁽²⁾ Informatics Training Technology Sdn Bhd (Malaysia)	Dormant	100	100
Informatics Perkasa Sdn Bhd (Malaysia)	Under member's voluntary liquidation	100	100
⁽⁴⁾ NCC Education (M) Sdn Bhd (Malaysia)	Computer education and training	100	100
* Informatics Professional Training Limited (Hong Kong)	Liquidated	–	100

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

12. Investment in subsidiaries (cont'd)

Name of Company (country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interests	
		2011 \$'000	2010 \$'000
Held by the subsidiaries (cont'd)			
⁽⁵⁾ NCC Education Limited (United Kingdom)	Educational and business management consultancy	100	100
Informatics Investments Limited (United Kingdom)	Under member's voluntary liquidation	60	60
⁽⁶⁾ NCC (Beijing) Education Consulting Co., Ltd (The People's Republic of China)	Computer education and training	100	100
⊗ Denotes less than \$1,000.			
⁽¹⁾ Audited by Ernst & Young LLP, Singapore.			
⁽²⁾ Audited by Siew Boon Yeong & Associates, Malaysia.			
⁽³⁾ Audited by BDO Limited, Hong Kong.			
⁽⁴⁾ Audited by Rabin & Associates, Malaysia.			
⁽⁵⁾ Audited by Tenon Audit Limited, United Kingdom.			
⁽⁶⁾ Audited by Nexia International Zhong Lei, The People's Republic of China.			
⁽⁷⁾ Audited by Ernst & Young, Sri Lanka.			
* The subsidiary was liquidated during the year.			
** Not required to be audited by the laws of the country of incorporation.			

(a) **New subsidiaries and additional investments**

Informatics Academy Pte Ltd ("IAPL")

During the year, the Company subscribed for 6,700,000 additional share capital issued by wholly owned subsidiary, IAPL, for a total cash consideration of \$6,700,000. The fresh capital injection was to improve IAPL's credit rating as required by the Council for Private Education for its EduTrust certification.

Silicon Valley International University, Inc ("SVIU") and Informatics Global Campus, Inc ("IGC")

SVIU was incorporated as a wholly-owned subsidiary of the Company in April 2010 with a paid up capital of US\$100,000 (\$140,000). Subsequently, the Company subscribed for additional share capital of SVIU of 43,000 new ordinary shares for a cash consideration of US\$43,000 (\$54,000).

IGC was incorporated as a wholly-owned subsidiary of the Company in September 2010 with an issued and paid-up capital of USD 100,000 (\$136,000).

The subsidiaries were incorporated as part of the Group's business development plan.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

13. Other investments

	Group and Company	
	2011 \$'000	2010 \$'000
Unquoted equity shares, at cost	3,071	4,828
Disposal of investments	–	(1,757)
Impairment loss	(3,071)	(3,071)
Carrying amount	–	–
Movement in impairment loss is as follows:		
Balance at beginning of year	3,071	4,828
Write-off during the year due to disposal of investments	–	(1,757)
Balance as at end of the year	3,071	3,071

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

14. Deferred income tax

	Note	Group			
		Consolidated balance sheet		Consolidated income statement	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Deferred tax assets relate to the following:					
Excess of depreciation over capital allowances		37	36	–	14
Deferred income tax expense	8			–	14

As at 31 March 2011, the Group has deductible temporary differences of approximately \$206,564 (2010: \$4,109,000) and unutilised tax losses of approximately \$78,127,000 (2010: \$79,201,000) that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies in the Group operate.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

15. Trade and other receivables

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade receivables	5,232	6,071	3,341	4,065
Less: Allowance for doubtful receivables	(3,173)	(3,875)	(2,451)	(3,191)
	2,059	2,196	890	874
Other receivables	3,262	3,843	1,996	2,015
Less: Allowance for doubtful receivables	(1,993)	(2,149)	(1,522)	(1,522)
	1,269	1,694	474	493
Deposits	1,577	1,193	285	1
Staff loans	41	22	8	8
Amounts due from subsidiaries	–	–	15,105	12,293
Less: Allowance for doubtful receivables	–	–	(11,509)	(6,941)
	–	–	3,596	5,352
Total trade and other receivables	4,946	5,105	5,253	6,728

Trade and other receivables

Trade and other receivables are non-interest bearing and are generally cash on demand. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

Related party receivables

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

15. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group and Company have trade and other receivables amounting to \$2,355,000 (2010: \$3,090,000) and \$1,151,000 (2010: \$1,289,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Note	Group		Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade and other receivables past due:					
Less than 30 days		2,070	1,563	1,081	517
More than 30 days, but less than 90 days		285	1,527	70	772
		<u>2,355</u>	<u>3,090</u>	<u>1,151</u>	<u>1,289</u>

Receivables that are impaired

Trade and other receivables that are determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties and have defaulted on payments. The movement of the allowance accounts used to record the impairment is as follows:

Allowance for impairment loss on trade receivables

Trade receivables - nominal amounts		5,048	5,541	3,139	3,666
Less: Allowance for impairment loss		(3,173)	(3,875)	(2,451)	(3,191)
		<u>1,875</u>	<u>1,666</u>	<u>688</u>	<u>475</u>

Movement in allowance accounts:

At beginning of the year		3,875	4,019	3,191	2,963
(Write-back)/charge for the year	6	(417)	(2)	(101)	298
Written-off against allowance		(195)	(100)	(586)	(22)
Exchange difference		(90)	(42)	(53)	(48)
At end of the year		<u>3,173</u>	<u>3,875</u>	<u>2,451</u>	<u>3,191</u>

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

15. Trade and other receivables (cont'd)

Allowance for impairment loss on other receivables

	Note	Group		Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Other receivables – nominal amounts		3,051	3,138	1,937	1,937
Less: Allowance for impairment loss		(1,993)	(2,149)	(1,522)	(1,522)
		<u>1,058</u>	<u>989</u>	<u>415</u>	<u>415</u>
Movement in allowance accounts:					
At beginning of the year		2,149	5,464	1,522	4,736
Write-back for the year	6	–	(912)	–	(991)
Written-off against allowance		(110)	(2,282)	–	(2,109)
Exchange difference		(46)	(121)	–	(114)
At end of the year		<u>1,993</u>	<u>2,149</u>	<u>1,522</u>	<u>1,522</u>

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

Allowance for impairment loss on amounts due from subsidiaries

Amounts due from subsidiaries - nominal amounts	–	–	15,105	12,293
Less: Allowance for impairment loss	–	–	(11,509)	(6,941)
	–	–	<u>3,596</u>	<u>5,352</u>

Movement in allowance accounts:

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
At beginning of the year	–	–	6,941	51,322
Charge/(write-back) for the year	–	–	4,666	(43,718)
Written-off against allowance	–	–	(3)	(563)
Exchange differences	–	–	(95)	(100)
At end of the year	–	–	<u>11,509</u>	<u>6,941</u>

At the end of the reporting period, the Company has provided an allowance of \$11,509,000 (2010: \$6,941,000) for impairment of the unsecured amounts due from subsidiaries with nominal amounts of \$15,105,000 (2010: \$12,293,000).

A reversal of impairment charge of \$417,000 (2010: \$914,000) and bad debts written-off of \$926,000 (2010: \$839,000) was recognised in the consolidated income statement, subsequent to a debt recovery assessment performed on trade and other receivables as at 31 March 2011, net of collections on the balances that were previously written-down (Note 6).

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

15. Trade and other receivables (cont'd)

Financial assets that are neither past due nor impaired

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

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

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
United States Dollars	154	240	220	278
Great Britain Pounds	1,232	249	2,196	1,945
Ringgit Malaysia	77	455	–	–
Hong Kong Dollars	286	263	1	2
Renminbi	428	454	1,383	96
Others	135	96	98	96

16. Cash and cash equivalents

Restricted cash at bank

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<i>Cash and cash equivalents</i>				
Cash at bank and in hand	12,584	8,009	3,273	1,546
Short-term deposits	18,848	15,944	–	1,052
Total cash and cash equivalents	31,432	23,953	3,273	2,598
<i>Restricted cash at bank</i>				
Cash held in escrow accounts *	522	1,766	–	–
Total restricted cash at bank	522	1,766	–	–
Total cash and bank balances	31,954	25,719	3,273	2,598

* A subsidiary is required under student fee protection scheme in Singapore to maintain an escrow bank account where tuition fees paid by its international students are held in trust in this escrow account and disbursed by the bank to the subsidiary according to a predetermined schedule.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

16. Cash and cash equivalents (cont'd)

Restricted cash at bank (cont'd)

Short-term deposits are made for varying periods between one to twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective fixed deposit rates. The weighted average effective interest rate for short-term deposit is 0.63% (2010: 0.46%) per annum.

At the end of the reporting period, cash and short-term deposits denominated in foreign currencies are as follows:

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Australian Dollars	196	236	–	–
Great Britain Pounds	1,486	560	3	560
United States Dollars	805	521	590	442
Renminbi	505	592	–	–

17. Trade and other payables

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade payables	1,958	2,321	427	310
Deposits received	534	1,100	–	537
Other payables	1,220	1,690	821	982
Accrued operating expenses	7,888	10,121	1,692	1,811
Due to subsidiaries	–	–	6,581	7,066
Total trade and other payables	11,600	15,232	9,521	10,706

Trade and other payables

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

Related party payables

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

Purchases from related companies are made at terms agreed between the parties.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

17. Trade and other payables (cont'd)

Deposits received

Deposits received are non-interest bearing and repayable on demand.

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

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
United States Dollars	40	160	25	79
Australian Dollars	1,129	1,595	97	–
Great Britain Pounds	2,842	850	1,912	1,970
Ringgit Malaysia	220	–	1	–
Others	555	85	1	–

18. Share capital

	Note	Group and Company			
		2011		2010	
		No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid:					
At beginning of the year		1,256,087	19,904	1,255,124	19,870
Exercise of employee share options	5	16,930	1,346	960	34
Exercise of warrants		162,367	8,118	3	*
At end of the year		1,435,384	29,368	1,256,087	19,904

* Less than \$1,000

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

The Company has 5 employee share option plans under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

18. Share capital (cont'd)

During the year, the Company issued the following new shares:

- (i) 2,301,666 new shares at \$0.048 each amounting to \$110,480 due to the exercise of 2,301,666 share options under the employee share option scheme of the Company;
- (ii) 4,460,000 new shares at \$0.058 each amounting to \$258,680 due to the exercise of 4,460,000 share options under the employee share option scheme of the Company;
- (iii) 4,042,500 new shares at \$0.065 each amounting to \$262,763 due to the exercise of 4,042,500 share options under the employee share option scheme of the Company;
- (iv) 5,956,000 new shares at \$0.023 each amounting to \$136,988 due to the exercise of 5,956,000 share options under the employee share option scheme of the Company;
- (v) 170,000 new shares at \$0.045 each amounting to \$7,650 due to the exercise of 170,000 share options under the employee share option scheme of the Company; and
- (vi) 162,367,290 new shares at \$0.05 each amounting to \$8,118,365 due to the exercise of 162,367,290 Warrants 2011.

Details of outstanding share options as at 31 March 2011 are shown in Note 5.

19. Reserves

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

Foreign currency translation reserve

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

Employee share option reserve

Employee share option reserve represents the value of equity-settled share options granted to employees (Note 5). The reserve represents the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

20. Related party disclosures

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

In addition to the related party information disclosed elsewhere in the financial statements, there are no other significant transactions between the Group and related parties who are not members of the Group took place during the year at terms agreed between the parties:

Related companies

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

(b) *Compensation of key management personnel*

	Group	
	2011	2010
	\$'000	\$'000
Short-term employee benefits	2,225	2,577
Employee share option expense	85	118
Defined contribution plan contributions	78	92
Other benefits	178	35
	<hr/>	<hr/>
Total compensation paid to key management personnel	2,566	2,822
	<hr/> <hr/>	<hr/> <hr/>
Comprise amounts paid to:		
- Directors of the Company	908	1,115
- Other key management personnel	1,658	1,707
	<hr/>	<hr/>
	2,566	2,822
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

20. Related party disclosures (cont'd)

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

During the financial year:

- 520,000 (2010: 3,200,000) share options were granted to the Company's executive director under the ESOS (Note 5) at an exercise price of \$0.125 (2010: \$0.045) each. This director exercised options for 1,708,823 (2010: nil) ordinary shares of the Company at a price of between \$0.023 and \$0.058 (2010: \$nil) each, with a total cash consideration of \$68,274 (2010: \$nil) paid to the Company.
- 634,000 (2010: 5,000,000) share options were granted to the Company's non-executive directors under the ESOS (Note 5) at an exercise price of \$0.125 (2010: \$0.045) each. These directors exercised options for 2,888,234 (2010: nil) ordinary shares of the Company at a price of between \$0.023 and \$0.065 (2010: \$nil) each, with a total cash consideration of \$136,835 (2010: \$nil) paid to the Company.

At the end of the reporting period, the total number of outstanding share options granted by the Company to the above mentioned directors under the ESOS amount to 9,604,000 (2010: 11,847,057).

	Group and Company	
	2011	2010
	No. of options	No. of options
Aggregate number of share options granted to/adjusted for Directors and key management personnel during the year	2,014,000	11,230,000
Outstanding number of share options granted to Directors and key management personnel at year end	16,128,852	22,952,201

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

21. Commitments and contingencies

(a) *Operating lease commitments – as lessee*

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

Minimum lease payment recognised as an expense in profit or loss for the financial year ended 31 March 2011 amounted to \$3,421,000 (2010: \$3,616,000).

Future minimum lease payments payable under non-cancellable operating leases as at 31 March are as follows:

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Not later than one year	3,305	2,593	846	–
Later than one year but not later than five years	7,582	1,710	3,213	–
Later than five years	–	–	–	–
	<u>10,887</u>	<u>4,303</u>	<u>4,059</u>	<u>–</u>

(b) *Contingent liabilities*

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

22. Segment information

(a) *Business segments*

For management purposes, the Group is organised into business units based on their business segments, and has two reportable operating segments: Global Higher Education segment and Corporate Training segment.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

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

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

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

Management monitors the operating results of its business units separately for the purpose of making decisions about which in certain respects, as explained in the table below, is measured differently from operating income statement in the consolidated financial statements.

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

22. Segment information

(a) Business segments (cont'd)

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities and interest-bearing loans and related expenses.

Transfer pricing

Transfer prices between business segments are set at terms agreed between the parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

The following table presents information regarding the Group's business segments for the years ended 31 March 2011 and 2010 respectively.

	Global Higher Education		Corporate Training		Note	Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000		2011 \$'000	2010 \$'000
Revenue:							
Sales to external customers	34,429	37,628*	1,676	1,585*		36,105	39,213
Results:							
Interest income	104	105	–	–		104	105
Depreciation and amortization	(609)	(890)	(78)	(46)		(687)	(936)
Gain on disposal of property, plant and equipment	68	32	–	–		68	32
Write-back/(allowance) for doubtful receivables and bad debts written off	(519)	71	10	4		(509)	75
Operating lease expenses	(3,107)	(3,439)	(314)	(177)		(3,421)	(3,616)
Other non-cash (expenses)/income	(1,030)	(555)	6	(24)	(i)	(1,024)	(579)
Segment profit/(loss) before tax	2,482	3,816	(150)	(947)		2,332	2,869
Assets:							
Additions to non-current assets	633	1,355	47	70	(ii)	680	1,425
Segment assets	39,317	32,384	33	1,671		39,350	34,055
Adjustments to assets					(iii)	37	36
Total assets						39,387	34,091
Liabilities:							
Segment liabilities	22,859	28,554	421	1,473		23,280	30,027
Adjustments to liabilities					(iv)	7	200
Total liabilities						23,287	30,227

* Figures have been reclassified to provide a meaningful comparison with the current year's presentation.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

22. Segment information (cont'd)

(a) Business segments (cont'd)

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

- (i) Other non-cash (expenses)/income consist of foreign exchange gain/loss, employee share option expense, as presented in the respective notes to the financial statements.
- (ii) Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.
- (iii) Adjustments to assets relate to deferred tax assets added to segment assets to arrive at total assets reported in the consolidated balance sheet.
- (iv) Adjustments to liabilities relate to income tax payable added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet.

(b) Geographical information

The Group's geographical information is based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

The following table presents revenue and non-current assets information for the years ended 31 March 2011 and 2010 respectively.

	Singapore \$'000	United Kingdom \$'000	Asia Pacific* \$'000	Total \$'000
2011				
Revenue:				
Sales to external customers	17,606	10,816	7,683	36,105
Non-current assets	566	177	429	1,172
2010				
Revenue:				
Sales to external customers	18,979	11,342	8,892	39,213
Non-current assets	671	1,017	513	2,201

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

* Figures have been reclassified to provide a meaningful comparison with the current year's comparison.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

22. Segment information (cont'd)

(c) *Information about major customers*

There are no major customers that contribute more than 10% (2010: 10%) of the Group's revenue as at 31 March 2011.

23. Fair value of financial instruments and their classification

Fair value of financial assets and liabilities

Management has determined that the carrying amount of cash and bank balances, current trade and other receivables, and current trade and other payables, reasonably approximate their fair values because these are mostly short term in nature.

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

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

Classification of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities in each of the following categories as defined under FRS 39 as at 31 March 2011 are as follows:

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Loans and receivables				
Trade and other receivables	4,946	5,105	5,253	6,728
Cash and bank balances	31,954	25,719	3,273	2,598
	<u>36,900</u>	<u>30,824</u>	<u>8,526</u>	<u>9,326</u>
Financial liabilities at amortised cost				
Trade and other payables	<u>11,600</u>	<u>15,232</u>	<u>9,521</u>	<u>10,706</u>

24. Financial risk management objectives and policies

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

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

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

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

(a) *Liquidity risk*

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

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

Analysis of financial instruments by remaining contractual maturities

The following table details the Group's and the Company's financial assets and liabilities at the end of the reporting period, based contractual undiscounted cash flows (including interest payments computed using contractual rates) and earliest date the Group and Company can be required to pay.

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assets				
Trade and other receivables	4,946	5,105	5,253	6,728
Cash and cash equivalents	31,432	23,953	3,273	2,598
Total undiscounted financial assets	36,378	29,058	8,526	9,326
Financial liabilities				
Trade and other payables	11,600	15,232	9,521	10,706
Total undiscounted financial liabilities	11,600	15,232	9,521	10,706
Total net undiscounted assets/(liabilities)	24,778	13,826	(995)	(1,380)

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

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

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

(b) Foreign currency risk

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

The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD), Great Britain Pounds (GBP) and Australian Dollars (AUD). Approximately nil% (2010: 2%) of the Group's sales are denominated in foreign currencies whilst almost 74% (2010: 63%) of costs are denominated in the respective functional currencies of the Group's entities. The Group's trade and other receivable and trade and other payable balances at the end of the reporting period have similar exposures as set out in Note 15 and Note 17 respectively.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. The currency mix of the cash and cash equivalent of the Group and Company as at the end of the reporting period are set out in Note 16.

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

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

Sensitivity analysis for foreign currency risk

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

		Group	
		2011	2010
		\$'000	\$'000
USD	- strengthened 5% (2010: 5%)	46	30
	- weakened 5% (2010: 5%)	(46)	(30)
GBP	- strengthened 5% (2010: 5%)	(6)	(262)
	- weakened 5% (2010: 5%)	6	262
AUD	- strengthened 5% (2010: 5%)	(42)	(63)
	- weakened 5% (2010: 5%)	42	63

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

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

(c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a party default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

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

Exposure to credit risk

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

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade and other receivables on an on-going basis. The credit risk concentration profile of the Group's trade and other receivables at the end of the reporting period is as follows:

	Group			
	2011		2010	
	\$'000	% of total	\$'000	% of total
By region:				
Asia-pacific	4,035	82	2,678	69
Europe	911	18	1,210	31
Others	–	–	2	–
	<u>4,946</u>	<u>100</u>	<u>3,890</u>	<u>100</u>
By industry sectors:				
Global Higher Education	4,939	100	3,869	99
Corporate training	7	–	21	1
	<u>4,946</u>	<u>100</u>	<u>3,890</u>	<u>100</u>

At the end of the reporting period, approximately 68% (2010: 79%) of the Company's receivables were due from subsidiaries.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

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

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 (Trade and other receivables).

25. Capital management

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

The Group monitors capital using a gearing ratio, which is net debt divided by total share capital plus net debt. Net debt is calculated as fees received in advance, deferred income and fees, trade and other payables, and accruals for withholding tax less cash and cash equivalents (which exclude escrow and funds restricted in use). The Group's policy is to keep the gearing ratio below 50%. No changes were made in the objectives, policies or processes during the years ended 31 March 2011 and 31 March 2010. There is no external capital requirements imposed on the Group.

	Note	Group	
		2011 \$'000	2010 \$'000
Fees received in advance		10,980	13,876
Trade and other payables		11,600	15,232
Deferred income and fees		504	789
Accruals for withholding tax		196	130
		23,280	30,027
Cash and cash equivalent	16	(31,432)	(23,953)
Net cash/debt		(8,152)	6,074
Share capital		28,798	19,904
Capital and net debt		20,646	25,978
Gearing ratio		(39%)	23%

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2011 (In Singapore dollars)

26. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2011 were authorised for issue in accordance with a resolution of the directors on 30 June 2011.

Additional Information

Portfolio of Properties

Address	Area	Purpose	Lease / Freehold
Informatics Education Malaysia Sdn Bhd 443 & 444 Jalan Tun Dr Ismail 70200 Seremban, Negeri Sembilan, Malaysia	923 sq m	2 units of 3-storey shophouses for office-cum-operator training school	Lease 19/4/1989 to 18/4/2088

Analysis of Shareholdings

Analysis Of Shareholdings As At 15 June 2011

Range Of Shareholdings	No. Of Shareholders	%	No. Of Shares	%
1 - 999	76	1.31	32,103	0.00
1,000 - 10,000	1,783	30.70	10,010,928	0.70
10,001 - 1,000,000	3,875	66.72	360,329,386	25.10
1,000,001 and above	74	1.27	1,065,246,895	74.20
Total	5,808	100.00	1,435,619,312	100.00

Major Shareholders List - Top 20 As At 15 June 2011

No.	Name	No. Of Shares Held	%
1	UOB KAY HIAN PTE LTD	429,873,617	29.94
2	CIMB SECURITIES (SINGAPORE) PTE LTD	296,103,661	20.63
3	PHILLIP SECURITIES PTE LTD	34,257,124	2.39
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	24,058,159	1.68
5	OCBC SECURITIES PRIVATE LTD	21,950,821	1.53
6	CHEAH HON KUEN	19,825,616	1.38
7	DBS NOMINEES PTE LTD	18,082,240	1.26
8	HSBC (SINGAPORE) NOMINEES PTE LTD	14,917,500	1.04
9	WONG TAI	11,765,304	0.82
10	SEOW HOCK HIN (XIAO FUXING)	11,546,000	0.80
11	CHEONG SENG PEOW PETER	10,812,691	0.75
12	RAFFLES NOMINEES (PTE) LTD	10,702,000	0.74
13	NOMURA SINGAPORE LIMITED	10,154,705	0.71
14	OCBC NOMINEES SINGAPORE PTE LTD	8,600,344	0.60
15	LEE KAH YAH BRENDA	6,467,485	0.45
16	CHUA KIANG HIANG	6,340,294	0.44
17	ONG BOON KHENG	5,600,277	0.39
18	KOH HUI LING (XU HUILING)	5,273,529	0.37
19	YAP SWEE LUM @ SEW BEE LAM	5,000,000	0.35
20	YAP CHIN KOK	4,500,000	0.31
		955,831,367	66.58

Substantial Shareholders as at 15 June 2011

as shown in the Company's Register of Substantial Shareholders

Substantial Shareholders	Direct / Beneficial No of Shares	Interest %	Deemed interest	
			No of Shares	%
Berjaya Leisure Capital (Cayman) Ltd	391,270,312	27.25	-	-
Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	434,580,661**	30.27
Berjaya Corporation Berhad	-	-	434,580,661**	30.27
Berjaya Group Berhad	-	-	434,580,661**	30.27
Berjaya Land Berhad	-	-	391,270,312*	27.25
Teras Mewah Sdn Bhd	-	-	391,270,312*	27.25
Kestrel Capital Partners Pte Ltd	299,427,000	20.86	-	-
Lim Eng Hock	-	-	299,427,000	20.86

Notes:

- * Deemed to be interested in the shares held by Berjaya Leisure Capital (Cayman) Limited by virtue of the provisions under Section 7 of the Companies Act, Cap 50.
- ** Deemed to be interested in the shares held by Berjaya Leisure Capital (Cayman) Limited, Berjaya Sompo Insurance Berhad and Rantau Embun Sdn Bhd by virtue of the provisions under Section 7 of the Companies Act, Cap 50.

SHAREHOLDINGS IN THE HANDS OF PUBLIC AS AT 15 JUNE 2011

Based on the information provided, to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 48.41% of the issued ordinary shares are held in the hands of the public as at 15 June 2011. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of Informatics Education Ltd. (the "Company") will be held at Hotel Royal @ Queens, Royal Ballroom Level 3, 12 Queen Street, Singapore 188553 on 28 July 2011 at 2.00 p.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 March 2011 together with the Reports of the Directors and Auditors. **(Resolution 1)**
2. To approve the payment of Directors' Fees of S\$128,750 for the year ended 31 March 2011 (2010: S\$220,000). **(Resolution 2)**
3. To re-elect the following Directors who will retire pursuant to the Company's Articles of Association:

Professor Chew Soon Beng @ Teo Soon Beng (Article 71) - Note (a)	(Resolution 3)
Ms Mae Ho Seok Khen (Article 75)	(Resolution 4)
Dato' Robin Tan Yeong Ching (Article 75)	(Resolution 5)
4. To pass the following resolution:-
"that pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr. Ung Gim Sei be re-appointed as a Director of the Company to hold office until the next Annual General Meeting." – Note (b) **(Resolution 6)**
5. To re-appoint Ernst & Young LLP as Auditors of the Company for the year ending 31 March 2012 and to authorise the Directors to fix their remuneration. **(Resolution 7)**
6. To transact any other business that may be transacted at an Annual General Meeting of which due notice shall have been given.

As Special Business

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

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

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

Notice of Annual General Meeting (cont'd)

- A the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) (the "Share Issues") shall not exceed 50% of the total number of the issued share capital of the Company ("Issued Share Capital") (excluding treasury shares) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of Issued Share Capital (excluding treasury shares) (as calculated in accordance with paragraph (B) below); and
- B (subject to such manner of calculation as may be prescribed by the SGX) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (A) above, the percentage of issued Shares shall be based on the total number of Issued Share Capital of the Company (excluding treasury shares) at the time this Resolution is passed, after adjusting for:-
- (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue or consolidation or subdivision of shares;
- C in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX for the time being in force (unless such compliance has been waived by the SGX), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association for the time being of the Company; and
- D (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 8)

8. Authority to allot and issue Shares pursuant to The Informatics Group Share Option Scheme

That the Directors of the Company be and are hereby authorised to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options granted under The Informatics Group Share Option Scheme ("the Scheme"), provided always that the total number of Shares to be issued pursuant to the Scheme ("the Scheme Shares") shall not exceed 15% of the Issued Share Capital (excluding treasury shares); 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 controlling shareholder of the Company or his associates shall not exceed 10% of the Scheme Shares available under the Scheme.

(Resolution 9)

BY ORDER OF THE BOARD

Khoo Jing Ling
Lo Swee Oi
Company Secretaries

Singapore
11 July 2011

Notice of Annual General Meeting (cont'd)

Explanatory Notes:

- (a) Professor Chew Soon Beng @ Teo Soon Beng will, upon re-election as a Director of the Company, remain as member of the Audit and Risk Management Committee and Nominating Committee and Chairman of the Remuneration & Strategic Human Resource Committee and Banking Committee. He is considered an independent director pursuant to Rule 704(8) of the Listing Manual of the SGX.
- (b) Mr. Ung Gim Sei will, upon his re-appointment as a Director of the Company, remain the Chairman of the Audit & Risk Management Committee and Nominating Committee and a member of the Remuneration & Strategic Human Resource Committee. He is considered an Independent Director pursuant to Rule 704(8) of the Listing Manual of the SGX.
- (c) Resolution 8, if passed, will empower the Directors to issue Shares and/or to make or grant Instruments (such as offers, agreements, options, warrants, debentures) convertible into share and to issue shares in pursuance of any Instruments made or granted by the Directors pursuant to this Resolution, up to a number not exceeding 50% of the total number of Issued Share Capital (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

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

- (d) Resolution 9, if passed, will empower the Directors to allot and issue ordinary shares in the capital of the Company pursuant to The Informatics Group Share Option Scheme (the "Scheme"). The grant of options under the Scheme will be made in accordance with their respective provisions. The maximum number of Shares which the Directors may issue under this resolution shall not exceed the quantum set out in the resolution.

Notes:

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. An instrument of proxy must be deposited at the registered office of the Company at 133 Middle Road #05-01, BOC Plaza, Singapore 188974, not less than 48 hours before the time appointed for the holding of this Meeting or adjourned Meeting.

INFORMATICS EDUCATION LTD.

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

Proxy Form

IMPORTANT:

1. For investors who have used their CPF monies to buy Informatics Education Ltd.'s shares ("CPF Investors"), this Annual Report is forwarded to them at the request of the CPF Agent Banks and is solely FOR INFORMATION ONLY.
2. This Proxy Form is FOR USE ONLY BY MEMBERS whose names in Informatics Educations Ltd are registered in their names. It is not valid for use by CPF Investors and persons whose shares are not registered and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Annual General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified. (Agent Banks : Please see Note 8 on required format). Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.

I/We, _____
of _____

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

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

and/or (delete as appropriate):

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

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf, and if necessary to demand a poll, at the Twenty-Eighth Annual General Meeting of the Company to be held at Hotel Royal @ Queens, Royal Ballroom Level 3, 12 Queen Street, Singapore 188553 on 28 July 2011 at 2p.m. and at any adjournment thereof. The proxy is to vote on the business before the Meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

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

No.	Resolutions relating to:	For	Against
1	Receive and adopt the Audited Financial Statements for the year ended 31 March 2011 together with the Reports of the Directors and Auditors		
2	Approval of Directors' Fees		
3	Re-election of Professor Chew Soon Beng @ Teo Soon Beng as Director (Article 71)		
4	Re-election of Ms Mae Ho Seok Khen as Director (Article 75)		
5	Re-election of Dato' Robin Tan Yeong Ching as Director (Article 75)		
6	Re-appointment of Mr Ung Gim Sei pursuant to Section 153(6) of the Companies Act, Cap. 50		
7	Re-appointment of Messrs Ernst & Young LLP as Auditors and authorise Directors to fix their remuneration		
	SPECIAL BUSINESS		
8	General Mandate to Directors to issue Shares		
9	Mandate to Directors to allot and issue Scheme Shares		

Dated this _____ day of _____ 2011

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

Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	



[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 Singapore Companies Act, Cap. 50), 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, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company 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/her. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 133 Middle Road #05-01, BOC Plaza, Singapore 188974, not less than forty-eight (48) hours before the time appointed for the 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 an 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 Singapore Companies Act, Cap. 50.
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 members, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
8. Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the Meeting.

Corporate Information

Board of Directors

Dato' Robin Tan Yeong Ching
(Non-Executive Chairman)
Mr Wong Wee Woon
(Chief Executive Officer, Executive Director)
Mr Freddie Pang Hock Cheng
(Non-Executive Director)
Ms Mae Ho Seok Khen
(Non-Executive Director)
Mr Ung Gim Sei
(Independent Director)
Prof. Chew Soon Beng @ Teo Soon Beng
(Independent Director)

Audit And Risk Management Committee

Mr Ung Gim Sei (Chairman)
Prof. Chew Soon Beng @ Teo Soon Beng
Mr Freddie Pang Hock Cheng

Remuneration And Strategic Human Resource Committee

Prof. Chew Soon Beng @ Teo Soon Beng (Chairman)
Mr Ung Gim Sei
Mr Freddie Pang Hock Cheng

Nominating Committee

Mr Ung Gim Sei (Chairman)
Prof. Chew Soon Beng @ Teo Soon Beng
Mr Freddie Pang Hock Cheng

Banking Committee

Prof. Chew Soon Beng @ Teo Soon Beng (Chairman)
Mr Wong Wee Woon

Key Management

Mr Wong Wee Woon
Ms Cecilia Tong Chiu Fai
Mr Valentine Philip Ortega
Mr Peter Ford
Mr Philip Tan
Mr Kenneth Mok Chi Tak
Mr Mahen Jayalath

Registered Office

133, Middle Road,
#05-01, BOC Plaza,
Singapore 188974
Tel: (65) 65804555
Fax: (65) 65651371
www.informaticseducation.com

Share Registrar and Share Transfer Office

M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906
Tel : (65) 62251452
Fax : (65) 62276660

Auditors

Ernst & Young LLP
Certified Public Accountant

Partner in charge:

Gajendran Vyapuri
(from financial year 2009)
1 Raffles Quay #18-01
North Tower Level 18
Singapore 048583

Banker

Development Bank of
Singapore Bank Ltd
6 Shenton Way
DBS Bank Building
Singapore 068809

Company Secretaries

Ms Khoo Jing Ling
Ms Lo Swee Oi