



# EDUCATION **RESHAPED**

ANNUAL  
REPORT  
2017

## 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.

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# VALUES

## PEOPLE

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

## STUDENT-CENTRIC

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

## INNOVATIVE CULTURE

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



## SOCIAL RESPONSIBILITY

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

## RESULTS

We endeavour to provide sustainable returns to our stakeholders.

# CORPORATE PROFILE

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

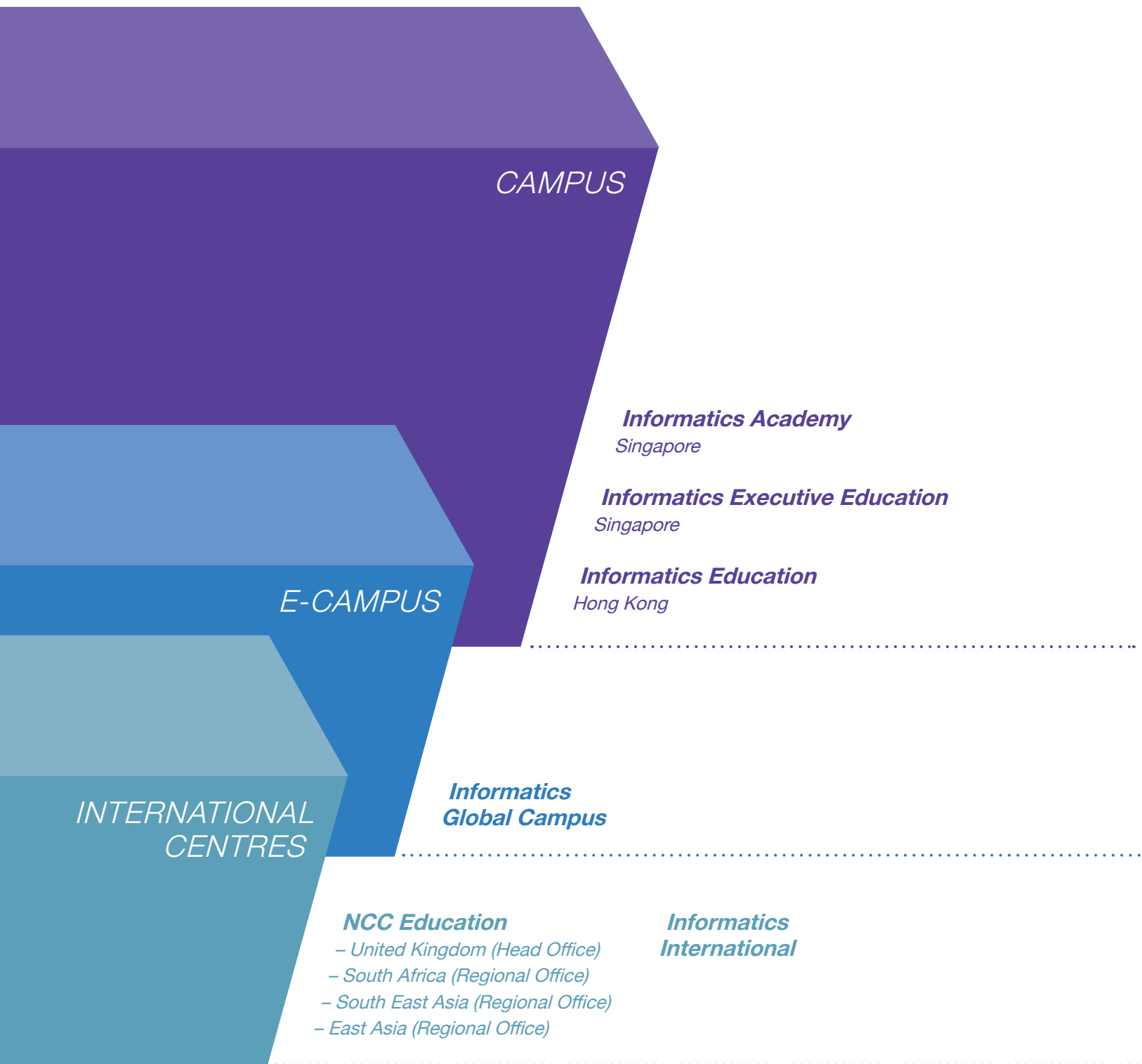
The school offers information technology and business management courses for foundation, diploma, undergraduate and postgraduate levels. The education platform provides diverse learning modes from traditional classroom to e-learning, accommodating the varied lifestyles and needs.

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

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



# GROUP STRUCTURE



## CHAIRMAN'S MESSAGE



Dear Shareholders,

FY 2017 has been a year where the Group continued its efforts to improve its operational efficiency and to build new revenue streams to meet new compliance requirements from regulators and the needs of the changing education landscape. For the financial year that ended on 31 March 2017, the Group recorded a total revenue of \$10.8 million, representing a decline from \$13.0 million in FY 2016. In tandem with the revenue decline, the Group reported a loss of \$5.5 million before tax against a loss of \$5.1 million in FY 2016. As part of efforts to optimise resource utilisation, the Group reduced its manpower cost by 8% and other operating expenses by 14% which in turn amounted to a reduction of \$2.0 million over the previous year's expenses.

### IMPROVED QUALITY

My message last year emphasised on our commitment to improve the quality and standard of our programmes and that of our operations.

These efforts have yielded positive results with Informatics Academy successfully regaining a four-year EduTrust certification status in December 2016 after losing it two years before that. The new certification status serves as a recognition of the academic rigour in our Singapore school and the effectiveness of the school operation. Over the years, the number of private educational institutions in Singapore has declined significantly and to date, there are less than 300 private schools that are qualified to operate in Singapore.

In 2016, 25 schools deregistered with the Committee for Private Education ("CPE") and in 2015, 18 schools closed down.

In January 2017, NCC Education launched its Digi Qualifications programme series which provide a comprehensive primary-and-secondary-level computing curriculum that are aligned to the new English National Curriculum for Computing. The Digi programmes serve to meet the skill needs of the younger student segment and is a project that NCC Education had embarked in 2015 to expand its licensing business to a new and promising segment of customers. In addition, NCC Education will be leveraging on the knowledge base of Informatics Academy to expand its

programmes to include more specialised computing topics. The plan to incorporate Informatics Academy programmes and putting them through the rigorous Ofqual qualification framework of the UK government will improve the quality and recognition levels of the programmes.

To anticipate the global trends in the need for relevant and current skills, the Group has also set up a task force to enhance the training pedagogy and develop programmes which aim to be more pragmatic and industry-centric to better meet current and future demands of the labour market. The programmes will be ready by September 2017, and will provide a wider choice of programmes

“QUALITY EDUCATION IS THE FOUNDATION FOR NATION-BUILDING, ECONOMIC GROWTH, HOLISTIC AND SUSTAINABLE DEVELOPMENT. THE KNOWLEDGE AND INFORMATION ERA HAS RAISED THE IMPORTANCE OF HIGHER EDUCATION AND THE NEED TO ‘UPSKILL’ THE WORKFORCE.”

to our students. This is intended to meet the requirements of the Singapore government’s Skills Future initiatives to ensure that our programmes are relevant to workforce demands and in turn, to help our students secure better employment after graduation.

As part of the performance review process, the Group has also taken steps to remove non-performing programmes and ceased its Sri Lankan operations in this financial year.

#### PARTNERSHIP

We recognise that we cannot do everything in isolation and in order for the Group to grow, partnership has always been one of our top priorities.

To help our graduates transition from education to employment, Informatics Academy has partnered with industry partners for job placement and career development opportunities. Through collaborative partnership with key stakeholders, the Singapore school strives to provide a holistic student learning experience from enrolment to graduation phases of their student life and to help them to be “workforce-ready” upon graduation.

In FY 2017, NCC has also added eight new progression routes to Universities from United Kingdom. In addition, a new Ofqual regulated International Foundation Diploma (Engineering) programme was introduced with existing partner universities, which include University of Central Lancashire and University of Leeds. These new progression routes will provide graduates from NCC

programmes with a wider selection of pathways and allow NCC Education to expand its current footprint of centres to more countries.

Informatics Executive Education, in partnership with SG Enable, has helped to upskill people with disabilities (“PWD”s) and eventually help them gain meaningful employment. In FY 2017, Informatics Executive Education trained 50 PWDs in the areas of Information Technology and Accounting and in a recent survey, more than one-third of the trainees have found jobs in various industries. Encouraged by this positive outcome, the Group is working with SG Enable to expand its training programmes to a wider group of eligible audience. In addition, we are also working with professional bodies to develop and accredit short training programmes that have more immediate and direct impact on the workforce.

#### LOOKING BEYOND TRADITIONAL EDUCATION

Quality education is the foundation for nation-building, economic growth, holistic and sustainable development. The knowledge and information era has raised the importance of higher education and the need to ‘upskill’ the workforce. Most Higher Education Institutions are currently going through the rigorous process of transformation to keep pace with the demands and ensure long-term sustainability. In FY 2017, Informatics Education has established close partnerships with academia, industries and authorities in the countries that we have presence in. On top of the traditional

academic education conducted by Informatics Academy and NCC Education, Informatics Executive Education provides an efficient and pragmatic way of learning to help people in the workforce to acquire skills and experience they need at work. We are now well-poised to expand the organisation’s scope to look beyond the traditional education businesses.

The executive education and licensing businesses have experienced positive revenue growth of 20% and 8% respectively in their own market against FY 2016 performance. However, gains from the growth of the licensing business to the Group was nullified by the depreciation of the British currency. Singapore school operations, though experienced a more direct financial impact from the Group’s increased efforts to enhance quality and improve efficiency, has also achieved the recognition by the local authority through the EduTrust certification award. This is an indication that the Group has started to turn around and the Board is confident that we will be able to adapt to the changing demands of the market and achieve business growth in the coming years.

On behalf of the Group, I would like to put on record our appreciation to the directors, staff, partners, students and shareholders for their continued support. I am hopeful that we will continue to steer the progress of the Group to a better performance in the new financial year.

**Dato’ Sri Robin Tan Yeong Ching**  
Chairman



**DATO' SRI  
ROBIN TAN YEONG CHING**  
*Non-Executive Chairman*

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

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

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



**MS YAU SU PENG**  
*Executive Director*

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

Ms Yau has a wealth of experience in retail, financial payments, law, marketing and communications from both the government and private sectors. She was appointed to the Board in November 2012 and served as Alternate Director to Dato' Sri Robin Tan Yeong Ching from 25 April 2012 to 23 November 2012.

She joined the Berjaya group from MasterCard Worldwide, where she was Vice President of Marketing and Sales. She was responsible for developing the marketing and corporate communications strategy and building the MasterCard brand in Malaysia. In her six years with MasterCard, Ms Yau led on a number of key corporate

## BOARD OF DIRECTORS

accounts and strengthened MasterCard's market share and brand presence in Malaysia especially within the premium customer segment in the area of retail and cross-border payments, and partnerships with tourism and retail industry authorities.

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





**MS MAE HO SEOK KHEN**  
*Non-Executive,  
Non-Independent Director*

Ms Mae Ho is the Executive Director/ Chief Executive Officer of Berjaya Higher Education Sdn Bhd and Director of Berjaya College Sdn Bhd and Berjaya Global Professional Development Sdn Bhd.

Educated and graduated with a Master's Degree in Education Management (Bath), UK and professional hospitality qualification in UK. Mae has been in the hospitality and tourism education and professional sectors for more than three decades.

She started her career in the hospitality industry as a lecturer and then as Dean, School of Hotel & Catering Management at Kolej Damansara Utama, Petaling Jaya. Subsequently, she was appointed Director of School at Sunway University College. Her other credentials include Honorary Professor and Honorary President of Taishan Polytechnic (Shandong, China).

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

She has been appointed to the Board of Advisor Asia Pacific Centre for Events Management (APCEM) in 2016.



**MR UNG GIM SEI**  
*Independent Director*

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

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

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



**PROFESSOR CHEW SOON BENG**  
*Independent Director*

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

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

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

# GLOBAL OPERATIONS REVIEW

## INFORMATICS ACADEMY

Informatics Academy Pte Ltd (IAPL) is a wholly-owned subsidiary of Informatics Education Ltd. It is registered with the Committee for Private Education (CPE) under the Enhanced Registration Framework (ERF) and attained the EduTrust certification since 2010.

Since 1989, IAPL has offered a wide range of diploma and degree courses that provide higher education opportunities for adult learners. Its success in offering quality and affordable education has kindled keen interest from investors around the world, eventually leading to Informatics venturing into the education franchise and licensing business. To date, Informatics' international awards have benefitted more than 57,000 individuals, many of whom are active contributors in their respective fields.

Over the years, IAPL has continued to evolve and adapt to the changing business landscape. This includes implementing effective strategies to capitalise on new opportunities while mitigating risk, and partnering with prestigious UK institutions to offer degree pathways that cater to the emerging needs of learners.

Since 2003, IAPL witnessed a steady increase in its enrolment for international students. One of the pull factors is that



the academy always strives to provide a safe and nurturing environment that is conducive for learning. This is reflected in the academy's relocation to the National Library Building at Victoria Street in 2015. Easily accessible by public transport, the new building is fully equipped with modern facilities for maximum learning outcomes.

FY2017 remains a very challenging year for Singapore private education institutions (PEI) and the sector witnessed a further decline in student enrolment. CPE has imposed new statutory requirements as part of its efforts to raise standards. Despite the challenging business situation, IAPL has persevered and focused on building upon the foundation and momentum created in the preceding year. The team's effort to improve standards and rationalize operations was eventually paid off when IAPL was awarded EduTrust (four-year) status in December 2016.

The effort to inculcate a greater 'sense-of-ownership' and 'go-the-extra-mile' has yielded visible results. Staff from HR, Student Services and the Recruitment & Marketing departments have teamed up to organise a wide variety of activities and events with the aim of enhancing student engagement and staff-student rapport. In FY2017, IAPL signed MOUs with leading organisations such as GToken, the innovative crowdsourced mobile publisher and advertising platform, Singapore's Cybersports & Online Gaming Association (SCOGA) and StartUpJobs for job placement, youth leadership as well as training and career development opportunities. Several events held in conjunction with SCOGA as well as Global Compact Network Singapore (GCNS) – which, as part of its mission, aims to nurture the next generation of CSR leaders through youth initiatives – offered IAPL students opportunities to interact with youth leaders, prospective employers and industry leaders. Through these activities, students can better appreciate the real world business environment and map their career aspirations, including in the exciting and developing field of e-sports.

Worthy of mention are the efforts of the IT & Facilities Department to upgrade the learning and training facilities and the excellent service and support rendered by the Student Services Department. These efforts have resulted in significant

improvement in students' learning experience and satisfaction. Consequently, IAPL witnessed a marked improvement in student retention and progression as well as pass rates.

Riding on the upgraded EduTrust status, the team led a series of branding and promotion efforts to accelerate sales efforts. Efforts are underway to re-establish a network of qualified recruitment partners in India, Sri Lanka, Vietnam, Myanmar and China.

Our Country Representatives for China and Malaysia continue to forge strategic alliances with local institutions and establishments to increase the outreach of recruitment nodes.

In March 2017, IAPL launched the NCC series of diploma and advanced diploma courses. The school is in preparation to launch new IT diploma and degree courses in the first half of FY2018.



# GLOBAL OPERATIONS REVIEW

Continued

## INFORMATICS GLOBAL CAMPUS

Informatics Global Campus Pte Ltd (IGC) is a wholly-owned subsidiary of Informatics Education Ltd and offers diploma and degree courses through online platforms. IGC caters to individuals who wish to pursue further education with the flexibility of place and time. Facilitators and students located in different time zones interact with one another via the online learning platform. The carefully blended mix of synchronous and asynchronous learning activities allows greater flexibility for students who want to balance their time between studies and their personal and professional life.

Working professionals form the majority of IGC's student base. They look to the programmes offered to acquire knowledge and qualifications that allow them to develop the skills needed to stay relevant in an ever-changing and challenging market. As companies become more globalised and have employees deployed in offices across borders, online learning and training will play a prominent part in helping these employees stay one step ahead.

As a pioneer in eLearning, IGC has amassed considerable experience in facilitating remote learning via virtual classrooms. In essence, the Learning Management System (LMS) provides access to course materials and the

discussion forum. Live chat sessions enable students to have direct contact with facilitators with recordings of the sessions made available to those unable to participate. Students are able to access their classes online via computers or mobile devices.

In FY2017, IGC piloted and successfully implemented a new LMS known as the Course Networking (theCN). This improved LMS is equipped with tools that facilitate user-generated content, and is an effective channel to post notices and messages. theCN has embedded functionalities that rapidly evaluate the pace of learning, optimise student experience, as well as facilitate the creation of a virtual alumni community.

IGC remains committed to a high degree of academic integrity and operating standards.

The school continues to source and recruit qualified and experienced facilitators to support learning. This year, additional reviews were conducted to update course syllabus and learning materials. In 2017, the school underwent CPE audit for ERF renewal with zero discrepancies. This is a testament to steadfast efforts and good governance.

IGC's online courses appeal to students from around the globe. In FY2017, IGC stepped up efforts to attract students from Nepal, India, Nigeria and Malaysia. However, IGC noted a slight decline in student enrolment from Nigeria due to the currency hike, and from Middle-Eastern countries due to restriction orders imposed by the respective governments. The degree courses remain popular in areas such as Nigeria and in Asia, including Malaysia and Singapore.





## INFORMATICS INTERNATIONAL

Informatics International Pte Ltd (IIPL) is the franchising and licensing unit of Informatics Education Ltd. It liaises with offshore centres on matters related to admissions, assessment and issuance of awards to deserving students. IIPL ensures that centres have access to the latest curriculum and that they are compliant with latest academic regulations and standards.

IIPL manages school operations in Asia, Africa and Middle East which include countries such as Nigeria, Philippines, Indonesia, Brunei, Nepal and Saudi Arabia. It works very closely with Informatics Global Campus (IGC) and NCC Education to offer attractive pathway opportunities for offshore students.

IIPL highly scalable licensing scheme caters to both the mature and emerging markets. The new model translates to substantial

cost savings for medium-to-large partners and low entry cost for start-ups. Irrespective of their size and business goals, centres may adapt their operations according to market conditions without compromising service levels and quality standards. The new model has attracted prospective partners from Nigeria and Asian countries such as Indonesia and Malaysia.

FY2017 continues to be a challenging period for IIPL due to turbulent environmental factors such as adverse currency hikes, civil unrest and tedious regulatory requirements. This has led to prospective partners deferring their plans to set up new centres. In spite of that, IIPL continues to maintain its focus on partnerships and in January 2017, it teamed up with NCC Education to offer integrated products and services to a larger clientele base.

# GLOBAL OPERATIONS REVIEW

Continued

## INFORMATICS EDUCATION (HK) LTD

A wholly-owned subsidiary of Informatics Education Ltd, Informatics Education (HK) Ltd (IEHK) is one of the leading Education and training centres in Hong Kong, have built a strong track record for quality programmes and training services for individuals, multinational corporations and government departments since 1992.

IEHK focuses on professional training for executives at all stage of their career. Over the last 12 months, IEHK continued to be the leader in providing Project Management Professional (PMP)<sup>®</sup> training. Being the Global Registered Education Provider (GREP) of the Project Management Institute (PMI)<sup>®</sup>, IEHK has since trained more than 5500 PMP<sup>®</sup> students which constitute the majority of the Project Management Professionals in the Hong Kong market, and consistently maintained a commendable track record with over 90% examination pass rate. To strengthen IEHK's leader role in Hong Kong market, IEHK newly launched series of Project Management programmes, included Project Management Institute-Agile Certified Practitioner<sup>®</sup> (PMI-ACP), which steadily expanded and continued to boost positive growth.

In the coming year, IEHK strives to design executive programmes in SME and Corporation Business Strategies Development, Big Data Analytics, Talent Management and Cyber Security, these training programmes combined the best conceptual theories and industry expertise to meet various corporation's business needs.



## NCC EDUCATION

A subsidiary of Informatics Education Ltd, NCC Education, is an awarding body that works in partnership with over 150 Accredited Partner Centres and universities in more than 45 countries to offer flexible and cost-effective ways for individuals to join and exit study programmes with an appropriate British qualification as an outcome, from foundation level to level 7.

This is achieved by sustaining differentiation in the marketplace through the provision of IT and Business access pathways to British Higher Education for those who choose to study in their home country.

In line with its mission of enhancing the student experience and widening

opportunities for career progression, NCC Education continues to recognise the full potential of students and to open up pathways for rewarding employment or further study according to their aspirations by extending the range of university articulations and progression routes in the UK and overseas.

In 2015, NCC Education confirmed its strategic partnership with the University of Worcester, aiming to meet the career expectations of learners around the world by maximising their potential for a successful career in international business and management. This agreement allows top-up for the 3rd year of the business degree pathways to a BA (Hons) in Business

Administration, delivered online by NCC Education and validated and awarded by the University of Worcester.

Business Computing and Information Systems top-up degree (validated and awarded by the University of Central Lancashire) has had encouraging increase in the current year intake compared with earlier year figures. The BSc (Hons) Business Information Technology awarded by the University of Greenwich programme has also seen an increase in recent registrations compared with 2014 and 2015 figures.

During the year, NCC Education further added new UK-based university partnerships, including Aston University,

Teeside University, National College of Ireland, Galway-Mayo Institute of Technology, Cardiff University, Aberystwyth University, University of Derby and University of Plymouth. Additionally, a new Ofqual-regulated International Foundation Diploma (Engineering) programme was introduced with existing partner universities, including University of Leeds and University of Central Lancashire.

NCC Education will continue its focus on providing more guaranteed progression routes towards non-UK universities, particularly in Australia. To meet the growing demand, it will seek to partner with new universities offering a face-to-face delivery model for Business top-ups degrees. While

expanding to new countries, NCC Education will always remain true and proud of its UK education origins.

Product development is key to NCC Education's overall business strategy of supporting market stability and growth and of positioning itself as a premium education and awarding body. This involves both enhancements to the existing product portfolio as well as development of new industry and market-driven products. Six key areas of product development have been identified as part of NCC Education's strategic focus into the new year.

Digi	<p>NCC Education's Digi programmes provide a complete teaching and learning solution aligned to the new English national curriculum for Computing.</p> <p>Expertly written student and teacher books, access to additional online enrichment activities and dedicated programme support is offered to all NCC Education partner schools and institutions delivering Digi programmes.</p> <p>The programmes have been designed to meet the needs of both UK and international students and can be delivered in a variety of settings across different delivery time frames. The suggested delivery schedule, using the English schooling system, involve building a core understanding of digital skills, computational thinking, coding and online safety through highly engaging, fully supported lessons as well as online enrichment activities.</p>
International Foundation Year	New pathways and electives will be added with regional recognitions.
New Level 5 Diplomas	With Computing in particular and leveraging on the existing offerings from Informatics Academy, new advanced computer science modules including software development, website design and digital technology, networking and cyber security, and database engineering will be added. This will be mapped to existing progression routes and top-ups to grow both offerings.
Top-Ups	In addition to enhancing the existing Top-Up programs, NCC Education will add offerings from new partner universities. Demand for the online delivery model continues to grow in many markets. However, there remains a strong need to have both face-to-face and blended learning options, particularly in Asia.
Standalone Modules and Services	Existing produces will be offered as individual standalone fractional units.
Partnering	NCC Education will continue to seek out new exciting partnering opportunities to ensure it stays relevant and maintains the premium leader position in the education market.

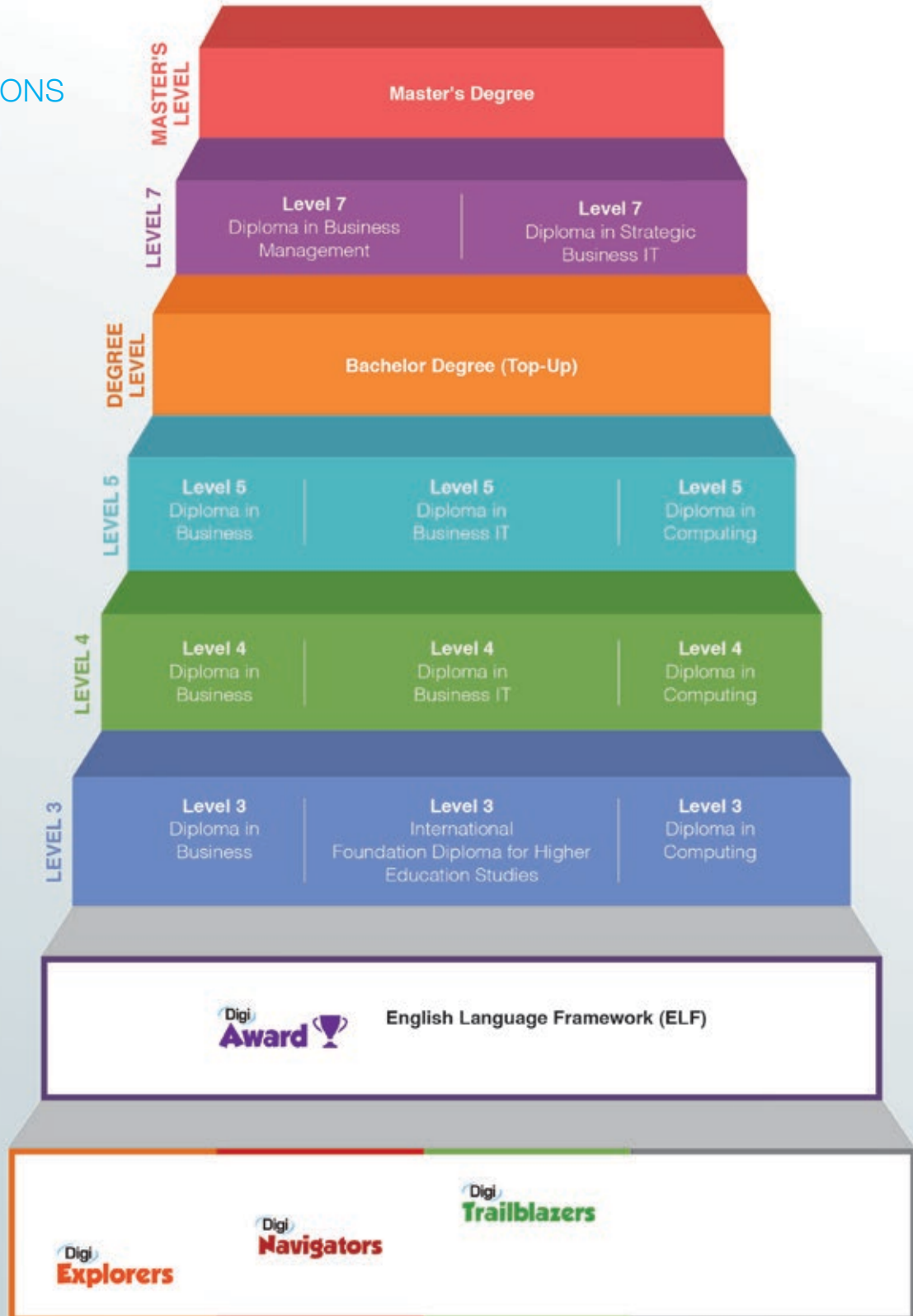
NCC education continues to face challenges within its global markets due to the ever-changing global education landscape that continues to demand greater transparency and rigour in the awarding

process. In facing the challenges of 2017, NCC education remains committed to the strategies and the need to return the business fortress to sustainable growth and profitability. Small successes in the

past year will accumulate into further achievements in the coming year for a greater NCC Education success story.

# GLOBAL OPERATIONS REVIEW Continued

## NCC EDUCATION QUALIFICATIONS





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Dato' Sri Robin Tan Yeong Ching  
*Non-Executive Chairman*

Ms Yau Su Peng  
*Executive Director*

Ms Mae Ho Seok Khen  
*Non-Executive Director,  
Non-Independent Director*

Mr Ung Gim Sei  
*Independent Director*

Prof Chew Soon Beng @ Teo Soon Beng  
*Independent Director*

## AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Ung Gim Sei  
*Chairman*  
Prof Chew Soon Beng @ Teo Soon Beng  
Ms Mae Ho Seok Khen

## REMUNERATION AND STRATEGIC HUMAN RESOURCE COMMITTEE

Prof Chew Soon Beng @ Teo Soon Beng  
*Chairman*  
Mr Ung Gim Sei  
Ms Mae Ho Seok Khen

## NOMINATING COMMITTEE

Mr Ung Gim Sei  
*Chairman*  
Prof Chew Soon Beng @ Teo Soon Beng  
Ms Mae Ho Seok Khen

## BANKING COMMITTEE

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

## COMPANY SECRETARY

Ms Lo Swee Oi

## REGISTERED OFFICE

133 Middle Road #05-01  
BOC Plaza  
Singapore 188974  
T: (65) 6580 4555  
F: (65) 6565 1371  
www.informaticseducation.com

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

M & C Services Private Limited  
112 Robinson Road #05-01  
Singapore 068902  
T: (65) 6227 6660  
F: (65) 6225 1452

## AUDITORS

Ernst & Young LLP  
Public Accountants and  
Certified Public Accountants

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

## BANKER

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

# CORPORATE GOVERNANCE REPORT

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

This report describes the measures and the corporate governance policies and practices of the Company that are currently in place and used throughout the financial year ended 31 March 2017 (the “Year”), which incorporate policies and practices in line with the principles of the Code of Corporate Governance 2012 (the “Code”) for listed companies in Singapore issued by the Monetary Authority of Singapore on 2 May 2012.

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

## BOARD OF DIRECTORS

### Principle 1: Board’s Conduct of Affairs

The Board’s role is to:

- Set the overall business direction and objectives of the Company;
- Review and decide on major transactions, business plans, annual budgets and operating results of the Company;
- Review the Group’s financial performance and authorises announcement issued by the Company;
- Review Management performance;
- Provide entrepreneurial leadership;
- Ensure that the necessary financial and human resources are in place for the Company to meet its objective;
- Review the process for evaluating risks policies, including the adequacy and effectiveness of internal controls and establishment of risk management;
- Identify the key stakeholder groups and recognize that their perceptions affect the Company’s reputation;
- Set the Company’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Matters reserved for full Board’s decision includes corporate or financial restructuring, major acquisition or disposal, corporate or financial restructuring, issuance of shares and other equity or debt instruments, payment of dividends and other distribution to shareholders.

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

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

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

# CORPORATE GOVERNANCE REPORT

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

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

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

Name of Director	Board of Directors	Nominating Committee ("NC")	Remuneration & Strategic Human Resource Committee ("RC")	Audit & Risk Management Committee ("AC")
	No. of Meetings held: 5	No. of Meetings held: 4	No. of Meetings held: 4	No. of Meetings held: 4
	No. of Meetings Attended:	No. of Meetings Attended:	No. of Meetings Attended:	No. of Meetings Attended:
Dato' Sri Robin Tan Yeong Ching	4	N.A.	N.A.	N.A.
Ms Mae Ho Seok Khen	5	4	4	4
Mr Ung Gim Sei	5	4	4	4
Professor Chew Soon Beng @ Teo Soon Beng	5	4	4	4
Ms Yau Su Peng	5	N.A.	N.A.	N.A.

### Notes:

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

During the Board and Board Committee meetings, all Directors took the opportunities to review Management's performance in meeting agreed goals, constructively challenged and helped develop strategies and provided guidance and rendered opinions. Where necessary, the Non-Executive Directors hold meetings without the presence of Management.

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

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

# CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

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

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

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

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

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

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

### Nominating Committee

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

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

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

The duties and responsibilities of the NC include the following:

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

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

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

# CORPORATE GOVERNANCE REPORT

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

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

## **Principle 4: Board Membership**

## **Principle 5: Board Performance**

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

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

The NC reviews annually the Directors due for retirement under the Articles of Association of the Company. Article 71 of the Company's Articles of Association (the "Articles") requires all Directors to retire once at least every 3 years. Directors are subject to retirement by rotation once at least every three years and they are eligible for re-election at the AGM. The Directors who have been longest in office since their last re-election shall retire first. A retiring Director shall be eligible for re-election at the AGM. The NC has nominated Dato' Sri Robin Tan Yeong Ching and Ms Mae Ho Seok Khen retiring under Article 71 of the Articles, and who has given their consent, for re-election at the forthcoming AGM.

The profiles of the Directors are set out on pages 6 to 7 of this Annual Report. The shareholdings of the individual Directors of the Company are set out on page 29 of this Annual Report. None of the Directors hold shares in the subsidiaries of the Company.

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

<b>Name of Director</b>	<b>Date of Initial Appointment</b>	<b>Date of Last Re-appointment/Re-election</b>
Dato' Sri Robin Tan Yeong Ching	22 June 2011	25 July 2014
Ms Mae Ho Seok Khen	27 October 2010	25 July 2014
Mr Ung Gim Sei	13 July 2004	19 July 2016
Professor Chew Soon Beng @ Teo Soon Beng	1 March 2006	19 July 2016
Ms Yau Su Peng	23 November 2012	28 July 2015

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

## **Principle 6: Access to Information**

Directors are provided with complete, adequate and timely information prior to board meetings and on on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. As a general rule, detailed Board and Board Committees papers prepared for each meeting are normally circulated in advance of each meeting. These includes copies of disclosure documents, budgets, forecasts and internal financial statements. In respect of budgets, any material variance between the projections and actual results are also disclosed and explained.

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

# CORPORATE GOVERNANCE REPORT

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

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

## **Remuneration and Strategic Human Resource Committee**

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

RC Chairman: Professor Chew Soon Beng @ Teo Soon Beng (Independent Director)

Members: Mr Ung Gim Sei (Independent Director)  
Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director)

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

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

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

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

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

In line with the Code, the RC will submit its recommendation on the remuneration packages (including Directors' fee, salaries, allowance, bonuses, options and/or benefits in kind) for each Director for endorsement by the Board. No Directors are involved in deciding his or her own remuneration. The RC is also involved in the review of the remuneration scheme for the Senior Management. Directors' fees are recommended by the Board for approval by the shareholders at the Company's AGM. The RC has access to expert advice on human resource matters whenever there is a need to consult externally. The RC determined that there was no need to seek such expert advice for the financial year ended 31 March 2017.

# CORPORATE GOVERNANCE REPORT

## Principle 7: Procedures for Developing Remuneration Policies

## Principle 8: Level and Mix of Remuneration

## Principle 9: Disclosure on Remuneration

### Disclosure of Remuneration

Details of remuneration of Directors of the Company and its top five Key Management Personnel (who are not Directors of the Company and in office during the year) for the financial year ended 31 March 2017 are set out below:

Name	Remuneration (S\$)	Fees* (%)	Salary (%)	Performance Bonuses (%)	Other Benefits (%)	Total (%)
<b>Non-Executive Directors</b>						
Dato' Sri Robin Tan Yeong Ching	25,000	100	–	–	–	100
Ms. Mae Ho Seok Khen	20,000	100	–	–	–	100
Mr. Ung Gim Sei	50,000	100	–	–	–	100
Professor Chew Soon Beng @ Teo Soon Beng	45,000	100	–	–	–	100
<b>Executive Directors</b>						
Ms. Yau Su Peng	80,000	25	75	–	–	100
<b>Top 5 Key Management Personnel (Non-Directors of the Company)</b>						
Dr Charles Ling Poon Teck	250,000 to <500,000	–	90	–	10	100
Tan Cheng Kang	<250,000	–	100	–	–	100
Melina Yong Mei Lin	<250,000	–	100	–	–	100
Emma Dawkins	<250,000	–	100	–	–	100
Allan Maxwell Norton	<250,000	–	100	–	–	100

\* These fees are subject to shareholders' approval as a lump sum at the Annual General Meeting for FY2017

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

The aggregate amount of the total remuneration paid to the top five Key Management Personnel is S\$875,476.68.

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

There is no employee who is related to a Director or the CEO whose remuneration exceeds S\$50,000 in the Group's employment for the financial year ended 31 March 2017.

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



# CORPORATE GOVERNANCE REPORT

## Principle 10: Accountability and Audit

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

## Principle 12: Audit and Risk Management Committee

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

AC Chairman: Mr Ung Gim Sei (Independent Director)

Members: Professor Chew Soon Beng @ Teo Soon Beng (Independent Director)  
Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director)

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

- financial statements, internal and external audit scope and results;
- significant financial reporting issues and judgments and any announcements relating to the Company's financial performance;
- adequacy and effectiveness of the Company's internal controls;
- consistency of and significant changes to accounting policies and practices;
- adequacy of internal audit resources;
- effectiveness of the Company's internal audit function;
- proposal of appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- risk management structure and oversight of risk management process;
- independence and objectivity of external auditor; and
- interested person transactions.

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

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

# CORPORATE GOVERNANCE REPORT

The AC is empowered to make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors. For the Year, the AC, having reviewed the services provided by external auditors during the Year, is satisfied that there are no non-audit services provided to the Group and that the independence and objectivity of the external auditors are not affected. The fee payable to auditors is set out on page 58 of this annual report. The AC has recommended to the Board the nomination of Ernst & Young LLP for re-appointment by shareholders as external auditors of the Company at the forthcoming Annual General Meeting (“AGM”).

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

Members of the AC have independent access to both the external auditors and the internal auditors. During the Year, the AC had meetings with the external and internal auditors without the presence of the Management. The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer of the Company to attend its meetings.

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

The AC also meets with the external and internal auditors without the presence of Management at least annually.

## **Principle 11: Risk Management and Internal Controls**

### **Principle 13: Internal Audit**

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

All business units have a primary responsibility for managing their specific risk exposures based on the Group’s guidelines. The Company has established an Enterprise Risk Management Framework (“ERM framework”) for the purpose of addressing the operational, compliance, financial and information technology risks of the holding Company and its Singapore subsidiaries and will continue improving on the framework.

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

The Board will continue to review and ensure that there are adequate controls in the Group. Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, the Board with the concurrence of the AC, are of the opinion that the Group’s internal controls, and risk management systems maintained addressing financial, operational, compliance and information technology risks were adequate and effective during the Year to address the risks which the Group considers relevant and material. The Internal Auditors will continue to monitor the enforcement of controls in these areas.

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

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

# CORPORATE GOVERNANCE REPORT

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

Any person may file with the Head of Internal Audit who reports to the AC Chairman, a complaint alleging violation of the policy, together with all available supporting documents or other evidence to demonstrate a reason for believing that a violation had occurred. The Head of Internal Audit or his designate shall conduct a preliminary investigation. Thereafter, the Head of Internal Audit shall refer the complaint to the AC Chairman for appropriate follow-up action to be taken. For FY2017, there have been no incidents pertaining to whistle-blowing reported.

The AC ensures that the Internal Audit function is staffed with persons with relevant qualifications and experience and reviews the adequacy and effectiveness of the function at least annually.

The Head of Internal Audit reports to the AC and assists the Board in monitoring and managing business risks and system of internal controls. The Internal Audit function has unfettered access to all the Company’s documents, records, properties and personnel, including access to the AC.

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

The AC has a duty to review and approve the Company’s internal audit plan. The results of the audit findings by Internal Auditors will also be submitted to the AC for review on the internal controls of the Group. It believes that the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems maintained by the Company were adequate and effective during the Year to address the risks which the Group considers relevant and material.

## **Banking Committee**

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

BC Chairman: Professor Chew Soon Beng (Independent Director)

Member: Ms Yau Su Peng (Executive Director)

Member: Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director)

The duties and responsibilities of the BC are as follows:

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

## **Principle 14: Communication with Shareholders**

## **Principle 15: Greater Shareholder Participation**

## **Principle 16: Conduct of Shareholder Meetings**

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

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

# CORPORATE GOVERNANCE REPORT

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

The Company's Articles of Association allows a member of the Company to appoint one or two proxies to attend and vote on behalf of the member. To better reflect shareholders' shareholding interest and ensure greater transparency, since 2013, all resolutions tabled at the AGM are voted by poll. There are separate resolutions tabled on each substantially separate issue. The detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced. The Company's articles allow any shareholder to appoint proxies during his absence, to attend and vote on his behalf at the general meetings. The Company does not permit voting in absentia by mail, facsimile or email due to the difficulty in verifying and ensuring authenticity of the vote.

Minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management are prepared and made available to shareholders upon their request.

Shareholders and potential investors are encouraged to visit the Company's website at [www.informaticseducation.com](http://www.informaticseducation.com) for information on the Company.

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

## **Interested Person Transactions**

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

## **Material Contracts**

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

## **Note:**

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

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

## **Dealings in Securities**

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

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



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# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Informatics Education Ltd (the “Company”) and its subsidiaries (collectively, the “Group”), and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2017 (the “Year”).

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the Year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

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

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

## 3. Arrangements to enable directors to acquire shares or debenture

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

# DIRECTORS' STATEMENT

## 4. Directors' interests in shares and debenture

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

Name of Director	Direct interest			Deemed interest		
	At the beginning of the financial year	At the end of the financial year	As at 21.4.2017	At the beginning of the financial year	At the end of the financial year	As at 21.4.2017
<b>The Company</b>						
<b>Ordinary shares</b>						
Mr Ung Gim Sei	156,470	156,470	156,470	50,000	50,000	50,000
Professor Chew Soon Beng @ Teo Soon Beng	152,500	152,500	152,500	50,000	50,000	50,000

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

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

## 5. Share options

The Company no longer has any share option scheme.

## 6. Audit and Risk Management Committee

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

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

The AC carries out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50. The principal functions of the AC are to:

- Review the annual audit plans of the internal and external auditors of the Group and the Company, and review the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors
- Review the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors

# DIRECTORS' STATEMENT

## 6. Audit and Risk Management Committee (cont'd)

- Review effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Meet with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Review the cost effectiveness and the independence and objectivity of the external auditor
- Review the nature and extent of non-audit services provided by the external auditor
- Recommend to the board of directors the external auditor to be nominated, approve the compensation of the external auditor, and review the scope and results of the audit
- Report actions and minutes of the AC to the board of directors with such recommendations as the AC consider appropriate
- Review interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

Further details regarding the AC are disclosed in the Report on Corporate Governance.



# DIRECTORS' STATEMENT

## 7. Auditor

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

On behalf of the Board of Directors:

**Dato' Sri Robin Tan Yeong Ching**  
Director

**Ms Yau Su Peng**  
Director

Singapore  
30 June 2017

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Informatics Education Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 March 2017, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

#### ***Allowances for impairment in trade receivables***

As at 31 March 2017, the gross balance of trade receivables amounted to \$2.07 million, against which allowance for doubtful debts of \$0.57 million was made. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The assessment of the impairment of trade receivables requires significant management judgment in assessing the trade debtors' ability to pay, as well as the use of estimates to determine the recoverable amount. As a result, we have identified this as a key audit matter.

We evaluated the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of its customers. Our audit procedures also included, amongst others, requesting trade receivable confirmations and obtaining evidence of receipts from the trade receivables after the year end. We also evaluated management's assumptions used to determine the trade receivables impairment amount through analyses of ageing of the receivables and review of material overdue individual trade receivables. We reviewed the adequacy of the Group's disclosures on the trade receivables in Note 14 and the related risks such as liquidity risk and credit risk in Notes 24(a) and 24(c) to the consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

## **Key audit matters (cont'd)**

### ***Impairment of investment in a subsidiary in the Company's balance sheet***

As at 31 March 2017, the Company has investment in subsidiaries of \$4.82 million which represents 97% of the Company's total non-current assets. The impairment assessment of investment in subsidiaries was significant to our audit because the assessment process involved significant management judgement and the use of management estimates. As disclosed in Note 12, during the financial year, management performed an impairment assessment for the subsidiary with impairment indicators. An impairment loss of \$10.97 million was recognized during the year to reduce the investment in the subsidiary to its recoverable amount.

Our audit procedures included, amongst others, assessing the appropriateness of management's assumptions applied in the value-in-use model based on our knowledge of the subsidiary's operations, performance and industry benchmarks. This included obtaining an understanding of management's planned strategies on the subsidiary's revenue growth and cost initiatives, and assessing the reasonableness of the weighted average cost of capital used by management through comparison to market comparable data and information. We also performed sensitivity analysis on those key assumptions used to which the recoverable amount is most sensitive. We also reviewed the adequacy of the disclosures concerning the impairment assessment of investment in subsidiaries in Note 12 to the consolidated financial statements.

## **Other information**

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

## **Responsibilities of management and directors 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 Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

## **Auditor's responsibilities for the audit of the financial statements (cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Tan Chwee Peng.

**Ernst & Young LLP**  
Public Accountants and  
Chartered Accountants  
Singapore  
30 June 2017

# CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

	Note	2017 \$'000	2016 \$'000
Revenue	4	10,800	13,016
Other operating income		212	589
Employee benefits expense	5	(7,862)	(8,527)
Depreciation of property, plant and equipment	10	(200)	(544)
Other operating expenses	6	(8,559)	(9,895)
Interest income	7	110	230
<b>Loss before taxation</b>		<b>(5,499)</b>	<b>(5,131)</b>
Taxation	8	(7)	28
<b>Loss for the year</b>		<b>(5,506)</b>	<b>(5,103)</b>
<b>Loss attributable to:</b>			
Equity holders of the Company		<u>(5,506)</u>	<u>(5,103)</u>
	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>Earnings per share attributable to equity holders of the Company (cents)</b>	<b>9</b>		
Basic		(7.62)	(7.07)
Diluted		<u>(7.62)</u>	<u>(7.07)</u>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
(In Singapore Dollars)

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Loss for the year</b>	(5,506)	(5,103)
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign currency translation	56	408
Other comprehensive income for the financial year	56	408
<b>Total comprehensive income for the financial year</b>	<u>(5,450)</u>	<u>(4,695)</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	<u>(5,450)</u>	<u>(4,695)</u>
	<u>(5,450)</u>	<u>(4,695)</u>

# BALANCE SHEETS

AS AT 31 MARCH 2017  
(In Singapore Dollars)

	Note	Group		Company	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	10	364	293	135	77
Intangible assets	11	181	10	–	–
Investment in subsidiaries	12	–	–	4,820	15,791
Other investments	13	–	–	–	–
		545	303	4,955	15,868
<b>Current assets</b>					
Prepayments		585	486	137	154
Trade and other receivables	14	2,358	2,131	2,371	686
Restricted cash at bank	15	138	138	–	–
Fixed deposits	15	–	10,000	–	–
Cash and cash equivalents	15	8,403	5,286	258	245
		11,484	18,041	2,766	1,085
<b>Current liabilities</b>					
Deferred income and fees		565	1,453	42	93
Trade and other payables	16	3,618	3,593	6,664	2,954
Provision for reinstatement cost	17	230	230	148	148
Accruals for withholding tax		–	2	–	–
Income tax payable		1	1	–	–
		4,414	5,279	6,854	3,195
<b>Net current assets/(liabilities)</b>		7,070	12,762	(4,088)	(2,110)
<b>Total net assets</b>		7,615	13,065	867	13,758
<b>Equity attributable to equity holders of the Company</b>					
Share capital	18	29,908	29,908	29,908	29,908
Reserves	19	(22,293)	(16,843)	(29,041)	(16,150)
<b>Total equity</b>		7,615	13,065	867	13,758

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



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

	Attributable to equity holders of the Company					
	Share capital	Employee share option reserve	Translation reserve	Accumulated losses	Total reserves	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>						
At 1 April 2016	29,908	–	(1,476)	(15,367)	(16,843)	13,065
Loss for the year	–	–	–	(5,506)	(5,506)	(5,506)
Other comprehensive income for the financial year	–	–	56	–	56	56
Total comprehensive income for the financial year	–	–	56	(5,506)	(5,450)	(5,450)
At 31 March 2017	29,908	–	(1,420)	(20,873)	(22,293)	7,615
At 1 April 2015	29,908	53	(1,884)	(10,317)	(12,148)	17,760
Loss for the year	–	–	–	(5,103)	(5,103)	(5,103)
Other comprehensive income for the financial year	–	–	408	–	408	408
Total comprehensive income for the financial year	–	–	408	(5,103)	(4,695)	(4,695)
<u>Contributions by and distribution to owners</u>						
Expiry of employee share options	–	(53)	–	53	–	–
At 31 March 2016	29,908	–	(1,476)	(15,367)	(16,843)	13,065

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

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

	Share capital \$'000	Employee share option reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<b>Company</b>					
At 1 April 2016	29,908	–	(16,150)	(16,150)	13,758
Loss for the financial year, representing total comprehensive income for the financial year	–	–	(12,891)	(12,891)	(12,891)
At 31 March 2017	29,908	–	(29,041)	(29,041)	867
At 1 April 2015	29,908	53	(13,270)	(13,217)	16,691
Loss for the financial year, representing total comprehensive income for the financial year	–	–	(2,933)	(2,933)	(2,933)
<u>Contributions by and distribution to owners</u>					
Expiry of employee share options	–	(53)	53	–	–
At 31 March 2016	29,908	–	(16,150)	(16,150)	13,758

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

	Note	2017 \$'000	2016 \$'000
<b>Cash flow from operating activities</b>			
Loss before taxation		(5,499)	(5,131)
Adjustments for:			
Depreciation of property, plant and equipment	10	200	544
Amortisation of intangible assets	11	19	15
Net gain on disposal of property, plant and equipment	6	(4)	(1)
Impairment loss of property, plant and equipment	6	119	197
(Write-back)/allowance for doubtful debts	6	(38)	128
Bad debts written-off	6	2	197
Loss on liquidation of subsidiaries (Note A)	6	12	–
Interest income	7	(110)	(230)
Unrealised exchange loss		123	458
<b>Operating loss before working capital changes</b>		(5,176)	(3,823)
(Increase)/decrease in prepayments, trade and other receivables		(410)	635
Decrease in deferred income and fees		(888)	(2,256)
Increase/(decrease) in trade and other payables and accruals for withholding tax		23	(1,153)
<b>Cash used in operations</b>		(6,451)	(6,597)
Interest received		230	235
Tax paid		(7)	(24)
<b>Net cash flows used in operating activities</b>		(6,228)	(6,386)
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	10	(401)	(483)
Expenditure on intangible assets	11	(193)	–
Proceeds from disposal of property, plant and equipment		5	1
Withdrawal of fixed deposits		10,000	7,127
<b>Net cash from investing activities</b>		9,411	6,645
Net increase in cash and cash equivalents		3,183	259
Cash and cash equivalents at beginning of the financial year		5,286	5,071
Effects of exchange rate changes on opening cash and cash equivalents		(66)	(44)
<b>Cash and cash equivalents at end of the financial year</b>	15	8,403	5,286

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

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## NOTE A. LIQUIDATION OF SUBSIDIARIES

During the financial year, the Group's wholly-owned subsidiaries, Informatics Global Campus, Inc and PurpleTrain.com Pte Ltd, were placed under members' voluntary liquidation.

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

	2017	2016
	\$'000	\$'000
Net identifiable assets upon liquidation of subsidiaries	12	-
Loss on liquidation of subsidiaries	(12)	-
Total considerations from liquidation of subsidiaries	-	-
Cash and cash equivalents disposed upon liquidation of subsidiaries	-	-
Cash outflow upon liquidation of subsidiaries	-	-

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 1. Corporate information

Informatics Education Ltd (the “Company”) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The registered office and principal place of business of the Company is located at 133 Middle Road, #05-01 BOC Plaza, Singapore 188974.

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

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

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

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

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

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 April 2018.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### 2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 102 <i>Classification and Measurement of Share-Based Payment Transactions</i>	1 January 2018
Amendments to FRS 40 <i>Transfers of Investment Property</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined
Amendments to FRS 104 <i>Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts</i>	1 January 2018
Improvements to FRSs (December 2016)	
(a) Amendments to FRS 101 <i>First-Time Adoption of Financial Reporting Standards</i>	1 January 2018
(b) Amendments to FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2017
(c) Amendments to FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2018
INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of amendment to FRS 109, FRS 115 and FRS 116 are described below.

#### FRS 109 Financial Instruments

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

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

#### FRS 115 Revenue from Contracts with Customers

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

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

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

#### FRS 116: Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

### 2.4 Basis of consolidation

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
(In Singapore Dollars)

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

### 2.5 Foreign currency

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

#### (a) Transactions and balances

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

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

#### (b) Consolidated financial statements

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

### 2.6 Property, plant and equipment

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

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

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

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### 2.7 *Intangible assets*

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

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

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

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

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

#### *Computer software*

Computer software has a finite useful life and is amortised over the period of estimated useful life of 3 years on a straight-line basis.

#### *Development costs*

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

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

### 2.8 *Subsidiaries*

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

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

### 2.9 *Other investments*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
(In Singapore Dollars)

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

### 2.10 *Impairment of non-financial assets*

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

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

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

### 2.11 *Financial instruments*

#### (a) *Financial assets*

##### *Initial recognition and measurement*

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

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

##### *Subsequent measurement*

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

#### (i) Loans and receivables

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

#### (ii) Available-for-sale financial assets

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### 2.11 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

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

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

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

##### *Derecognition*

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

#### (b) Financial liabilities

##### *Initial recognition and measurement*

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

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

##### *Subsequent measurement*

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

##### *Derecognition*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
(In Singapore Dollars)

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

### 2.12 *Impairment of financial assets*

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

#### (a) *Financial assets carried at amortised cost*

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

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

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

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

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

#### (b) *Financial assets carried at cost*

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

### 2.13 *Cash and cash equivalents*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### 2.14 Provisions

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

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

### 2.15 Employee benefits

#### (a) Defined contribution plans

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

#### (b) Employee leave entitlement

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

#### (c) Employee share option plans

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
(In Singapore Dollars)

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

### 2.16 Government grants

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

#### *Government grants related to income*

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

### 2.17 Revenue

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

#### (a) *Course fees*

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

#### (b) *Examination fees*

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

#### (c) *Franchise fees*

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

#### (d) *Licence fees*

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

#### (e) *Rental income*

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

#### (f) *Interest income*

Interest income is recorded using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### 2.18 Leases

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

#### *As lessee*

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

#### *As lessor*

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

### 2.19 Taxes

#### (a) *Current income tax*

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

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

#### (b) *Deferred tax*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
(In Singapore Dollars)

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

### 2.19 Taxes (cont'd)

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

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

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

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

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

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

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

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

#### (c) *Sales tax*

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

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

### 2.20 *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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### 2.21 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.

## 3. Significant accounting judgements and estimates

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

### 3.1 Judgements made in applying accounting policies

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

### 3.2 Key sources of estimation uncertainty

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

#### *Impairment of trade and other receivables*

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by \$167,000 (2016: increase by \$134,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 3. Significant accounting judgements and estimates (cont'd)

### 3.2 Key sources of estimation uncertainty (cont'd)

#### *Impairment of investment in subsidiaries*

The Group assesses at the end of each reporting period whether there is any objective evidence that investment in subsidiaries is impaired. Where there is objective evidence of impairment, the Group follows the guidance of FRS 36 in determining the recoverability of its investment in subsidiaries.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying value of the investment in subsidiaries for the Company as at the end of reporting period was \$4,820,000 (2016: \$15,791,000).

## 4. Revenue

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Course and examination fees <sup>(1)</sup>	10,552	12,923
Franchise and license fee income	186	35
Rental income	62	58
	10,800	13,016

(1) This includes reversal of deferred income and fees amounting to approximately \$779,000 (2016: \$1,706,000) during the year. The amounts were recognised as revenue to the income statement as the courses were not completed within certain time period or the students have dropped out from their courses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 5. Employee benefits expense

	Group	
	2017	2016
	\$'000	\$'000
<hr/>		
Employee benefits expense (including key management personnel):		
– salaries and bonuses	7,022	7,660
– defined contribution plan contributions	840	867
	<u>7,862</u>	<u>8,527</u>

### *Employee share option plan*

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

The Scheme expired on 7 September 2014 and there are no outstanding share options as at 31 March 2017. All share options lapsed in the previous financial year, on 15 February 2016.

### *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 2017	Weighted average exercise price in financial year 2017 \$	No. of options in financial year 2016	Weighted average exercise price in financial year 2016 \$
Outstanding at beginning of year	–	–	674,000	0.125
Expired during the year <sup>(1)</sup>	–	–	(674,000)	0.125
Outstanding at end of year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Exercisable at end of year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

(1) The weighted average remaining contractual life for the share options outstanding at the end of the year is nil (2016: nil).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 6. Other operating expenses

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

	Note	Group	
		2017 \$'000	2016 \$'000
Audit fees to:			
– Auditor of the Company		117	112
– Affiliate to auditor of the Company		49	68
– Other auditors		50	10
Non-audit fees to:			
– Affiliate to auditor of the Company		16	–
– Other auditors		13	13
Amortisation of intangible assets	11	19	15
Net gain on disposal of property, plant and equipment		(4)	(1)
Impairment loss of property, plant and equipment		119	197
Loss on liquidation of subsidiaries		12	–
(Write-back)/allowance for doubtful debts	14	(38)	128
Bad debts written-off	14	2	197
Foreign exchange loss, net		38	423
Operating lease expenses	21	2,184	2,409
Franchising and licensing, accreditation, registration and assessment fees		3,081	3,629
Reversal of accrued operating expenses <sup>(1)</sup>		(207)	(543)

(1) These include reversal of university fees, examination costs and other miscellaneous costs amounting to \$207,000 (2016: \$543,000). During the current financial year, the accruals have been written back to statement of comprehensive income as they are no longer required.

## 7. Interest income

	Group	
	2017 \$'000	2016 \$'000
Arising from bank balances and deposits	110	230

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 8. Taxation

### Major components of income tax expense

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

	Group	
	2017	2016
	\$'000	\$'000
<b>Consolidated income statement:</b>		
Current income tax:		
– current year	7	26
– over provision in respect of prior years	–	(23)
Foreign withholding tax credit	–	(31)
Income tax expense recognised in profit or loss	<u>7</u>	<u>(28)</u>
<u>Relationship between tax expense and accounting loss</u>		
The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rates for the financial years ended 31 March is as follows:		
Loss before taxation	<u>(5,499)</u>	<u>(5,131)</u>
Tax at the domestic rates applicable to profits in the countries where the Group operates	(1,058)	(893)
Adjustments:		
Income not subject to taxation	(45)	–
Non-deductible expenses	808	11
Deferred tax benefits not recognised	1,036	932
Over provision in respect of prior years	–	(23)
Foreign withholding tax credit	–	(31)
Benefits from previously unrecognised capital allowances and tax losses	(740)	(19)
Others	6	(5)
Income tax expense/(credit) recognised in profit or loss	<u>7</u>	<u>(28)</u>

As at 31 March 2017, the Group has tax losses of approximately \$73,432,000 (2016: \$69,909,000) and other temporary differences of approximately \$1,629,000 (2016: \$1,143,000) that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The utilisation of these balances is subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies in the Group operate. There is no expiry for the Group's tax losses in the respective tax jurisdictions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 9. Earnings per share

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

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

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

	Group	
	2017	2016
	\$'000	\$'000
Loss for the financial year attributable to equity holders of the Company	(5,506)	(5,103)

	Number of shares	
	2017	2016
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	72,215	72,215

There are no outstanding share options as at 31 March 2016 and 31 March 2017.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 10. Property, plant and equipment

	Furniture and fittings, office and computer equipment	Improvement to premises	Improvement to premises under construction	Training aids	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
<b>Cost:</b>					
At 1 April 2015	4,621	1,399	–	280	6,300
Additions	167	398	–	–	565
Disposals/write-off	(900)	(655)	–	(249)	(1,804)
Exchange differences	(51)	(11)	–	(4)	(66)
At 31 March 2016 and 1 April 2016	3,837	1,131	–	27	4,995
Additions	330	4	67	–	401
Disposals/write-off	(823)	(186)	–	(28)	(1,037)
Exchange differences	(73)	(12)	–	1	(84)
At 31 March 2017	3,271	937	67	–	4,275
<b>Accumulated depreciation and impairment:</b>					
At 1 April 2015	4,241	1,303	–	280	5,824
Charge for the financial year	287	257	–	–	544
Impairment loss	–	197	–	–	197
Disposals/write-off	(900)	(655)	–	(249)	(1,804)
Exchange differences	(45)	(10)	–	(4)	(59)
At 31 March 2016 and 1 April 2016	3,583	1,092	–	27	4,702
Charge for the financial year	176	24	–	–	200
Impairment loss	119	–	–	–	119
Disposals/write-off	(822)	(186)	–	(28)	(1,036)
Exchange differences	(67)	(8)	–	1	(74)
At 31 March 2017	2,989	922	–	–	3,911
<b>Net carrying amount:</b>					
At 31 March 2017	282	15	67	–	364
At 31 March 2016	254	39	–	–	293

During the financial year, the Group carried out a review of the recoverable amount of its plant and equipment in view of the loss positions of Group companies. An impairment loss of \$119,000 (2016: \$197,000), was recognised in “Other operating expenses” (Note 6) line item of statement of comprehensive income for the financial year ended 31 March 2017. The impairment serves to write-down the Group’s furniture and fittings, office and computer equipment to its recoverable amount.

During the financial year, the additions to the Group’s property, plant and equipment amounted to \$401,000 (2016: \$565,000). The additions were by way of cash payments of \$401,000 (2016: \$483,000) and increase in provision for reinstatement costs of \$Nil (2016: \$82,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Improvement to premises under construction \$'000	Training aids \$'000	Total \$'000
<b>Company</b>					
<b>Cost:</b>					
At 1 April 2015	1,755	290	–	249	2,294
Additions	38	–	–	–	38
Disposals	(33)	–	–	(249)	(282)
At 31 March 2016 and 1 April 2016	1,760	290	–	–	2,050
Additions	58	1	67	–	126
Disposals	(34)	–	–	–	(34)
At 31 March 2017	1,784	291	67	–	2,142
<b>Accumulated depreciation:</b>					
At 1 April 2015	1,642	284	–	249	2,175
Charge for the financial year	74	6	–	–	80
Disposals	(33)	–	–	(249)	(282)
At 31 March 2016 and 1 April 2016	1,683	290	–	–	1,973
Charge for the financial year	44	*	–	–	44
Impairment loss	23	–	–	–	23
Disposals	(33)	–	–	–	(33)
At 31 March 2017	1,717	290	–	–	2,007
<b>Net carrying amount:</b>					
At 31 March 2017	67	1	67	–	135
At 31 March 2016	77	–	–	–	77

\* Denotes less than \$1,000



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
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## 11. Intangible assets

	Software under development \$'000	Development costs \$'000	Total \$'000
<b>Group</b>			
<b>Cost:</b>			
At 1 April 2015	–	219	219
Exchange differences	–	(9)	(9)
At 31 March 2016 and 1 April 2016	–	210	210
Additions	118	75	193
Exchange differences	–	(25)	(25)
At 31 March 2017	118	260	378
<b>Accumulated amortisation:</b>			
At 1 April 2015	–	194	194
Amortisation	–	15	15
Exchange differences	–	(9)	(9)
At 31 March 2016 and 1 April 2016	–	200	200
Amortisation	–	19	19
Exchange differences	–	(22)	(22)
At 31 March 2017	–	197	197
<b>Net carrying amount:</b>			
At 31 March 2017	118	63	181
At 31 March 2016	–	10	10

Development costs relate to cost incurred on courseware products capitalised by a subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 12. Investment in subsidiaries

	Company	
	2017	2016
	\$'000	\$'000
Unquoted equity shares, at cost	72,591	72,671
Impairment losses	(67,771)	(56,880)
Carrying amount	4,820	15,791
Movement in impairment losses is as follows:		
Balance at beginning of financial year	56,880	54,610
Charge for the financial year	10,971	2,270
Liquidation of subsidiaries	(80)	–
Balance at end of financial year	67,771	56,880

Name of company (country of incorporation and place of business)	Principal activities	Proportion of ownership interest		Cost of investment by the Company	
		2017	2016	2017	2016
		%	%	\$'000	\$'000
<b>Held by the Company</b>					
<sup>(1)</sup> Informatics Academy Pte Ltd (Singapore)	Computer and business education and training, business management consultancy and child development	100	100	52,424	52,424
* PurpleTrain.com Pte Ltd (Singapore)	Liquidated during the year	–	100	–	50
<sup>(1)</sup> Informatics International Pte Ltd (Singapore)	Franchise and licensing business and operation system support	100	100	100	100
<sup>(1)</sup> 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
<sup>(2)</sup> Informatics Education Malaysia Sdn Bhd (Malaysia)	Dormant	100	100	14,054	14,054
<sup>(2)</sup> Informatics Computer Education Sdn Bhd (Malaysia)	Dormant	100	100	1,182	1,182
<sup>(6)</sup> Singapore Informatics Computer Institute (Pvt) Ltd (Sri Lanka)	Computer education and training	100	100	788	788
<sup>(3)</sup> Informatics Education (HK) Ltd (Hong Kong)	Computer education and training	100	100	776	776
<sup>(5)</sup> Informatics Education UK Ltd (United Kingdom)	Investment holding	100	100	3,217	3,217
* Informatics Global Campus, Inc (USA)	Liquidated during the year	–	100	–	30
				72,591	72,671

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 12. Investment in subsidiaries (cont'd)

	Name of company (country of incorporation and place of business)	Principal activities	Proportion of ownership interest	
			2017	2016
			%	%
<b>Held by the subsidiaries</b>				
(2)	Informatics Training Technology Sdn Bhd (Malaysia)	Dormant	100	100
(4)	NCC Education (M) Sdn Bhd (Malaysia)	Computer education and training	100	100
(5)	NCC Education Limited (United Kingdom)	Educational and business management consultancy	100	100
(7)	NCC (Beijing) Education Consulting Co., Ltd (The People's Republic of China)	Dormant	100	100
(7)	NCC Education (Beijing) Consulting Co., Ltd (The People's Republic of China)	Computer education and training	100	100

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

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

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

(4) Audited by Rabin & Associates, Malaysia.

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

(6) Audited by BDO Partners, Sri Lanka.

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

\* The subsidiary was liquidated during the financial year.

### (a) **Impairment testing of investment in subsidiaries**

During the financial year, the Company performed an impairment assessment for the investment in subsidiaries where there is an indication that the investment may be impaired. An impairment loss of \$10,971,000 (2016: \$2,270,000) was recognized during the year to reduce the investment in the subsidiary to its recoverable amount. The recoverable amounts of investments in these subsidiaries have been determined based on a value-in-use calculated using cash flow projections from financial budgets approved by management covering a three-year period. The pre-tax discount rate applied to the cash flow projection and the forecasted growth rate used to extrapolate cash flow projections were 10.76% (2016: 9.17%) and 1% (2016: 1%) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 13. Other investments

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Unquoted equity shares, at cost	3,071	3,123	3,071	3,071
Impairment loss	(3,071)	(3,123)	(3,071)	(3,071)
Carrying amount	-	-	-	-

Movement in impairment loss account:

At beginning of the financial year	3,123	3,127	3,071	3,071
Write-off	(58)	-	-	-
Exchange differences	6	(4)	-	-
At end of the financial year	3,071	3,123	3,071	3,071

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

## 14. Trade and other receivables

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade receivables	2,068	2,384	308	354
Less: Allowance for doubtful debts	(571)	(1,329)	(2)	(77)
	1,497	1,055	306	277
Other receivables	96	315	3	144
Goods and services or value added tax receivable	76	25	-	-
Less: Allowance for doubtful debts	-	(60)	-	-
	172	280	3	144
Deposits	687	796	262	259
Staff advances	2	-	-	-
Amounts due from subsidiaries	-	-	10,270	12,713
Less: Allowance for doubtful debts	-	-	(8,470)	(12,707)
	-	-	1,800	6
Total trade and other receivables	2,358	2,131	2,371	686

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 14. Trade and other receivables (cont'd)

### *Trade and other receivables*

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

### *Related party receivables*

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

### *Receivables that are past due but not impaired*

The Group and Company have trade and other receivables amounting to \$1,218,000 (2016: \$719,000) and \$280,000 (2016: \$39,000) respectively, that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Trade and other receivables past due:				
Less than 30 days	911	381	146	1
30–90 days	93	319	2	37
More than 90 days	214	19	132	1
	1,218	719	280	39

### *Receivables that are impaired*

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

### *Allowance for doubtful debts on trade receivables*

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Trade receivables – nominal amounts	600	1,329	2	77
Less: Allowance for doubtful debts	(571)	(1,329)	(2)	(77)
	29	–	–	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 14. Trade and other receivables (cont'd)

Movement in allowance accounts:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
At beginning of the financial year	1,329	1,572	77	186
(Write-back)/charge for the financial year (Note 6)	(38)	128	2	(39)
Written-off against allowance	(619)	(295)	(77)	(69)
Exchange differences	(101)	(76)	–	(1)
At end of the financial year	571	1,329	2	77

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to 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 doubtful debts on other receivables*

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Other receivables – nominal amounts	–	60	–	–
Less: Allowance for doubtful debts	–	(60)	–	–
	–	–	–	–

Movement in allowance accounts:

At beginning of the financial year	60	396	–	–
Written-off against allowance	(61)	(342)	–	–
Exchange differences	1	6	–	–
At end of the financial year	–	60	–	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 14. Trade and other receivables (cont'd)

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

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.

#### Trade and other receivables that are impaired

A write-back for doubtful debts of \$38,000 (2016: allowance of \$128,000) and bad debts write-off of \$2,000 (2016: \$197,000) were recognised in the consolidated income statement, subsequent to a debt recovery assessment performed on trade and other receivables, net of collections on the balances that were previously written-down (Note 6).

### *Allowance for doubtful debts on amounts due from subsidiaries*

	Company	
	2017	2016
	\$'000	\$'000
Amounts due from subsidiaries – nominal amounts	8,470	12,707
Less: Allowance for doubtful debts	(8,470)	(12,707)
	–	–
Movement in allowance accounts:		
At beginning of the financial year	12,707	11,969
Charge for the financial year	866	738
Written-off against allowance	(5,103)	–
At end of the financial year	8,470	12,707

#### Amounts due from subsidiaries that are impaired

At the end of the reporting period, the Company has provided an allowance of \$8,470,000 (2016: \$12,707,000) for impairment of unsecured amounts due from subsidiaries with nominal amounts of \$8,470,000 (2016: \$12,707,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 14. 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, there are no significant trade and other receivables denominated in foreign currencies.

## 15. Cash and cash equivalents/fixed deposits

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b><i>Cash and fixed deposits</i></b>				
Cash at bank and on hand	6,369	3,286	258	245
Short-term deposits	2,034	2,000	–	–
Total cash and cash equivalents	8,403	5,286	258	245
Fixed deposits	–	10,000	–	–
Total cash and fixed deposits	8,403	15,286	258	245
<b><i>Restricted cash at bank</i></b>				
Cash held in escrow accounts	138	138	–	–
Total restricted cash at bank	138	138	–	–
Total cash and bank balances	8,541	15,424	258	245

### ***Restricted cash at bank***

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 15. Cash and cash equivalents/fixed deposits (cont'd)

### *Cash and fixed deposits*

Fixed deposits are made for varying periods between nine and twelve months in the previous financial year, depending on the immediate cash requirements of the Group, and earn interests at the respective fixed deposit rates. The weighted average effective interest rate for short-term and fixed deposits as at 31 March 2017 for the Group was 0.49% (2016: 1.70%) per annum.

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

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Renminbi	2	1	–	–
United States Dollars	82	112	68	102

## 16. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Trade payables	681	457	20	101
Other payables	347	225	85	162
Accrued operating expenses	2,590	2,911	327	456
Due to subsidiaries	–	–	6,232	2,235
Total trade and other payables	3,618	3,593	6,664	2,954

### *Trade and other payables*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 16. Trade and other payables (cont'd)

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

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
United States Dollars	–	14	–	8
Australian Dollars	–	77	–	77
Great Britain Pounds	129	390	–	12

### *Related party payables*

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

## 17. Provision for reinstatement cost

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
At beginning of the financial year	230	270	148	148
Utilisation for the financial year	–	(40)	–	–
At end of the financial year	230	230	148	148

## 18. Share capital

	Group and Company			
	2017		2016	
	No. of Shares '000	\$'000	No. of Shares '000	\$'000
Issued and fully paid:				
At beginning of the financial year	72,215	29,908	1,444,313	29,908
Reduction of ordinary shares due to share consolidation	–	–	(1,372,098)	–
At end of the financial year	72,215	29,908	72,215	29,908

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 18. Share capital (cont'd)

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

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

No share option was exercised during the previous financial year. There were no outstanding share options as at 31 March 2016, as all share options outstanding at the beginning of the financial year lapsed on 15 February 2016.

### Share consolidation

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

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

## 19. Reserves

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

### ***Foreign currency translation reserve***

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

### ***Employee share option reserve***

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 20. Related party disclosures

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

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

#### *Related companies*

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

### (b) *Compensation of key management personnel*

	Group	
	2017	2016
	\$'000	\$'000
Short-term employee benefits	1,041	962
Defined contribution plan contributions	54	37
Other benefits	–	104
Total compensation paid to key management personnel	1,095	1,103
Comprise amounts paid to:		
– Directors of the Company	220	220
– Other key management personnel	875	883
	1,095	1,103

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 21. Commitments and contingencies

### (a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Capital commitments in respect of property, plant and equipment	159	–	159	–
	159	–	159	–

### (b) Operating lease commitments – as lessee

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

Minimum lease payment recognised as an expense in profit or loss for the financial year ended 31 March 2017 amounted to \$ 2,184,000 (2016: \$2,409,000).

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

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Not later than one year	1,128	2,132	169	1,018
Later than one year but not later than five years	492	1,234	–	170
Later than five years	23	213	–	–
	1,643	3,579	169	1,188

### (c) Contingent liabilities

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
(In Singapore Dollars)

## 22. Segment information

### (a) *Business segments*

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

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

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

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

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

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

#### *Allocation basis*

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

#### *Transfer pricing*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 22. Segment information (cont'd)

### (a) *Business segments (cont'd)*

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

	Higher Education		Corporate Training		Note	Total	
	2017	2016	2017	2016		2017	2016
	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Revenue:</b>							
Sales to external customers	9,484	12,001	1,316	1,015		10,800	13,016
<b>Results:</b>							
Other operating income	212	589	–	–		212	589
Interest income	110	230	–	–		110	230
Employee benefits expense	(7,504)	(8,226)	(358)	(301)		(7,862)	(8,527)
Depreciation and amortisation	(215)	(534)	(4)	(25)		(219)	(559)
Impairment loss of property, plant and equipment	(119)	(197)	–	–		(119)	(197)
Net gain on disposal of property, plant and equipment	4	1	–	–		4	1
Write-back/(allowance) for doubtful receivables and bad debts written-off	36	(325)	–	–		36	(325)
Operating lease expenses	(2,028)	(2,272)	(156)	(137)		(2,184)	(2,409)
Other non-cash (expenses)/income	(230)	(254)	131	(74)	(i)	(99)	(328)
<b>Segment (loss)/profit before tax</b>	<b>(5,822)</b>	<b>(5,123)</b>	<b>323</b>	<b>(8)</b>		<b>(5,499)</b>	<b>(5,131)</b>
<b>Assets:</b>							
Additions to non-current assets	592	560	2	5	(ii)	594	565
Segment assets	11,792	18,205	237	139		12,029	18,344
<b>Total assets</b>						<b>12,029</b>	<b>18,344</b>
<b>Liabilities:</b>							
Segment liabilities	4,259	5,181	154	97		4,413	5,278
Income tax payable						1	1
<b>Total liabilities</b>						<b>4,414</b>	<b>5,279</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017  
(In Singapore Dollars)

## 22. Segment information (cont'd)

### (a) *Business segments (cont'd)*

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

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

### (b) *Geographical information*

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

	Singapore \$'000	United Kingdom \$'000	Asia Pacific and Others \$'000	Total \$'000
<b>2017</b>				
<b>Revenue:</b>				
Sales to external customers	3,357	5,441	2,002	10,800
<b>Non-current assets</b>	<b>390</b>	<b>152</b>	<b>3</b>	<b>545</b>
<b>2016</b>				
<b>Revenue:</b>				
Sales to external customers	5,397	5,755	1,864	13,016
<b>Non-current assets</b>	<b>158</b>	<b>139</b>	<b>6</b>	<b>303</b>

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

### (c) *Information about major customers*

There are no major customers that contribute more than 10% (2016: 10%) of the Group's revenue for the financial year ended 31 March 2017.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 23. Fair value of financial instruments

### *Fair value of financial assets and liabilities*

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

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

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

### *Classification of financial assets and liabilities*

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

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b><i>Loans and receivables</i></b>				
Trade and other receivables	2,358	2,131	2,371	686
Fixed Deposits	–	10,000	–	–
Cash and cash equivalents	8,403	5,286	258	245
Restricted cash at bank	138	138	–	–
	10,899	17,555	2,629	931
Less: Goods and service or value added tax receivable	(76)	(25)	–	–
	10,823	17,530	2,629	931
<b><i>Financial liabilities at amortised cost</i></b>				
Trade and other payables	3,618	3,593	6,664	2,954
Less: Goods and service or value added tax payable	(20)	–	(20)	(11)
	3,598	3,593	6,644	2,943

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

## 24. Financial risk management objectives and policies

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

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

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

### (a) *Liquidity risk*

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

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

#### *Analysis of financial instruments by remaining contractual maturities*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### (a) *Liquidity risk (cont'd)*

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

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Trade and other receivables (exclude Goods and service or value added tax receivable)	2,282	2,106	2,371	686
Fixed deposits	–	10,000	–	–
Cash and cash equivalents	8,403	5,286	258	245
Restricted cash at bank	138	138	–	–
Total undiscounted financial assets	10,823	17,530	2,629	931
<b>Financial liabilities</b>				
Trade and other payables (exclude Goods and service or value added tax payable)	3,598	3,593	6,664	2,954
Total undiscounted financial liabilities	3,598	3,593	6,664	2,954
Total net undiscounted assets/(liabilities)	7,225	13,937	(4,035)	(2,023)

### (b) *Foreign currency risk*

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

The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD) and Great Britain Pounds (GBP). Approximately 71% (2016: 64%) of the Group's costs are denominated in the respective functional currencies of the Group entities. The Group's trade and other payable balances at the end of the reporting period have similar exposures as disclosed in Note 16.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### (b) Foreign currency risk (cont'd)

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

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

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

#### *Sensitivity analysis for foreign currency risk*

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

		Group	
		2017	2016
		\$'000	\$'000
USD	– strengthened 5% (2016: 5%)	4	5
	– weakened 5% (2016: 5%)	(4)	(5)
GBP	– strengthened 5% (2016: 5%)	(6)	(19)
	– weakened 5% (2016: 5%)	6	19

### (c) Credit risk

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

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

#### *Excessive risk concentration*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### (c) Credit risk (cont'd)

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

#### *Exposure to credit risk*

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

#### Credit risk concentration profile

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

	2017		Group		2016	
	\$'000	% of total	\$'000	% of total	\$'000	% of total
<b>By region:</b>						
Asia-Pacific	1,121	49	1,365	65		
Europe	1,161	51	741	35		
	<u>2,282</u>	<u>100</u>	<u>2,106</u>	<u>100</u>		
<b>By industry sectors:</b>						
Higher Education	2,187	96	2,067	98		
Corporate Training	95	4	39	2		
	<u>2,282</u>	<u>100</u>	<u>2,106</u>	<u>100</u>		

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

At the end of the reporting period, approximately 76% (2016: 1%) of the Company's receivables were due from subsidiaries.

#### *Financial assets that are neither past due nor impaired*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

(In Singapore Dollars)

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

### (c) Credit risk (cont'd)

*Financial assets that are either past due or impaired*

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

## 25. Capital management

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

The Group monitors capital using a gearing ratio, which is net debt divided by total share capital plus net debt. Net debt is calculated as deferred income and fees, trade and other payables, and accruals for withholding tax less cash and fixed deposit (which exclude escrow and funds restricted in use). The Group's policy is to keep the gearing ratio below 50%. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2017 and 31 March 2016. There is no external capital requirements imposed on the Group.

	Group	
	2017	2016
	\$'000	\$'000
Deferred income and fees	565	1,453
Provision and trade and other payables	3,848	3,823
Accruals for withholding tax	–	2
	4,413	5,278
Cash and cash equivalents/fixed deposits (Note 15)	(8,403)	(15,286)
Net cash	(3,990)	(10,008)
Total equity	7,615	13,065
Net gearing	Below 50%	Below 50%

## 26. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 30 June 2017.

# ANALYSIS OF SHAREHOLDINGS

AS AT 16 JUNE 2017

Range of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	345	7.54	14,522	0.02
100 - 1,000	1,786	39.03	852,705	1.18
1,001 - 10,000	1,983	43.33	7,849,896	10.87
10,001 - 1,000,000	456	9.97	21,729,080	30.09
1,000,001 and above	6	0.13	41,769,264	57.84
	4,576	100.00	72,215,467	100.00

Major shareholders list – Top 20 as at 16 June 2017			No. of shares	%
1	Phillip Securities Pte Ltd		20,818,428	28.83
2	UOB Kay Hian Private Limited		15,091,805	20.90
3	CIMB Securities (Singapore) Pte Ltd		1,797,713	2.49
4	OCBC Securities Private Limited		1,753,962	2.43
5	Raffles Nominees (Pte) Limited		1,213,381	1.68
6	DBS Nominees Private Limited		1,093,975	1.51
7	Maybank Kim Eng Securities Pte Ltd		903,615	1.25
8	United Overseas Bank Nominees Private Limited		823,792	1.14
9	KGI Securities (Singapore) Pte Ltd		762,500	1.06
10	Cheng Yin Mui		669,375	0.93
11	Chua Kiang Hiang		570,464	0.79
12	Tan Lian Seng		512,650	0.71
13	Lim Hee Liat		471,160	0.65
14	Ong Pang Liang		450,000	0.62
15	OCBC Nominees Singapore Private Limited		437,390	0.61
16	CIGA Enterprises Pte Ltd		365,400	0.51
17	Teo Thong Soon		292,028	0.40
18	Koh Hui Ling (Xu Huiling )		263,676	0.36
19	Meo Alessandro		250,000	0.35
20	Tan Teck Heng		230,040	0.32
			48,771,354	67.54

# SUBSTANTIAL SHAREHOLDERS

AS AT 16 JUNE 2017

As shown in the Company's Register of Substantial Shareholders.

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

**Notes:**

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

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

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

\* Based on 72,215,467 ordinary shares as at 16 June 2017.

**Shareholdings in the hands of the public as at 16 June 2017**

Based on the information provided, to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 48.61% of the issued ordinary shares are held in the hands of the public as at 16 June 2017. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fourth Annual General Meeting (“AGM”) of INFORMATICS EDUCATION LTD. (the “Company”) will be held at Mercure Singapore Bugis, Queen III, Level 2, 122 Middle Road, Singapore 188973, on 27 July 2017 at 2.00 p.m. to transact the following business:

## As Ordinary Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 March 2017 and the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ Fees of S\$160,000 for the financial year ended 31 March 2017 (2016: S\$160,000). **(Resolution 2)**
3. To re-elect Ms Ho Seok Khen, a Director retiring pursuant to the Company’s Article 71 of the Constitution. [See Explanatory Note (a)] **(Resolution 3)**
4. To re-elect Dato’ Sri Robin Tan Yeong Ching, a Director retiring pursuant to the Company’s Article 71 of the Constitution. **(Resolution 4)**
5. To re-appoint Ernst & Young LLP as Auditors of the Company for the financial year ending 31 March 2018 and to authorise the Directors to fix their remuneration. **(Resolution 5)**

## As Special Business

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

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

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

# NOTICE OF ANNUAL GENERAL MEETING

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

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

BY ORDER OF THE BOARD

**Ms Lo Swee Oi**  
Company Secretary

12 July 2017

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (a) Ms Ho Seok Khen will, upon her re-election as a Director of the Company, remain as the Member of the Remuneration & Strategic Human Resource Committee, Audit & Risk Management Committee, Nominating Committee and Banking Committee. She is considered a non-Independent Director pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (b) Resolution 6, if passed, will empower the Directors to issue Shares and/or to issue Shares and Instruments of the Company up to a number not exceeding 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) of which up to 20% may be issued other than on a pro rata basis to shareholders. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

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

## Notes:

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

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

"Relevant Intermediary" means:

- (I) a banking corporation licensed under the Banking Act of Singapore (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (II) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act of Singapore (Chapter 289), and who holds shares in that capacity; or
  - (III) the Central Provident Fund Board established by the Central Provident Fund Act of Singapore (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy.
  4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its seal or the hand of its duly authorised officer or attorney.
  5. The instrument of proxy must be deposited at the registered office of the Company at **133 Middle Road #05-01, BOC Plaza, Singapore 188974 (Attention: Company Secretary)** at least 48 hours before the time of the meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## **Personal data privacy:**

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

**INFORMATICS EDUCATION LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 198303419G)

## ANNUAL GENERAL MEETING PROXY FORM

**IMPORTANT:**

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

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

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

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

and/or (delete as appropriate):

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

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Fourth Annual General Meeting ("Meeting") of the Company to be held at Mercure Singapore Bugis, Queen III, Level 2, 122 Middle Road, Singapore 188973, on 27 July 2017 at 2.00 p.m. and at any adjournment thereof. The proxy is to vote on the business before the Meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

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

No.	Resolutions relating to:	For	Against
	<b>ORDINARY BUSINESS</b>		
1	Receive and adopt the Audited Financial Statements for the year ended 31 March 2017 together with the Statement of the Directors and Report of Auditors		
2	Approval of Directors' Fees		
3	Re-election of Ho Seok Khen as Director		
4	Re-election of Dato' Sri Robin Tan Yeong Ching		
5	Re-appointment of Ernst & Young LLP as Auditors and authorise Directors to fix their remuneration		
	<b>SPECIAL BUSINESS</b>		
6	General Mandate to Directors to issue Shares		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017

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

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

[IMPORTANT: Please read notes overleaf]

## Notes:

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

## **Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 July 2017.



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