

**QUARTERLY FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT**

**INFORMATICS EDUCATION LTD**

(Company Registration number: 198303419G)

The Board of Directors of Informatics Education Ltd is pleased to announce the  
unaudited consolidated results for the financial period ended 31 December 2013:-

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	S\$'000			S\$'000		
	Q3 FY2014	Q3 FY2013	%	9M FY2014	9M FY2013	%
<b>Revenue</b>	5,561	6,245	-11%	18,678	19,858	-6%
Employee benefits expense	(2,818)	(2,636)	7%	(8,017)	(8,103)	-1%
Depreciation of property, plant and equipment	(263)	(268)	-2%	(793)	(797)	-1%
Other operating expenses	(2,954)	(3,531)	-16%	(9,469)	(11,708)	-19%
<b>(Loss) / profit from operations</b>	<u>(474)</u>	<u>(190)</u>	N/M	<u>399</u>	<u>(750)</u>	N/M
Interest income	60	51	18%	172	159	8%
<b>(Loss) / profit before taxation</b>	<u>(414)</u>	<u>(139)</u>	N/M	<u>571</u>	<u>(591)</u>	N/M
Taxation	(25)	(17)	47%	(58)	(56)	4%
<b>(Loss) / profit after tax</b>	<u>(439)</u>	<u>(156)</u>	N/M	<u>513</u>	<u>(647)</u>	N/M
<b>(Loss) / profit attributable to :</b>						
Equity holders of the Company	<u>(439)</u>	<u>(156)</u>	N/M	<u>513</u>	<u>(647)</u>	N/M
	<u>(439)</u>	<u>(156)</u>	N/M	<u>513</u>	<u>(647)</u>	N/M

**Consolidated Statement of Comprehensive income**

	Group			Group		
	S\$'000			S\$'000		
	Q3 FY2014	Q3 FY2013	%	9M FY2014	9M FY2013	%
<b>(Loss) / profit after tax</b>	(439)	(156)	N/M	513	(647)	N/M
<b>Other comprehensive income :</b>						
Foreign currency translation	<u>15</u>	<u>(7)</u>	N/M	<u>49</u>	<u>257</u>	-81%
Other comprehensive income for the financial period, net of tax	<u>15</u>	<u>(7)</u>	N/M	<u>49</u>	<u>257</u>	-81%
<b>Total comprehensive income for the financial period</b>	<u>(424)</u>	<u>(163)</u>	N/M	<u>562</u>	<u>(390)</u>	N/M
<b>Total comprehensive income attributable to :</b>						
Equity holders of the Company	<u>(424)</u>	<u>(163)</u>	N/M	<u>562</u>	<u>(390)</u>	N/M
	<u>(424)</u>	<u>(163)</u>	N/M	<u>562</u>	<u>(390)</u>	N/M

Group S\$'000			%	Group S\$'000			%
Q3 FY2014	Q3 FY2013	Change		9M FY2014	9M FY2013	Change	

1 (a)(i) Notes to income statement

Profit is stated after charging / (crediting) :

(Write-back) / allowance for doubtful receivables	(130)	140	N/M	(76)	511	N/M
Bad debts written-off	10	-	N/M	64	1	N/M
Net (gain) / loss on disposal of property, plant and equipment	-	(4)	N/M	2	16	-88%
Sundry income	(44)	(82)	-46%	(666)	(262)	N/M
Foreign exchange (gain) / loss, net	(52)	13	N/M	(124)	325	N/M
Operating lease expenses	721	805	-10%	2,148	2,486	-14%
Under provision of tax in respect of prior years	-	-	N/M	-	8	-100%

(a)(ii) Other operating expenses declined by \$0.6 million or 16% to \$3.0 million as compared with prior corresponding period. The decline can be attributed to a write-back of doubtful debt provision, lower lease, operating expenses and exchange gains.

(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group S\$'000 31.12.13	Group S\$'000 31.03.13	Change %	Company S\$'000 31.12.13	Company S\$'000 31.03.13	Change %
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	1,271	1,822	-30%	486	691	-30%
Intangible assets	45	45	-	-	-	-
Investment in subsidiaries	-	-	-	22,359	22,359	-
	1,316	1,867	-30%	22,845	23,050	-1%
<b>CURRENT ASSETS</b>						
Prepayments	830	791	5%	148	163	-9%
Trade and other receivables	5,767	3,407	69%	1,158	2,236	-48%
Cash and cash equivalents	29,223	32,119	-9%	2,257	3,240	-30%
Restricted cash at bank	138	160	-14%	-	-	-
	35,958	36,477	-1%	3,563	5,639	-37%
<b>CURRENT LIABILITIES</b>						
Deferred income and fees	6,200	6,968	-11%	217	370	-41%
Trade and other payables	7,038	7,882	-11%	2,000	4,509	-56%
Provision	270	270	-	148	148	-
Accruals for withholding tax	268	243	10%	266	241	10%
Income tax payable	18	16	13%	-	-	-
	13,794	15,379	-10%	2,631	5,268	-50%
<b>NET CURRENT ASSETS</b>	22,164	21,098	5%	932	371	N/M
<b>TOTAL NET ASSETS</b>	23,480	22,965	2%	23,777	23,421	2%
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>						
Share capital	29,906	29,902	0%	29,906	29,902	0%
Reserves	(6,426)	(6,937)	-7%	(6,129)	(6,481)	-5%
<b>TOTAL EQUITY</b>	23,480	22,965	2%	23,777	23,421	2%

(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

NIL

1 (c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Group	
	S\$'000	S\$'000	S\$'000	S\$'000
	Q3 FY2014	Q3 FY2013	9M FY2014	9M FY2013
<b>Cash flow from operating activities</b>				
(Loss) / profit before taxation	(414)	(139)	571	(591)
Adjustments for :				
Depreciation of property, plant and equipment	263	268	793	797
Amortisation of intangible assets	12	10	29	36
Net (gain) / loss on disposal of property, plant and equipment	-	(4)	2	16
(Write-back) / allowance for doubtful receivables	(130)	140	(76)	511
Bad debts written-off	10	-	64	1
Write-back of deposit received	-	-	(500)	-
Employee share option (write-back) / expense	(2)	5	(49)	(33)
Interest income	(60)	(51)	(172)	(159)
Unrealised exchange (gain) / loss	(70)	(8)	(206)	339
<b>Operating (loss) / profit before working capital changes</b>	<b>(391)</b>	<b>221</b>	<b>456</b>	<b>917</b>
(Increase) / decrease in prepayments, trade and other receivables	(288)	422	(2,355)	(355)
Decrease in cash held in escrow account	20	7	22	48
(Decrease) / increase in deferred income and fees	(203)	(602)	(768)	175
Increase / (decrease) in trade and other payables and accruals for withholding tax	304	611	(344)	(831)
<b>Cash (used in) / generated from operations</b>	<b>(558)</b>	<b>659</b>	<b>(2,989)</b>	<b>(46)</b>
Interest received	50	42	140	234
Tax (paid) / refund	(23)	7	(31)	(6)
<b>Net cash (used in) / generated from operating activities</b>	<b>(531)</b>	<b>708</b>	<b>(2,880)</b>	<b>182</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment	(29)	(180)	(225)	(602)
Expenditure on intangible assets	(12)	-	(21)	(28)
Proceeds from disposal of property, plant and equipment	-	4	2	69
<b>Net cash used in investing activities</b>	<b>(41)</b>	<b>(176)</b>	<b>(244)</b>	<b>(561)</b>
<b>Cash flow from financing activity</b>				
Proceeds from exercise of employee share options	1	65	2	92
<b>Net cash generated from financing activity</b>	<b>1</b>	<b>65</b>	<b>2</b>	<b>92</b>
Net (decrease) / increase in cash and cash equivalents	(571)	597	(3,122)	(287)
Cash and cash equivalents at the beginning of the financial period	29,721	30,345	32,119	31,309
Effects of exchange rate changes on opening cash and cash equivalents	73	3	226	(77)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>29,223</b>	<b>30,945</b>	<b>29,223</b>	<b>30,945</b>
Short-term deposits	20,170	19,133	20,170	19,133
Cash at bank and on hand*	9,053	11,812	9,053	11,812
	<b>29,223</b>	<b>30,945</b>	<b>29,223</b>	<b>30,945</b>

**Notes to Cash Flow Statement**

\* Cash at bank and on hand exclude \$138,107 (Q3FY2013: \$162,713) held in trust for international students of a subsidiary in Singapore, which is required under Student Fee Protection Scheme.

- (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

	Attributable to equity holders of the Company					
	Share Capital	Accumulated Losses	Employee Share Option Reserve	Translation Reserve	Total Reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>						
<b>Balance at 01.04.13</b>	29,902	(5,577)	124	(1,484)	(6,937)	22,965
Profit for the financial period	-	952	-	-	952	952
Other comprehensive income for the financial period	-	-	-	34	34	34
Total comprehensive income for the financial period	-	952	-	34	986	986
Shares issued due to exercise of employee share options	2	-	(1)	-	(1)	1
Write-back of equity-settled share options	-	-	(47)	-	(47)	(47)
<b>Balance at 30.09.13</b>	29,904	(4,625)	76	(1,450)	(5,999)	23,905
Loss for the financial period	-	(439)	-	-	(439)	(439)
Other comprehensive income for the financial period	-	-	-	15	15	15
Total comprehensive income for the financial period	-	(439)	-	15	(424)	(424)
Shares issued due to exercise of employee share options	2	-	(1)	-	(1)	1
Expiry of employee share options	-	5	(5)	-	-	-
Write-back of equity-settled share options	-	-	(2)	-	(2)	(2)
<b>Balance at 31.12.13</b>	29,906	(5,059)	68	(1,435)	(6,426)	23,480
<b>Balance at 01.04.12</b>	29,566	(8,517)	394	(1,424)	(9,547)	20,019
Loss for the financial period	-	(491)	-	-	(491)	(491)
Other comprehensive income for the financial period	-	-	-	264	264	264
Total comprehensive income for the financial period	-	(491)	-	264	(227)	(227)
Shares issued due to exercise of employee share options	44	-	(17)	-	(17)	27
Expiry of employee share options	-	33	(33)	-	-	-
Write-back of equity-settled share options	-	-	(38)	-	(38)	(38)
<b>Balance at 30.09.12</b>	29,610	(8,975)	306	(1,160)	(9,829)	19,781
Loss for the financial period	-	(156)	-	-	(156)	(156)
Other comprehensive income for the financial period	-	-	-	(7)	(7)	(7)
Total comprehensive income for the financial period	-	(156)	-	(7)	(163)	(163)
Shares issued due to exercise of employee share options	106	-	(41)	-	(41)	65
Expiry of employee share options	-	24	(24)	-	-	-
Grant of employee share options	-	-	5	-	5	5
<b>Balance at 31.12.12</b>	29,716	(9,107)	246	(1,167)	(10,028)	19,688

- 1 (d)(i)

	Share Capital	Accumulated Losses	Employee Share Option Reserve	Total Reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	<b>Company</b>				
<b>Balance at 01.04.13</b>	29,902	(6,605)	124	(6,481)	23,421
Profit for the financial period	-	500	-	500	500
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	500	-	500	500
Shares issued due to exercise of employee share options	2	-	(1)	(1)	1
Write-back of equity-settled share options	-	-	(47)	(47)	(47)
<b>Balance at 30.09.13</b>	29,904	(6,105)	76	(6,029)	23,875
Loss for the financial period	-	(97)	-	(97)	(97)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	(97)	-	(97)	(97)
Shares issued due to exercise of employee share options	2	-	(1)	(1)	1
Expiry of employee share options	-	5	(5)	-	-
Write-back of equity-settled share options	-	-	(2)	(2)	(2)
<b>Balance at 31.12.13</b>	29,906	(6,197)	68	(6,129)	23,777
<b>Balance at 01.04.12</b>	29,566	(4,857)	394	(4,463)	25,103
Profit for the financial period	-	583	-	583	583
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	583	-	583	583
Shares issued due to exercise of employee share options	44	-	(17)	(17)	27
Expiry of employee share options	-	33	(33)	-	-
Write-back of equity-settled share options	-	-	(38)	(38)	(38)
<b>Balance at 30.09.12</b>	29,610	(4,241)	306	(3,935)	25,675
Profit for the financial period	-	44	-	44	44
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	44	-	44	44
Shares issued due to exercise of employee share options	106	-	(41)	(41)	65
Expiry of employee share options	-	24	(24)	-	-
Grant of employee share options	-	-	5	5	5
<b>Balance at 31.12.12</b>	29,716	(4,173)	246	(3,927)	25,789

- (d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the 9 months ended 31 December 2013, the Company issued:-

- (i) 42,500 new shares at \$0.023 each amounting to \$977.50 due to the exercise of 42,500 share options under the employee share option scheme of the company and
- (ii) 30,000 new shares at \$0.045 each amounting to \$1,350.00 due to the exercise of 30,000 share options under the employee share option scheme of the Company.

Hence, as at 31 December 2013, the number of ordinary shares of the Company was 1,444,292,658 (31.12.2012 : 1,441,308,408).

As at 31 December 2013, the outstanding options were as follows:

- 1,015,000 (31.12.2012 : 7,028,000) share options.

- (d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at end of current financial period ended 31 December 2013	As at end of financial year ended 31 March 2013
Total number of ordinary shares issued	1,444,292,658	1,444,220,158

Note : The Company did not have any treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

- (d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not Applicable

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not Applicable

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements as at 31 March 2013, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2013.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised FRS, which are effective for its financial year beginning 1 April 2013. The adoption of the new and revised FRS did not result in any material impact on the Group's financial statements.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends :-**

	Group		Change	Group		Change
	Q3 FY2014	Q3 FY2013	%	9M FY2014	9M FY2013	%
(Loss) / earnings per ordinary share						
(a) Based on weighted average number of ordinary shares on issue (cents)	(0.03)	(0.01)	N/M	0.04	(0.04)	N/M
(b) On a fully diluted basis (cents)	(0.03)	(0.01)	N/M	0.04	(0.04)	N/M

Loss per share for the financial period ended 31 December 2013 was calculated based on weighted average number of 1,444,239,203 (31 December 2012: 1,439,875,789) ordinary shares.

Loss per share for the financial period ended 31 December 2013 computed on a fully dilutive basis is calculated based on the weighted average number of 1,444,353,268 (31 December 2012: 1,442,852,279) ordinary shares adjusted for the dilutive effect of share options.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-**

**(a) current period reported on and (b) immediately preceding financial year**

	Group		Change	Company		Change
	31.12.13	31.03.13	%	31.12.13	31.03.13	%
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period / year	1.63	1.59	3%	1.65	1.62	2%

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

- (a)(i) The Group recorded a revenue of \$5.6 million, a decrease of \$0.7 million or 11% compared with \$6.2 million in prior corresponding period, mainly due to lower students enrolled in Singapore and E-learning operations.
- (a)(ii) The Group recorded a loss before tax of \$0.4 million, an increase of \$0.3 million compared with \$0.1 million in prior corresponding period. The increase was mainly due to lower revenue, higher employee benefit expenses, partially offset by lower other operating expenses incurred as explained in para 1(a)(ii).
- (b)(i) The Group's and Company's fixed assets decreased by \$0.6 million or 30% and \$0.2 million or 30% to \$1.3 million and \$0.5 million respectively as at 31 December 2013. This was mainly due to depreciation during the period, partially offset by investment in new IT system and equipments of \$0.2 million and \$0.1 million for the Group and Company respectively.
- (b)(ii) The Group's trade and other receivables increased by \$2.4 million or 69% to \$5.8 million as at 31 December 2013, mainly due to billings during the period. The Company's trade and other receivables however decreased by \$1.0 million or 48% to \$1.2 million as at 31 December 2013, mainly due to intercompany settlements.
- (b)(iii) The Group's and Company's cash and cash equivalent declined by \$2.9 million or 9% and \$1.0 million or 30% to \$29.2 million and \$2.3 million as at 31 December 2013 respectively. This was mainly due to the purchase of fixed assets and payments to suppliers and university partners.
- (b)(iv) The Group's and Company's deferred income and fees decreased by \$0.8 million or 11% and \$0.2 million or 41% to \$6.2 million and \$0.2 million as of 31 December 2013 respectively, mainly due to utilisation.
- (b)(v) The Group's trade and other payables decreased by \$0.8 million or 11% to \$7.0 million, mainly due to payment for university fees, suppliers, lower accruals and write-back of deposit received during the period. The Company's trade and other payables decreased by \$2.5 million or 56% to \$2.0 million as of 31 December 2013, mainly due to a write-back of deposit received, settlement of intercompany payables and lower accruals during the period.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The private education industry continues to be very competitive; the Group will focus on strengthening the internal processes, expanding our university partner network and developing human capital resources.

11 If a decision regarding dividend has been made :-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No

(b) (i) Amount per share (cents) Not Applicable  
(ii) Previous corresponding period (cents) Not Applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not Applicable

(d) The date the dividend is payable.

Not Applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not Applicable

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained and there was no material IPTs during the financial period.

14 Negative Confirmation pursuant to Rule 705 (5)

The Board hereby confirmed that, to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial results to be false or misleading.

**BY ORDER OF THE BOARD**

Loi Hai Poh  
Chief Executive Officer

12th February 2014  
SINGAPORE