

## **EXIT OFFER AND WARRANTS OFFER LETTER DATED 4 NOVEMBER 2022**

**THIS EXIT OFFER AND WARRANTS OFFER LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

If you are in any doubt in relation to any aspect of this Exit Offer and Warrants Offer Letter or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Informatics Education Ltd. (the “**Company**”) or warrants issued by the Company held through CDP (as defined herein), you need not forward the Hardcopy Notification (as defined herein) and the accompanying FAA (as defined herein) and/or Warrants FAA (as defined herein) to the purchaser or transferee, as arrangements will be made by CDP for a separate Hardcopy Notification and FAA and/or Warrants FAA to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of Informatics Education Ltd. or warrants issued by the Company represented by physical share certificate(s) and warrants certificate(s), you should immediately forward the Hardcopy Notification and the accompanying FAT (as defined herein) and/or Warrants FAT (as defined herein) to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

The views of the Recommending Directors (as defined herein) and the IFA (as defined herein) on the Exit Offer (as defined herein) and the Warrants Offer (as defined herein) are set out in the Company’s Letter to Shareholders and Warrantholders (as defined herein) in **Appendix VI** to this Exit Offer and Warrants Offer Letter. You may wish to consider their views before taking any decision on the Exit Offer and the Warrants Offer. Please also refer to paragraph 12 (Implications of the Directed Delisting for Shareholders and Warrantholders) of this Exit Offer and Warrants Offer Letter on the implications of holding on to shares and warrants in an unlisted public company, should the situation arise.

This Exit Offer and Warrants Offer Letter should be read in conjunction with the accompanying FAA, FAT, Warrants FAA and/or Warrants FAT, as the case may be, the contents of which form part of the terms and conditions of the Exit Offer and the Warrants Offer.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Exit Offer and Warrants Offer Letter.

## **EXIT OFFER AND WARRANTS OFFER**

in connection with

### **THE DIRECTED DELISTING OF INFORMATICS EDUCATION LTD. FROM THE OFFICIAL LIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

by

#### **BERJAYA LEISURE CAPITAL (CAYMAN) LIMITED**

(Incorporated in the Cayman Islands)  
(Company Registration No.: 53210)

to acquire all the issued and paid-up ordinary shares in the capital of

and

all the outstanding warrants issued by

#### **INFORMATICS EDUCATION LTD.**

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

other than those Shares (as defined herein) and Warrants (as defined herein) already owned, controlled, or agreed to be acquired by Berjaya Leisure Capital (Cayman) Limited (“**Offeror**”)

at

**AN EXIT OFFER PRICE OF S\$0.011 IN CASH FOR EACH OFFER SHARE (AS DEFINED HEREIN)**

and

**A WARRANTS OFFER PRICE OF S\$0.0001 IN CASH FOR EACH OFFER WARRANT (AS DEFINED HEREIN)**

**THE EXIT OFFER AND THE WARRANTS OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME)  
ON 2 DECEMBER 2022 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR  
ON BEHALF OF THE OFFEROR. THE OFFEROR WILL NOT BE INCREASING THE EXIT OFFER PRICE AND  
WARRANTS OFFER PRICE**

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## DEFINITIONS

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In this Exit Offer and Warrants Offer Letter, the following definitions shall apply throughout unless the context otherwise requires:

<i>“Acceptance Forms”</i>	:	The FAA and the FAT, and the Warrants FAA and the Warrants FAT, collectively or any one of them, as the case may be
<i>“Accepting Shareholder”</i>	:	A Shareholder who validly accepts or has validly accepted the Exit Offer
<i>“Accepting Warrantholder”</i>	:	A Warrantholder who validly accepts or has validly accepted the Warrants Offer
<i>“BLB”</i>	:	Berjaya Land Berhad
<i>“BCB”</i>	:	Berjaya Corporation Berhad
<i>“Business Day”</i>	:	A day (other than Saturday, Sunday or a public holiday) on which commercial banks are open for business in Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Closing Date”</i>	:	<b>5.30 p.m. (Singapore time) on 2 December 2022</b> , or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Exit Offer and the Warrants Offer
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time
<i>“Companies Act”</i>	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
<i>“Company”</i>	:	Informatics Education Ltd.
<i>“Company Directors”</i>	:	Directors of the Company as at the Latest Practicable Date
<i>“Company Securities”</i>	:	(a) Shares; (b) Warrants; (c) Any securities which carry voting rights in the Company; and (d) Any convertible securities, options or derivatives in respect of Shares or securities which carry voting rights in the Company
<i>“Company’s Letter to Shareholders and Warrantholders”</i>	:	The letter dated 4 November 2022 from the Company to the Shareholders and Warrantholders in relation to the Exit Offer and Warrants Offer as set out in <b>Appendix VI</b> to this Exit Offer and Warrants Offer Letter
<i>“Concert Party” or “RESB”</i>	:	Rantau Embun Sdn Bhd, the party acting or presumed to be acting in concert with the Offeror in connection with the Exit Offer and the Warrants Offer under the Code

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## DEFINITIONS

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<i>“CPF”</i>	:	Central Provident Fund
<i>“CPF Agent Banks”</i>	:	Agent banks included under the CPFIS
<i>“CPFIS”</i>	:	CPF Investment Scheme
<i>“CPFIS Investors”</i>	:	Investors who purchase Offer Shares and/or Offer Warrants using their CPF contributions pursuant to the CPFIS
<i>“Date of Receipt”</i>	:	The date of receipt of the relevant Acceptance Form by CDP or the Receiving Agent, Share Registrar cum Warrant Agent (as the case may be) on behalf of the Offeror (provided always that the Date of Receipt falls on or before the Closing Date)
<i>“Delisting Documents”</i>	:	This Exit Offer and Warrants Offer Letter, the Acceptance Forms and any other formal documentation relating to the Exit Offer and the Warrants Offer
<i>“Delisting Notification”</i>	:	The notification of the Directed Delisting dated 28 June 2022 from the SGX-ST to the Company
<i>“Directed Delisting”</i>	:	The delisting of the Company from the Official List of the SGX-ST
<i>“Dissenting Shareholders”</i>	:	Shareholders who do not accept the Exit Offer
<i>“Distributions”</i>	:	Any dividends, rights, return of capital and/or other distributions which may be announced, declared, paid or made by the Company in respect of Shares
<i>“Electronic Despatch Date”</i>	:	4 November 2022, being the date of despatch of this Exit Offer and Warrants Offer Letter electronically to Shareholders and Warranholders through its publication on the website of the SGX-ST at <a href="https://www.sgx.com">https://www.sgx.com</a> and on the website of the Company at <a href="http://www.informaticseducation.com">http://www.informaticseducation.com</a>
<i>“Electronic Acceptance”</i>	:	The SGX-SFG service provided by CDP as listed in the Terms and Conditions for User Services for Depository Agents
<i>“Encumbrances”</i>	:	Any mortgages, assignments, debentures, liens, hypothecation, charges, pledges, adverse claims, rent-charge, title retention, claims, equity, options, encumbrances, pre-emption rights, rights to acquire, security agreement and security interest or other rights of whatever nature
<i>“Exit Offer”</i>	:	The unconditional cash exit offer by the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in this Exit Offer and Warrants Offer Letter, the FAA and the FAT, as such offer may be extended from time to time by or on behalf of the Offeror
<i>“Exit Offer and Warrants Offer Letter”</i>	:	This letter dated 4 November 2022 and any other document(s) which may be issued by the Offeror to amend, supplement or update this letter from time to time

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## DEFINITIONS

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<i>“Exit Offer and Warrants Offer Proposal”</i>	:	The formal proposal presented by the Offeror to the Company Directors to make the Exit Offer to Shareholders and Warrants Offer to Warrantholders pursuant to Rules 1306 and 1309 of the Listing Manual and Rule 19 of the Code in connection with the Directed Delisting
<i>“Exit Offer Price”</i>	:	S\$0.011 in cash for each Offer Share
<i>“FAA”</i>	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of this Exit Offer and Warrants Offer Letter and which is issued to Shareholders whose Offer Shares are deposited with CDP
<i>“FAT”</i>	:	Form of Acceptance and Transfer for Offer Shares, which forms part of this Exit Offer and Warrants Offer Letter and which is issued to Shareholders whose Offer Shares are not deposited with CDP
<i>“FY”</i>	:	The Company’s financial year ended 30 June
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Hardcopy Notification”</i>	:	The hardcopy notification containing instructions on how to access the electronic copy of the Exit Offer and Warrants Offer Letter on the website of the SGX-ST at <a href="https://www.sgx.com">https://www.sgx.com</a> and on the website of the Company at <a href="http://www.informaticseducation.com">http://www.informaticseducation.com</a>
<i>“IFA”</i>	:	RHT Capital Pte. Ltd., the independent financial adviser to the Recommending Directors for the purposes of the Exit Offer and the Warrants Offer
<i>“Irrevocable Undertaking”</i>	:	The irrevocable undertaking given by RESB to the Offeror, as further detailed in paragraph 10.1 (Irrevocable Undertaking) of this Exit Offer and Warrants Offer Letter
<i>“Joint Announcement”</i>	:	The announcement made in connection with the Exit Offer and the Warrants Offer released jointly by the Company and the Offeror on the Joint Announcement Date
<i>“Joint Announcement Date”</i>	:	17 October 2022, being the date of the Joint Announcement
<i>“Last Trading Day”</i>	:	28 July 2022, being the last Market Day on which the Shares were traded prior to the trading suspension of the Company’s securities on 28 July 2022 at 5.05 p.m.
<i>“Latest Practicable Date”</i>	:	31 October 2022, being the latest practicable date prior to the printing of the Hardcopy Notification
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading of securities
<i>“Offer Period”</i>	:	The period commencing from the Joint Announcement Date until the date the Exit Offer and the Warrants Offer is declared to have closed or lapsed

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## DEFINITIONS

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<i>“Offer Shares”</i>	:	All the issued Shares to which the Exit Offer relates, being all the Shares other than those Shares already owned, controlled or agreed to be acquired by the Offeror as at the date of the Exit Offer
<i>“Offer Warrants”</i>	:	All the outstanding Warrants to which the Warrants Offer relates, being all the Warrants other than those Warrants already owned, controlled or agreed to be acquired by the Offeror as at the date of the Warrants Offer
<i>“Offeror”</i>	:	Berjaya Leisure Capital (Cayman) Limited
<i>“Offeror Directors”</i>	:	The directors of the Offeror
<i>“Overseas Shareholders”</i>	:	Shareholders whose mailing addresses are outside Singapore, as appearing on the Register or, as the case may be, in the records of CDP
<i>“Overseas Warrantholders”</i>	:	Warrantholders whose mailing addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP
<i>“Receiving Agent, Share Registrar cum Warrant Agent”</i>	:	M & C Services Private Limited
<i>“Recommending Directors”</i>	:	The Company Directors who are considered independent for the purposes of providing a recommendation on the Exit Offer and the Warrants Offer to the Shareholders and Warrantholders, namely Mr Yeap Beng Swee, Philip and Professor Lai Kim Fatt
<i>“Reference Period”</i>	:	The period commencing three (3) months immediately prior to the Joint Announcement Date and ending on the Latest Practicable Date
<i>“Register”</i>	:	The register of holders of the Shares or Warrants, as the case may be, as maintained by the Receiving Agent, Share Registrar cum Warrant Agent
<i>“Relevant Persons”</i>	:	The Offeror, RESB, and/or ZICO Capital
<i>“Restricted Jurisdiction”</i>	:	Any jurisdiction where the making of or the acceptance of the Exit Offer and the Warrants Offer would violate the applicable law of that jurisdiction
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“SFA”</i>	:	Securities and Futures Act 2001 of Singapore, as amended, modified and supplemented from time to time
<i>“SGXNET”</i>	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<i>“SGX-SFG”</i>	:	SGX Secure File Gateway

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## DEFINITIONS

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<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“SIC”</i>	:	Securities Industry Council of Singapore
<i>“SRS”</i>	:	The Supplementary Retirement Scheme
<i>“SRS Agent Banks”</i>	:	Agent banks included under the SRS
<i>“SRS Investors”</i>	:	Investors who have purchased Shares or Warrants using SRS savings
<i>“Suspension Date”</i>	:	5.05 p.m. on 28 July 2022, being the date on which trading of the Shares on the SGX-ST had been suspended
<i>“Undertaking Shares”</i>	:	The 930,062 Shares held by RESB, representing approximately 0.5% of the total number of issued Shares
<i>“VWAP”</i>	:	Volume-weighted average price
<i>“Warrantholders”</i>	:	Holders of the Warrants
<i>“Warrants”</i>	:	All the outstanding warrants issued by the Company
<i>“Warrants FAA”</i>	:	Form of Acceptance and Authorisation for Offer Warrants, which forms part of this Exit Offer and Warrants Offer Letter and which is issued to Warrantholders whose Offer Warrants are deposited with CDP
<i>“Warrants FAT”</i>	:	Form of Acceptance and Transfer for Offer Warrants, which forms part of this Exit Offer and Warrants Offer Letter and which is issued to Warrantholders whose Offer Warrants are not deposited with CDP
<i>“Warrants Offer”</i>	:	The unconditional offer by the Offeror in cash, to acquire the Offer Warrants, on the terms and subject to the conditions set out in this Exit Offer and Warrants Offer Letter, the Warrants FAA and the Warrants FAT, as such offer may be extended from time to time by or on behalf of the Offeror
<i>“Warrants Offer Price”</i>	:	S\$0.0001 in cash for each Offer Warrant
<i>“Watch-List”</i>	:	The watch-list of the SGX-ST
<i>“ZICO Capital”</i>	:	ZICO Capital Pte Ltd, being the financial adviser to the Offeror in connection with the Exit Offer and the Warrants Offer
<i>“RM”</i>	:	Ringgit Malaysia



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## DEFINITIONS

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“\$” or “S\$” and “cents” : Singapore dollars and cents, respectively

“US\$” : United States dollars

**Acting in concert.** The term “acting in concert” shall have the meaning ascribed to it in the Code.

**Announcements and Notices.** References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by ZICO Capital or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

**Depositors, etc.** The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meaning ascribed to them respectively in Section 81SF of the SFA.

**Derivatives.** All references to “**derivative**” include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities.

**Exit Offer and Warrants Offer Letter.** References to “**Exit Offer and Warrants Offer Letter**” shall include the Acceptance Forms, unless the context otherwise requires.

**Genders.** Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

**Headings.** The headings in this Exit Offer and Warrants Offer Letter are inserted for convenience only and shall be ignored in construing this Exit Offer and Warrants Offer Letter.

**Rounding.** Any discrepancies in figures included in this Exit Offer and Warrants Offer Letter between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Exit Offer and Warrants Offer Letter may not be an arithmetic aggregation of the figures that precede them.

**Shareholders and/or Warrantholders.** References to “**you**”, “**your**” and “**yours**” in this Exit Offer and Warrants Offer Letter are, as the context so determines, to Shareholders and/or Warrantholders.

**Statutes.** Any reference in this Exit Offer and Warrants Offer Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual or the SFA or any modification thereof and used in this Exit Offer and Warrants Offer Letter shall, where applicable, have the meaning assigned to it under the Companies Act, the Code, the Listing Manual or the SFA or any modification thereof, as the case may be, unless the context otherwise requires.

**Time and Date.** Any reference to a time of the day and date in this Exit Offer and Warrants Offer Letter shall be a reference to Singapore time and date, respectively, unless otherwise stated.

**Total number of issued Shares and Warrants.** Unless otherwise stated, references in this Exit Offer and Warrants Offer Letter to the total number of issued Shares are based on 177,339,649 Shares and 35,041,371 Warrants in issue as at the Latest Practicable Date, unless otherwise stated.



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## EXIT OFFER AND WARRANTS OFFER LETTER

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### BERJAYA LEISURE CAPITAL (CAYMAN) LIMITED

(Incorporated in the Cayman Islands)

(Company Registration No.: 53210)

4 November 2022

To: The Shareholders and Warrantholders of Informatics Education Ltd.

Dear Sir/Madam

**EXIT OFFER AND WARRANTS OFFER LETTER IN CONNECTION WITH THE DIRECTED DELISTING OF INFORMATICS EDUCATION LTD. PURSUANT TO RULES 1315 AND 1306 READ TOGETHER WITH RULE 1309 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED, AND RULE 19 OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS**

#### 1. INTRODUCTION

##### 1.1 Watch-List Status and the Delisting Notification

Informatics Education Ltd. was placed on the Watch-List pursuant to Rule 1311(2) (Minimum Trading Price Entry Criteria) and Rule 1311(1) (Financial Entry Criteria) of the Listing Manual on 5 June 2017 and 5 December 2017, respectively.

Pursuant to Rule 1315 of the Listing Manual, if an issuer fails to meet the requirements of Rule 1314 of the Listing Manual within 36 months of the date on which it was placed on the Watch-List, the SGX-ST may either remove the issuer from the Official List of the SGX-ST, or suspend trading of the listed securities of the issuer (without agreement of the issuer) with a view of removing the issuer from the Official List of the SGX-ST, and accordingly the Company was required to meet the requirements of Rule 1314 of the Listing Manual by 4 December 2020.

The Company was subsequently granted extensions of time to meet the requirements for removal from the Watch-List on 23 November 2020 for an extension of 12 months, and 30 November 2021 for an extension of 6 months. On 9 December 2021, the then-directors of the Company confirmed that if the Company is unable to exit the Watch-List by 4 June 2022, the Company shall be delisted from the Official List of the SGX-ST and a cash exit offer shall be made to the Shareholders pursuant to Rule 1309 of the Listing Manual by 4 July 2022.

On 3 June 2022, the Company submitted an application for a further 12-month extension of time to meet the requirements for removal from the Watch-List. Further to such application, the Company received a rejection of application and the Delisting Notification dated 28 June 2022 from the SGX-ST, informing, amongst others, that the trading of the Company's securities will be suspended with effect from 5.05 p.m. on 28 July 2022 and that the Company or its controlling shareholder(s) must comply with Rule 1309 of the Listing Manual which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit offer to the Shareholders.

Trading in the Company's securities has been suspended from 5.05 pm on 28 July 2022, and will remain suspended until the completion of the Exit Offer and the Warrants Offer.

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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 1.2 Joint Announcement

On 17 October 2022, the Company and the Offeror jointly announced that the Offeror had presented to the Company Directors a formal proposal to make the Exit Offer to the Shareholders pursuant to Rules 1306 and 1309 of the Listing Manual and the Warrants Offer to the Warrantheolders in accordance with Rule 19 of the Code (the “**Exit Offer and Warrants Offer Proposal**”) in connection with the Directed Delisting by the SGX-ST in accordance with Rule 1315 of the Listing Manual and the Delisting Notification.

Under the Exit Offer and Warrants Offer Proposal, the Offeror will make the Exit Offer in cash to acquire all the Offer Shares in accordance with Section 139 of the SFA and the Code. The Offeror will also make the Warrants Offer to acquire all the Warrants, other than those Warrants held by the Offeror, from the Warrantheolders in accordance with Rule 19 of the Code.

### 1.3 Exit Offer and Warrants Offer Letter

This Exit Offer and Warrants Offer Letter contains the terms of the Exit Offer and the Warrants Offer made by the Offeror to acquire all the Offer Shares and Offer Warrants that are not held by the Offeror.

Shareholders should note that no extraordinary general meeting of the Shareholders will be convened for the purpose of the Directed Delisting and Shareholders’ approval is not required for the Directed Delisting.

Pursuant to the SIC’s Public Statement on Despatch of Take-Over Documents under the Code issued on 6 May 2020, 29 September 2020 and 29 June 2021, the Offeror and the Company have opted to despatch electronically this Exit Offer and Warrants Offer Letter. An electronic copy of this Exit Offer and Warrants Offer Letter is published on the website of the SGX-ST at <https://www.sgx.com> and on the website of the Company at <http://www.informaticseducation.com>.

A Hardcopy Notification containing instructions on how to access the electronic copy of the Exit Offer and Warrants Offer Letter, together with the FAA and the Warrants FAA, and/or FAT and the Warrants FAT, as the case may be, has been despatched by the Offeror to the Shareholders and Warrantheolders, together with pre-addressed envelope(s) for posting in Singapore only.

Shareholders or Warrantheolders who wish to receive a hardcopy of the Exit Offer and Warrants Offer Letter should contact the receiving agents during their operating hours, (1) CDP (if he is a depositor) via CDP’s Customer Service Hotline at +65 6535 7511 or email services at [asksgx@sgx.com](mailto:asksgx@sgx.com) OR (2) the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited at its office located at 112 Robinson Road, #05-01, Singapore 068902, or the telephone number +65 6227 6660 (if he is a scripholder), which will arrange to forward a hardcopy of the Exit Offer and Warrants Offer Letter to such Shareholder or Warrantheolder by ordinary post and at such Shareholder or Warrantheolder’s risk to such address in Singapore as shown on the Register or, as the case may be, in the records of CDP.

The Exit Offer and Warrants Offer Letter and the Acceptance Forms shall not be construed as, may not be used for the purpose of, and do not constitute, a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstances in which such notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such a notice or proposal or advertisement or an offer or invitation or solicitation.

### 1.4 Company’s Letter to Shareholders and Warrantheolders

The Company’s Letter to Shareholders and Warrantheolders in relation to the Exit Offer and the Warrants Offer which forms part of this Exit Offer and Warrants Offer Letter is set out in **Appendix VI** to this Exit Offer and Warrants Offer Letter.

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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 1.5 Cautionary Statement

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Exit Offer and Warrants Offer Letter. If you are in any doubt about the Directed Delisting, the Exit Offer, the Warrants Offer or matters contained in this Exit Offer and Warrants Offer Letter or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser immediately.

Please read this Exit Offer and Warrants Offer Letter and the Acceptance Forms, including the Company's Letter to Shareholders and Warrantholders (which sets out, *inter alia*, (i) the advice of RHT Capital Pte. Ltd., the IFA to the Recommending Directors for the purposes of providing a recommendation on the Exit Offer to the Shareholders and the Warrants Offer to the Warrantholders respectively, in compliance with Rule 1309 of the Listing Manual and Rule 24.1 of the Code, and (ii) the recommendation of the Recommending Directors to the Shareholders on the Exit Offer and to the Warrantholders on the Warrants Offer respectively) as set out in **Appendix VI** to this Exit Offer and Warrants Offer Letter, carefully and in their respective entirety.

## 2. LISTING MANUAL PROVISIONS PERTAINING TO THE DIRECTED DELISTING

Under Rule 1306 of the Listing Manual, if the SGX-ST exercises its power to remove an issuer from the Official List of the SGX-ST, the issuer or its controlling shareholder(s) must comply with the requirements of Rule 1309 of the Listing Manual. As mentioned in paragraph 1.1 above, on 28 June 2022, the Company received the Delisting Notification from the SGX-ST directing the delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual.

Under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST:-

- (i) an exit offer must be made to the issuer's shareholders and holders of any other classes of listed securities to be delisted. The exit offer must:
  - (a) be fair and reasonable; and
  - (b) include a cash alternative as the default alternative; and
- (ii) the issuer must appoint an independent financial adviser to advise on the exit offer and the independent financial adviser must opine that the exit offer is fair and reasonable.

## 3. TERMS OF THE EXIT OFFER

The Offeror hereby makes the offer to acquire all the Offer Shares on the terms and subject to the conditions set out in this Exit Offer and Warrants Offer Letter, the FAA and the FAT, and on the following basis:

### 3.1 Consideration

Under the terms of the Exit Offer, the Offeror will make the Exit Offer at:

For each Offer Share: S\$0.011 in cash (the " <b>Exit Offer Price</b> ")
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## EXIT OFFER AND WARRANTS OFFER LETTER

The Exit Offer Price represents the following premium over / (discount to) the historical transacted prices of the Shares on the SGX-ST:

Description	Benchmark Price (S\$)	Premium over / (discount to) the Benchmark Price based on the Exit Offer Price of S\$0.011 (%)
Last transacted price per Share as quoted on the SGX-ST on 28 July 2022, being the Last Trading Day	0.0080	37.5
VWAP per Share for the 1-month period up to and including the Last Trading Day	0.0101	8.9
VWAP per Share for the 3-month period up to and including the Last Trading Day	0.0105	4.8
VWAP per Share for the 6-month period up to and including the Last Trading Day	0.0117	(6.0)
VWAP per Share for the 12-month period up to and including the Last Trading Day	0.0133	(17.3)

**For the avoidance of doubt, the Exit Offer Price will not be revised except as mentioned in paragraph 3.4 below.**

The Exit Offer is extended to all Offer Shares and the Exit Offer Price is applicable to all Offer Shares tendered in acceptance. Shareholders may accept the Exit Offer in full or in part of their holdings of Offer Shares. For the avoidance of doubt, the Exit Offer will be also extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Exit Offer.

### 3.2 Acceptance Condition

The Exit Offer is unconditional in all respects.

### 3.3 No Encumbrances

The Offer Shares are to be acquired (a) validly issued and fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto including all voting rights and the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by the Company on or after the Joint Announcement Date.

Accordingly, if any Distribution is announced, declared, paid or made by the Company on or after the Joint Announcement Date, depending on the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer, the Offeror reserves the right to reduce the Exit Offer Price by an amount equivalent to such Distribution as set out in paragraph 3.4 below.

### 3.4 Adjustments for Distributions

Without prejudice to the foregoing, the Exit Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Joint Announcement Date.

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## EXIT OFFER AND WARRANTS OFFER LETTER

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Accordingly, if any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Joint Announcement Date to an Accepting Shareholder, the Exit Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution payable to such Accepting Shareholder, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer by the Accepting Shareholder falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Exit Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Exit Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or
- (b) if such settlement falls after the Books Closure Date, the Exit Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Exit Offer Price after such reduction, the “**Adjusted Exit Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Exit Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

### 3.5 Warranty

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date, and thereafter attaching thereto (including the right to receive and retain all Distributions, if any, declared, paid or made by the Company on or after the Joint Announcement Date).

### 3.6 Duration and Closing Date

The Exit Offer will remain open for acceptance by Shareholders for a period of 28 days after the date on which the Exit Offer and Warrants Offer Letter by the Offeror to the Shareholders and Warrantholders is electronically despatched.

Although no extension of the Exit Offer is currently contemplated by the Offeror, if the Exit Offer is extended, announcements will be made on such extensions, and the Exit Offer will remain open for acceptance for such period as may be announced by the Offeror. If the Exit Offer is extended, Shareholders who have validly accepted the Exit Offer in respect of part of their Shares will be entitled to tender additional Offer Shares in acceptance of the Exit Offer.

If there is an extension of the Exit Offer, then pursuant to Rule 22.4 of the Code, any announcement of an extension will state the next closing date, or if the Exit Offer is unconditional as to acceptances, a statement may be made that the Exit Offer will remain open until further notice. In the latter case, Shareholders who have not accepted the Exit Offer will be notified electronically on the website of the SGX-ST at <https://www.sgx.com> at least 14 days before the Exit Offer is closed.

### 3.7 Undertakings

As at the Latest Practicable Date, RESB, being a party who is acting or presumed to be acting in concert with the Offeror, holds 930,062 Shares representing approximately 0.5% of the issued and paid-up share capital of the Company. RESB has undertaken to tender all the Offer Shares held by it in acceptance of the Exit Offer (the “**Irrevocable Undertaking**”).

Save for the Irrevocable Undertaking provided by the Concert Party, the Offeror has not received any irrevocable undertaking from any party to accept or reject the Exit Offer.

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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 3.8 Further Details of the Exit Offer

**Appendix I** to this Exit Offer and Warrants Offer Letter sets out further details on (a) the settlement of the consideration for the Exit Offer, (b) the requirements relating to the announcement(s) of the level of acceptances of the Exit Offer, and (c) the right of withdrawal of acceptances of the Exit Offer.

### 3.9 Procedures for Acceptance

**Appendix II** to this Exit Offer and Warrants Offer Letter sets out the procedures for the acceptance of the Exit Offer.

## 4. **TERMS OF THE WARRANTS OFFER**

### 4.1 Warrants

As at the Latest Practicable Date, the Company has 35,041,371 Warrants in issue, representing approximately 16.50% of the maximum potential issued share capital of the Company. The Warrants were issued pursuant to a renounceable non-underwritten rights cum warrants issue completed on 22 August 2019. Under the terms of the Warrants, each Warrant may be exercisable into one (1) new Share at an exercise price of S\$0.05 for each new Share, subject to adjustments in accordance with the terms and conditions of the Warrants. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants commenced on 22 August 2019 and will end on 21 August 2024. The outstanding Warrants held by the Warrantholders (other than those held by the Offeror) amount to 1,708,038 Warrants as at the Latest Practicable Date.

### 4.2 Warrants Offer

In accordance with Rule 19 of the Code, the Offeror will make a cash offer to the Warrantholders to acquire all the Warrants, other than those already owned, controlled or agreed to be acquired by the Offeror in accordance with the terms and subject to the conditions set out in the Exit Offer and Warrants Offer Letter, the Warrants FAA and the Warrants FAT. The Exit Offer will be extended, on the same terms and conditions, to all new Shares unconditionally issued pursuant to the valid exercise of any Warrant prior to the close of the Exit Offer. If the Exit Offer lapses or is withdrawn or if the relevant Offer Warrants cease to be exercisable into new Shares, the Warrants Offer will lapse accordingly.

The Offeror does not intend to exercise any of the Warrants held by it during the period commencing from the Joint Announcement Date until the date the Warrants Offer is declared to have closed or lapsed.

### 4.3 Warrants Offer Price

The Warrants Offer Price will be as follows:

For each Offer Warrant: S\$0.0001 in cash
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In accordance with Note 1 to Rule 19 of the Code, the Warrants Offer Price is calculated based on a “see-through” basis. In other words, the Warrants Offer Price for an Offer Warrant will be the amount (if positive) of the Exit Offer Price less the exercise price of that Offer Warrant. As at the Latest Practicable Date, no adjustments have been made to the Offer Warrants exercise price of S\$0.05 for each new Share. Since the exercise price of the Offer Warrants is more than the Exit Offer Price, the Warrants Offer Price for each Offer Warrant will be the nominal amount of S\$0.0001.

The Offeror does not intend to revise the Warrants Offer Price.

### 4.4 Acceptance Condition

The Warrants Offer is unconditional in all respects.



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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 4.5 No Encumbrances

Warrantholders who accept the Warrants Offer will be deemed to unconditionally and irrevocably warrant, in respect of the relevant Offer Warrants, that such relevant Offer Warrants are (a) fully paid and (b) free from all Encumbrances (please refer to paragraph 3.3 above).

### 4.6 Exit Offer and Warrants Offer Mutually Exclusive

The Exit Offer and the Warrants Offer are separate and are mutually exclusive. The Warrants Offer does not form part of the Exit Offer, and vice versa. The Exit Offer will not be conditional upon acceptances received in relation to the Warrants Offer. Without prejudice to the foregoing, if a Warrantholder exercises its Offer Warrants in order to accept the Exit Offer in respect of the new Shares to be issued pursuant to such exercise, it may not accept the Warrants Offer in respect of such Offer Warrants. Conversely, if a Warrantholder wishes to accept the Warrants Offer in respect of its Offer Warrants, it may not exercise those Offer Warrants in order to accept the Exit Offer in respect of the new Shares to be issued pursuant to such exercise.

### 4.7 Further Details of the Warrants Offer

**Appendix I** to this Exit Offer and Warrants Offer Letter sets out further details on (a) choices a Warrantholder can take and (b) the general terms of the Warrants Offer.

### 4.8 Procedures for Acceptance

**Appendix II** to this Exit Offer and Warrants Offer Letter sets out the procedures for the acceptance of the Warrants Offer.

## 5. **FINANCIAL ASPECTS OF THE EXIT OFFER**

### 5.1 Closing Prices

Pursuant to the Delisting Notification, the trading of the Shares on the SGX-ST has been suspended from 5.05 p.m. on 28 July 2022, being the Suspension Date.

For reference, the last closing prices of the Shares on the SGX-ST (reported by Bloomberg L.P.) on (a) a monthly basis commencing from January 2022, being six (6) calendar months prior to the Suspension Date; (b) 28 July 2022, being the Last Trading Day; and (c) the Latest Practicable Date are set out below:

Date	Last Closing Price (S\$)
January 2022	0.021
February 2022	0.026
March 2022	0.026
April 2022	0.022
May 2022	0.021
June 2022	0.010
28 July 2022, being the Last Trading Day	0.008
31 October 2022, being the Latest Practicable Date	— <sup>(1)</sup>

**Note:**

(1) Trading of the Shares on the SGX-ST has been suspended from 5.05 p.m. on 28 July 2022.



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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 5.2 Highest and Lowest Prices

For reference, the highest and lowest closing price of the Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period commencing six (6) months prior to the Suspension Date are as follows:

	Closing Price (\$\$)	Date(s) transacted
Highest closing price	0.027	11 February 2022
Lowest closing price	0.008	14 July 2022

## 6. **RULINGS FROM THE SECURITIES INDUSTRY COUNCIL**

- 6.1 An application was made to the SIC to seek the SIC's ruling that Ms. Yau Su Peng and Mr. Azhar Bin Azib be exempted from the requirement to make a recommendation on the Exit Offer and the Warrants Offer, as they face an irreconcilable conflict of interest in doing so. Ms. Yau Su Peng is a Company Director and an employee of BCB, and holds directorships in certain subsidiaries of BCB. Similarly, Mr. Azhar Bin Azib is a Company Director and holds directorships in certain subsidiaries of BCB.
- 6.2 In accordance with paragraph 5 of the SIC's Practice Statement on Offers made under Rule 1309 of the Listing Manual, the SIC will not normally waive compliance with Rule 20.1, Rule 22, Rule 28 and Rule 29 of the Code for delistings directed by the SGX-ST. Accordingly, clarification was made regarding the extent to which these provisions of the Code apply to the Exit Offer and the Warrants Offer:
- Rule 20.1 on keeping the Exit Offer and the Warrants Offer open for 14 days after it is revised (if applicable);
  - Rule 22 on the offer timetable (the Exit Offer and the Warrants Offer remaining open for at least 28 days after the date on which the Exit Offer and Warrants Offer Letter is electronically despatched);
  - Rule 28 on acceptances; and
  - Rule 29 on the right of acceptors to withdraw their acceptances.
- 6.3 The SIC had, on 7 October 2022, ruled that Ms. Yau Su Peng and Mr. Azhar Bin Azib are exempted from the requirement to make a recommendation to the Shareholders and the Warrantholders on the Exit Offer and the Warrants Offer respectively. Nevertheless, they must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company to the Shareholders and the Warrantholders in connection with the Exit Offer and the Warrants Offer respectively.

## 7. **INFORMATION ON THE OFFEROR AND THE CONCERT PARTY**

### 7.1 Information on the Offeror

The Offeror is the controlling shareholder of the Company, holding 119,563,515 Shares, representing approximately 67.4% of the issued and paid-up share capital of the Company as at the Latest Practicable Date. The Offeror also holds 33,333,333 Warrants as at the Latest Practicable Date.

The Offeror is a company incorporated in the Cayman Islands on 29 March 1994 and has its registered office at One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands. The principal activity of the Offeror is that of an investment holding company.

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## EXIT OFFER AND WARRANTS OFFER LETTER

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The Offeror is wholly-owned by BLB, which in turn is a subsidiary of BCB. BCB and BLB are both listed on the Main Market of Bursa Malaysia Securities Berhad. The Executive Chairman of the Company, Ms. Yau Su Peng, currently holds the position of Director, Retail and Innovation at BCB and also holds directorships in certain subsidiaries of BCB.

As at the Latest Practicable Date, the Offeror has an authorised share capital of US\$20,000,000 comprising 20,000,000 ordinary shares with a par value of US\$1.00 each, of which US\$16,500,000 comprising 16,500,000 ordinary shares have been issued and fully paid-up. The Offeror Directors are Ms. Vivienne Cheng Chi Fan, Mr. Tan Thiam Chai and Ms. Teh Phaik See.

**Appendix III** to this Exit Offer and Warrants Offer Letter sets out additional information on the Offeror.

### 7.2 Information on the Concert Party

As at the Latest Practicable Date, RESB is acting or presumed to be acting in concert with the Offeror under the Code. RESB, an investment holding company, is an indirect wholly-owned subsidiary of BCB. RESB holds 930,062 Shares, representing approximately 0.5% of the issued and paid-up share capital of the Company as at the Latest Practicable Date. RESB does not hold any Warrants.

RESB has undertaken to tender all the Offer Shares held by it in acceptance of the Exit Offer.

**Appendix III** to this Exit Offer and Warrants Offer Letter sets out additional information on the Concert Party.

## 8. INFORMATION ON THE COMPANY

The Company was incorporated in the Republic of Singapore on 20 July 1983. It was listed on the SGX-ST Dealing and Automated Quotation System on 3 May 1993 and was transferred and listed on the Mainboard of the SGX-ST on 27 October 1995. The Group is principally engaged in the education business such as franchising and licensing for computer and commercial training centres, provision of computer and business education and training, examinations facilitators, and educational and business management consultancy.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S\$34.7 million, comprising 177,339,649 Shares. The Company has 35,041,371 Warrants in issue and does not have any other outstanding instruments convertible into, rights to subscribe for, and options (whether pursuant to an employee share option scheme or otherwise) in respect of, Shares or securities which carry voting rights affecting Shares in the Company. The Company does not hold any Shares in treasury.

As at the Latest Practicable Date, the board of Directors of the Company comprises the following:

- i. Ms. Yau Su Peng – Executive Chairman;
- ii. Mr. Azhar Bin Azib – Non-Executive and Non-Independent Director;
- iii. Mr. Yeap Beng Swee, Philip – Independent Director; and
- iv. Professor Lai Kim Fatt – Independent Director

As at the Latest Practicable Date, save as disclosed in this Exit Offer and Warrants Offer Letter and save for the information on the Group which is publicly available (including, but not limited to, the information disclosed in the announcements released by the Company on the SGX-ST), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Company since 30 June 2022, being the date to which the Company's last published unaudited accounts were made up.

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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 9. THE OFFEROR'S INTENTIONS FOR THE COMPANY

Given the Group's loss-making position and requirement for BLB to continue providing financial support to the Group as and when deemed necessary to meet its general working requirements, following the close of the Exit Offer and the Warrants Offer, the Offeror intends to conduct a comprehensive review of the operations, management and financial position of the Group, including the evaluation of various strategic options. This may include (a) making of material changes to the existing businesses of the Group, (b) disposal of fixed assets and other assets of the Group, and (c) reviewing the employment of the employees of the Group having regard to the outcome of the comprehensive review and evaluation of strategic options. The Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

### 10. IRREVOCABLE UNDERTAKING

#### 10.1 Irrevocable Undertaking

RESB owns 930,062 Shares, being the Undertaking Shares, representing approximately 0.5% of the total number of issued Shares.

RESB has given the Irrevocable Undertaking to the Offeror, *inter alia*, to:

- (a) accept the Exit Offer in respect of all (and not some only) of the Undertaking Shares not later than 5.00 p.m. (Singapore time) on the date falling three (3) Business Days, or on such later date as may be agreed with the Offeror, after the date on which the Exit Offer and Warrants Offer Letter is electronically despatched to Shareholders and Warrantholders, in accordance with the procedures to be prescribed in the Exit Offer and Warrants Offer Letter and the Acceptance Forms;
- (b) notwithstanding any rights of withdrawal under the Code, to not withdraw any of the Undertaking Shares tendered for acceptance until the date on which the Irrevocable Undertaking lapses or terminates in accordance with paragraph 10.3 below;
- (c) during the term of the Irrevocable Undertaking:
  - (i) shall not, other than in accordance with the Irrevocable Undertaking, directly or indirectly offer, sell, transfer, give or otherwise dispose of, grant any option, right or warrant to purchase in respect of, charge, mortgage, pledge or otherwise create an Encumbrance over or enter into any swap or other arrangement that transfers, legal, beneficial or economic interests in any Undertaking Shares to any other party;
  - (ii) shall not accept any other offer from any other party other than the Offeror or a party approved in writing by the Offeror for all or any of the Undertaking Shares, whether or not such other offer is on more favourable terms than under the Exit Offer; and
- (d) not authorise any person to, directly and indirectly, solicit, initiate or entertain any offers or proposals, discuss, provide any information, negotiate or enter into any arrangements with any third party with a view to or in connection with the acquisition of any securities in the Company and/or its subsidiaries or all or any substantial part of the businesses, revenues and undertakings of the Company and/or its subsidiaries or any arrangement with a view to a transaction taking place which would preclude the Exit Offer.

#### 10.2 Consideration

Payment for the Undertaking Shares shall be fully satisfied by the Offeror in cash.

#### 10.3 Termination of Irrevocable Undertaking

The Irrevocable Undertaking shall terminate, lapse or cease to have any effect upon the earlier of (i) the Exit Offer being withdrawn for whatever reason other than as a result of a breach of any of RESB's obligations under the Irrevocable Undertaking; or (ii) closing of the Exit Offer.

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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 11. COMPULSORY ACQUISITION

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and excluding any Shares of the Company held as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Dissenting Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.

**The Offeror intends to exercise its right to compulsorily acquire all the Shares not tendered in acceptance of the Exit Offer pursuant to Section 215(1) of the Companies Act if it is entitled to do so.**

In addition, the Dissenting Shareholders who have not accepted the Exit Offer have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror and/or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations and/or their respective nominees, comprise 90% or more of the total issued Shares.

**Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent professional advice.**

### 12. IMPLICATIONS OF THE DIRECTED DELISTING FOR SHAREHOLDERS AND WARRANTHOLDERS

**SHAREHOLDERS AND WARRANTHOLDERS SHOULD NOTE THAT THE COMPANY SHALL BE MANDATORILY DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST PURSUANT TO RULE 1315 OF THE LISTING MANUAL AND WILL BECOME AN UNLISTED PUBLIC COMPANY SUBSEQUENT TO THE CLOSE OF THE EXIT OFFER AND THE WARRANTS OFFER.**

Shareholders who do not accept the Exit Offer and Warrantholders who do not accept the Warrants Offer will continue to hold Shares and Warrants in the Company, respectively, which will then be an unlisted public company.

Shares of unlisted or delisted public companies are generally valued at a discount to the shares of comparable listed companies due to their lack of marketability. Following the Directed Delisting, it is likely to be difficult for Shareholders who do not accept the Exit Offer to sell their Shares in the absence of a public market for the Shares, as there is no arrangement for such Shareholders to exit. Even if such Shareholders are able to sell their Shares, they will likely receive a lower price as compared with the Exit Offer Price or the market prices of the shares of comparable listed companies.

Following the Directed Delisting, the Company will no longer be obliged to comply with the requirements of the Listing Manual.

Pursuant to Rule 827 of the Listing Manual, the Warrants may be listed on the Official List of the SGX-ST only if the Shares are listed on the SGX-ST. In the event that the Shares are delisted from the SGX-ST, the Warrants will also be delisted from the Official List of the SGX-ST.

When the Company is delisted from the Official List of the SGX-ST, each Shareholder or Warrantholder who holds Shares or Warrants that are deposited with CDP and does not accept the Exit Offer or Warrants Offer will be entitled to one share certificate or warrant certificate representing his unquoted Shares or Warrants. The Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, will arrange to forward the share certificates or warrant certificates to such Shareholders or Warrantholders (not being (i) CPFIS investors who purchase Offer Shares or Offer Warrants using their CPF contributions pursuant to the CPFIS; and (ii) SRS investors who purchase Offer Shares or Offer Warrants using their SRS savings), by ordinary

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## EXIT OFFER AND WARRANTS OFFER LETTER

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post and at the Shareholders' or Warrantholders' own risk, to their respective addresses as such addresses appear in the records of CDP for their physical safekeeping. The share certificates and warrant certificates belonging to CPFIS Investors and SRS Investors will be forwarded to their respective agent banks included under the CPFIS and SRS for their safe-keeping. If a Shareholder or Warrantholder wishes to split his share certificate or warrant certificate into other denominations, he will be required to pay for each share certificate so required, a fee of S\$2.00 (excluding goods and services tax).

Shareholders who are in doubt about their position should seek independent legal advice.

### 13. CONFIRMATION OF FINANCIAL RESOURCES

ZICO Capital, the financial adviser to the Offeror in respect of the Exit Offer and the Warrants Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer by the Shareholders on the basis of the Exit Offer Price, including new Shares to be issued in the event of the exercise of all Warrants (save for those held by the Offeror).

### 14. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

#### 14.1 Shareholdings and Dealings in Company Securities

**Appendix III** to this Exit Offer and Warrants Offer Letter sets out (i) the number of Company Securities owned, controlled or agreed to be acquired by the Offeror and the Concert Party as at the Latest Practicable Date, and (ii) the dealings in the Company Securities during the three-month period immediately preceding the Joint Announcement Date and up to the Latest Practicable Date, being the Reference Period by:

- (a) the Offeror;
- (b) the Offeror Directors and shareholder of the Offeror;
- (c) RESB; and
- (d) ZICO Capital (as financial adviser to the Offeror in connection with the Exit Offer and the Warrants Offer).

#### 14.2 No Other Holdings and Dealings

Save as disclosed in **Appendix III** to this Exit Offer and Warrants Offer Letter, as at the Latest Practicable Date and based on the latest information available to the Offeror, the Relevant Persons:

- (i) does not own, control or has agreed to acquire any Company Securities; and
- (ii) has not dealt for value in any Company Securities during the Reference Period.

#### 14.3 Other Arrangements

Save for the Irrevocable Undertaking from RESB, as at the Latest Practicable Date, none of the Relevant Persons has:

- (i) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Exit Offer and the Warrants Offer;
- (ii) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise;

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## EXIT OFFER AND WARRANTS OFFER LETTER

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- (iii) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or
- (iv) lent any Company Securities to another person.

### 14.4 Irrevocable Undertaking

Save for the Irrevocable Undertaking from RESB, neither the Offeror nor any of the Relevant Persons has received any irrevocable commitment or undertaking from any person to accept or reject the Exit Offer and the Warrants Offer.

## 15. ACCEPTANCE AND PROCEDURES FOR ACCEPTANCE

Shareholders and Warrantholders may choose to accept the Exit Offer and the Warrants Offer in respect of all or part of their holdings of the Offer Shares and Offer Warrants.

If you hold Offer Shares and/or Offer Warrants that are deposited with CDP, you should receive a FAA and/or Warrants FAA together with the Hardcopy Notification. If you have not received the FAA and/or Warrants FAA, please contact CDP's Customer Service Hotline +65 6535 7511 during their operating hours or email CDP at [asksgx@sgx.com](mailto:asksgx@sgx.com) for assistance.

If you hold Offer Shares and/or Offer Warrants that are represented by share certificate(s) and/or warrant certificate(s) and are not deposited with CDP, you should receive a FAT and/or Warrants FAT together with the Hardcopy Notification. If you have not received the FAT and/or Warrants FAT, you may obtain a copy of the FAT and/or Warrants FAT from the office of the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, upon production of satisfactory evidence that you are a Shareholder and Warrantholder respectively, or you may contact M & C Services Private Limited at the telephone number +65 6227 6660 for assistance during normal business hours.

The Exit Offer and the Warrants Offer may only be accepted by the relevant Shareholder and Warrantholder respectively to whom the Hardcopy Notification and relevant Acceptance Form is addressed.

**If you wish to accept the Exit Offer and the Warrants Offer**, you should complete, sign and return the relevant Acceptance Form in accordance with the provisions and instructions on that Acceptance Form and in this Exit Offer and Warrants Offer Letter during the period commencing from the date of this Exit Offer and Warrants Offer Letter and ending at 5.30 p.m. (Singapore time) on the Closing Date.

If you hold share certificate(s) and/or warrant certificate(s) of the Offer Shares and/or Offer Warrants beneficially owned by you and wish to accept the Exit Offer and/or the Warrants Offer in respect of such Offer Shares and/or Offer Warrants, you **SHOULD NOT** deposit the share certificate(s) and/or warrant certificate(s) with CDP during the period commencing on the date of this Exit Offer and Warrants Offer Letter and ending on the Closing Date (both dates inclusive) as the "Free Balance" of your Securities Account may not be credited with the relevant number of Offer Shares and/or Offer Warrants in time for you to accept the Exit Offer and/or the Warrants Offer.

**If you decide not to accept the Exit Offer and the Warrants Offer**, you do not have to take any action. You will continue to hold unquoted Shares and Warrants in the Company as an unlisted public company. If you hold Shares and Warrants that are deposited with CDP, a share certificate and warrant certificate in respect of your Shares and Warrants that are deposited with CDP will be sent, by ordinary post and at your own risk, to your address as it appears in the records of CDP, after the Company has been delisted from the Official List of the SGX-ST.

The detailed procedures for acceptance of the Exit Offer and the Warrants Offer are set out in **Appendix II** to this Exit Offer and Warrants Offer Letter.



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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 16. OVERSEAS SHAREHOLDERS AND OVERSEAS WARRANTHOLDERS

#### 16.1 Overseas Shareholders and Overseas Warrantholders

The availability of the Exit Offer and the Warrants Offer to the Shareholders and the Warrantholders whose mailing addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an “**Overseas Shareholder**” or “**Overseas Warrantholder**”), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders and Overseas Warrantholders should inform themselves about and observe any applicable legal requirements in their own jurisdictions, and exercise caution in relation to the Exit Offer and the Warrants Offer, as the Delisting Documents have not been reviewed by any regulatory authority in any overseas jurisdiction. Where there are potential restrictions on sending the Delisting Documents to any overseas jurisdiction, the Offeror, ZICO Capital, CDP, M & C Services Private Limited and the Company each reserves the right not to send such documents to such overseas jurisdictions. For the avoidance of doubt, the Exit Offer and the Warrants Offer are open to all the Shareholders and Warrantholders holding Offer Shares and Offer Warrants, including those to whom the Delisting Documents have not been, or may not be, sent, provided that the Delisting Documents shall not be construed as, may not be used for the purpose of, and do not constitute a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstances in which such notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such a notice of proposal or advertisement or an offer or invitation or solicitation.

**For the avoidance of doubt, the Exit Offer and the Warrants Offer are open to all Shareholders and Warrantholders holding Offer Shares and Offer Warrants, including those to whom the Hardcopy Notification and/or the relevant Acceptance Forms have not been, or may not be, sent.**

#### 16.2 Restricted Jurisdictions

Copies of the Delisting Documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer and the Warrants Offer would violate the applicable law of that Restricted Jurisdiction and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Exit Offer and the Warrants Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer and the Warrants Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

#### 16.3 Copies of the Hardcopy Notification and the Acceptance Forms

Overseas Shareholders and Overseas Warrantholders may, nonetheless, obtain copies of the Hardcopy Notification and the Acceptance Forms during normal business hours, from the date of this Exit Offer and Warrants Offer Letter and up to the Closing Date, from the Offeror through its receiving agents, (i) CDP (if he is a depositor) by submitting a request to CDP via telephone +65 6535 7511 or email services at [asksgx@sgx.com](mailto:asksgx@sgx.com); OR (ii) from the office of the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902. Alternatively, an Overseas Shareholder or Overseas Warrantholder may write to the Offeror through (i) CDP (if he is a depositor) at Robinson Road Post Office, P. O. Box 1984, Singapore 903934; OR (ii) the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, at the address listed above (if he is a scripholder), to request for the Hardcopy Notification and the Acceptance Forms to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's or Overseas Warrantholder's own risk (last day for despatch in respect of such request shall be a date falling five (5) Market Days prior to the Closing Date).



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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 16.4 Responsibility of Overseas Shareholders and Overseas Warrantholders

It is the responsibility of any Overseas Shareholder or Overseas Warrantholder who wishes to (a) request for the Hardcopy Notification and the Acceptance Forms, and/or (b) accept the Exit Offer or the Warrants Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder and Overseas Warrantholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, ZICO Capital, CDP, M & C Services Private Limited, the Company and/or any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder or Overseas Warrantholder for any such taxes, imposts, duties or other requisite payments as the Offeror, ZICO Capital, CDP, M & C Services Private Limited, the Company and/or any person acting on its behalf may be required to pay. In (i) requesting for the Hardcopy Notification and the Acceptance Forms, and/or (ii) accepting the Exit Offer or the Warrants Offer, the Overseas Shareholder or the Overseas Warrantholder shall represent and warrant to the Offeror, ZICO Capital, CDP, M & C Services Private Limited and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

**Any Overseas Shareholder or Overseas Warrantholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

### 16.5 Notice

The Offeror and ZICO Capital each reserves the right to notify any matter, including the fact that the Exit Offer and the Warrants Offer have been made, to any or all of the Shareholders and Warrantholders (including the Overseas Shareholders and Overseas Warrantholders) by announcement to the SGX-ST and if necessary, paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder or Warrantholder to receive or see such announcement or advertisement.

## 17. **CPFIS/SRS INVESTORS**

CPFIS Investors and SRS Investors will receive further information on how to accept the Exit Offer and the Warrants Offer from their respective agent banks included under the CPFIS (“**CPF Agent Banks**”) and SRS (“**SRS Agent Banks**”) directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Exit Offer and the Warrants Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors who validly accept the Exit Offer and the Warrants Offer will receive the payment in respect of their Offer Shares and Offer Warrants, in their CPF investment accounts and SRS investment accounts.

## 18. **GENERAL**

### 18.1 Valid Acceptances

The Offeror, ZICO Capital, CDP and/or Receiving Agent, Share Registrar cum Warrant Agent will be authorised and entitled in their absolute discretion, to reject any acceptances of the Exit Offer and the Warrants Offer which are not entirely in order or which do not comply with the provisions and instructions contained in the Acceptance Forms or which are otherwise incomplete, incorrect, unsigned or invalid in any respect. The Offeror and ZICO Capital each reserves the right to treat acceptances of the Exit Offer and the Warrants Offer as valid if received by or on behalf of it at

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## EXIT OFFER AND WARRANTS OFFER LETTER

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any place or places determined by it otherwise than as stated herein or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions herein and instructions printed on the relevant Acceptance Forms.

### 18.2 Governing Law and Jurisdiction

The Exit Offer and the Warrants Offer, this Exit Offer and Warrants Offer Letter, the Acceptance Forms, all acceptances of the Exit Offer and the Warrants Offer and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each Accepting Shareholder and Accepting Warrantholder agree to submit to the non-exclusive jurisdiction of the Singapore courts.

### 18.3 No Third Party Rights

Unless expressly provided to the contrary in this Exit Offer and Warrants Offer Letter and the relevant Acceptance Forms, a person who is not a party to any contracts made pursuant to the Exit Offer and the Warrants Offer, this Exit Offer and Warrants Offer Letter, and the relevant Acceptance Forms has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### 18.4 Accidental Omission

Accidental omission to despatch (whether by post or electronically) the Delisting Documents or any notice or announcement required to be given under the terms of the Exit Offer and the Warrants Offer or any failure to receive the same by any person to whom the Exit Offer and the Warrants Offer is made or should be made shall not invalidate the Exit Offer and the Warrants Offer in any way.

### 18.5 Independent Advice

The advice of the IFA to the Recommending Directors in relation to the terms of the Exit Offer and the Warrants Offer and the recommendation of the Recommending Directors on the Exit Offer and the Warrants Offer are contained in the Company's Letter to Shareholders and Warrantholders set out in **Appendix VI** to this Exit Offer and Warrants Offer Letter. Shareholders and Warrantholders may wish to consider their advice before taking any action in relation to the Exit Offer and the Warrants Offer.

### 18.6 General Information

**Appendix V** to this Exit Offer and Warrants Offer Letter sets out additional general information relating to the Exit Offer and the Warrants Offer.

### 18.7 Consents

M & C Services Private Limited, in its capacity as the Receiving Agent, Share Registrar cum Warrant Agent, has given and has not withdrawn its written consent to the issue of this Exit Offer and Warrants Offer Letter with the inclusion of its name and all references to its name in the form and context in which they appear in this Exit Offer and Warrants Offer Letter.

The IFA to the Recommending Directors, RHT Capital Pte. Ltd., has given and has not withdrawn its written consent to the issue of this Exit Offer and Warrants Offer Letter with the inclusion herein of the IFA Letter in the form and context in which they are included and all references to its name in the form and context in which they appear in this Exit Offer and Warrants Offer Letter.

The financial adviser to the Offeror, ZICO Capital, has given and has not withdrawn its written consent to the issue of this Exit Offer and Warrants Offer Letter with the inclusion of its name and all references to its name in the form and context in which they appear in this Exit Offer and Warrants Offer Letter.

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## EXIT OFFER AND WARRANTS OFFER LETTER

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### 19. DOCUMENTS FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents may be inspected at the registered office of the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, during normal business hours for the period for which the Exit Offer and the Warrants Offer remain open for acceptance:

- (a) the letters of consent of the Receiving Agent, Share Registrar cum Warrant Agent, the IFA and ZICO Capital;
- (b) the memorandum and articles of association of the Offeror;
- (c) the Offeror Financial Statements;
- (d) the BCB Financial Statements; and
- (e) the Irrevocable Undertaking.

### 20. RESPONSIBILITY STATEMENT

The Offeror Directors (including any Offeror Director who may have delegated detailed supervision of this Exit Offer and Warrants Offer Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein (other than those relating to the Company, the Group and the IFA) are fair and accurate and that there are no other material facts not contained in this Exit Offer and Warrants Offer Letter, the omission of which would make any statement in this Exit Offer and Warrants Offer Letter misleading. Where any information in this Exit Offer and Warrants Offer Letter has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the Offeror Directors have been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Exit Offer and Warrants Offer Letter. The Offeror Directors jointly and severally accept responsibility accordingly.

**If you are in doubt as to any of the matters referred to in this Exit Offer and Warrants Offer Letter and/or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

**BY ORDER OF THE BOARD**

**BERJAYA LEISURE CAPITAL (CAYMAN) LIMITED**

Vivienne Cheng Chi Fan  
Director

4 November 2022

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## APPENDIX I

### DETAILS OF THE EXIT OFFER AND THE WARRANTS OFFER

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#### 1. DURATION OF THE EXIT OFFER AND THE WARRANTS OFFER

**Closing Date.** The Exit Offer and the Warrants Offer will remain open for acceptance by Shareholders and Warrantholders for a period of 28 days from the Electronic Despatch Date, unless the Exit Offer and the Warrants Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. Accordingly, the Exit Offer and the Warrants Offer will close at 5.30 p.m. (Singapore time) on the Closing Date.

#### 2. CHOICES FOR WARRANTHOLDERS

##### 2.1 Choices. The Warrantholder can, in relation to all or part of its Offer Warrants, either:

**2.1.1** exercise such Offer Warrants and participate in the Exit Offer in respect of the new Shares to be issued pursuant to such exercise prior to the close of the Exit Offer (an “**Exercising Warrantholder**”);

**2.1.2** accept the Warrants Offer in respect of such Offer Warrants (an “**Accepting Warrantholder**”); or

**2.1.3** take no action and let the Warrants Offer lapse in respect of its Offer Warrants.

#### 3. EXERCISING WARRANTHOLDER

##### 3.1 Procedure for Exercising Warrantholder. The Exercising Warrantholder should do the following:

**3.1.1** comply with the procedures for the exercise of the Offer Warrants set out in the terms and conditions of the Offer Warrants (“**Warrants Conditions**”), namely, to lodge the relevant Warrant Certificate(s) (as the term is defined in the Warrants Conditions) registered in the name of the Exercising Warrantholder accompanied by the Exercise Notice (as the term is defined in the Warrants Conditions), all other relevant documents in respect of, and the aggregate Offer Warrants exercise price for, the relevant number of Offer Warrants which is the subject of the exercise, at the office of the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, so as to arrive not later than 10 Business Days prior to 2 December 2022, being the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror;

**3.1.2** if you are an Exercising Warrantholder and you receive:

- (i) the new Shares arising from the exercise of the relevant Offer Warrants in scrip form, you may obtain a copy of the Hardcopy Notification containing instructions on how to access the electronic copy of the Exit Offer and Warrants Offer Letter and the accompanying FAT, upon production of satisfactory evidence of title to the Shares, from M & C Services Private Limited, at its office located at 112 Robinson Road #05-01, Singapore 068902. An electronic copy of the FAT may also be obtained on the website of the SGX-ST at <https://www.sgx.com>. You must complete and sign the FAT in accordance with the Exit Offer and Warrants Offer Letter and the instructions printed on the FAT; or
- (ii) the new Shares arising from the exercise of the relevant Offer Warrants in scripless form, you may obtain a copy of the Hardcopy Notification and the accompanying FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP by contacting CDP’s Customer Service Hotline at +65 6535 7511 during their operating hours or email CDP at [asksgx@sgx.com](mailto:asksgx@sgx.com). An electronic copy of the FAA may also be obtained on the website of the SGX-ST at <https://www.sgx.com>. You must complete and sign the FAA in accordance with the Exit Offer and Warrants Offer Letter and the instructions printed on the FAA; and

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### DETAILS OF THE EXIT OFFER AND THE WARRANTS OFFER

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**3.1.3** as the case may be, deliver the completed and signed:

- (i) FAT (together with the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which he/she wishes to accept the Offer):

- (a) **by hand**; or

- (b) **by post**, in the enclosed pre-addressed envelope at your own risk,

to **Berjaya Leisure Capital (Cayman) Limited c/o M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902**; or

- (ii) FAA

- (a) **by post**, in the enclosed pre-addressed envelope at your own risk, to **Berjaya Leisure Capital (Cayman) Limited c/o The Central Depository (Pte) Limited, at Robinson Road Post Office P.O. Box 1984 Singapore 903934**; or

- (b) **in electronic form**, via SGX's Investor Portal at <https://investors.sgx.com>,

**in each case, so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.**

The Exercising Warrantholder should note that CDP will credit the Securities Account of the Exercising Warrantholder with the number of new Shares only after receiving the new share certificates in respect of such Shares from M & C Services Private Limited and after the new Shares have been approved for listing on the SGX-ST. The Exercising Warrantholder should also note that if its Securities Account is not credited with the relevant number of new Shares by the date of receipt of the FAA by CDP, for and on behalf of the Offeror (provided the date and time of receipt is on or before 5.30 p.m. (Singapore time) on the Closing Date), the acceptance of the Exit Offer by the Exercising Warrantholder will be rejected. For the purposes of this Exit Offer and Warrants Offer Letter, "**Securities Account**" means a securities account maintained by a Depositor with CDP but does not include a securities sub-account, and "**Depositor**" shall have the meaning ascribed to it in Section 81SF of the SFA.

Please refer to the Exit Offer and Warrants Offer Letter for further details on the Exit Offer and acceptance procedures for the Exit Offer.

**3.2 Closing Date.** The Exit Offer shall remain open for acceptance until 5.30 p.m. (Singapore time) on the Closing Date, being 2 December 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

**3.3 Settlement.** Settlement of the consideration to be made to the Exercising Warrantholder will be made on the basis set out in paragraph 5 of Appendix I to this Exit Offer and Warrants Offer Letter.

#### **4. ACCEPTING WARRANTHOLDER**

**4.1 Procedure for Accepting Warrantholder.** The Warrants FAA and/or Warrants FAT, as the case may be, are enclosed with the Hardcopy Notification. Appendix II to this Exit Offer and Warrants Offer Letter sets out the procedures for acceptance of the Warrants Offer.

**4.2 Closing Date.** The Warrants Offer shall remain open for acceptance until 5.30 p.m. (Singapore time) on the Closing Date.

**4.3 Settlement.** Please refer to paragraph 5 below.

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### DETAILS OF THE EXIT OFFER AND THE WARRANTS OFFER

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#### 5. SETTLEMENT FOR THE EXIT OFFER AND THE WARRANTS OFFER

Subject to (i) the receipt by the Offeror from Accepting Shareholders and Accepting Warrantholders of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with the requirements set out in this Exit Offer and Warrants Offer Letter and the FAA and Warrants FAA, and/or the FAT and Warrants FAT (as the case may be), and (ii) the relevant Offer Warrants continuing to be exercisable into new Shares (with respect to the Warrants Offer), and in the case of Depositors, the receipt by the Offeror of confirmations satisfactory to it that the number of Offer Shares and/or Offer Warrants tendered by the Accepting Shareholders and Accepting Warrantholders in acceptance of the Exit Offer and the Warrants Offer are standing to the credit of the “Free Balance” of their respective Securities Accounts at the relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to Accepting Shareholders and Accepting Warrantholders (or, in the case of Shareholders holding share certificate(s) and Warrantholders holding warrant certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by means of (in the case of Depositors) credit directly into the Depositor’s designated bank account for Singapore Dollars via CDP’s Direct Crediting Service (“**DCS**”) in the case of Depositors who are subscribed to CDP’s DCS or (in the case of Shareholders or Warrantholders holding share certificate(s) or warrant certificate(s) which are not deposited with CDP) a Singapore Dollar crossed cheque drawn on a bank in Singapore and sent by ordinary post to their respective addresses stated in the respective FATs and Warrants FATs or, if none is set out, to the respective addresses maintained in the Register (as the case may be), at the risk of the Accepting Shareholders and Accepting Warrantholders (or in such other manner as the Accepting Shareholders and Accepting Warrantholders may have agreed with CDP for the payment of any cash distributions in the case of Depositors) as soon as practicable and in respect of acceptances of the Exit Offer and the Warrants Offer which are complete and valid in all respects and are received **before** the Exit Offer and Warrants Offer closes, within seven (7) Business Days of that date.

In the event an Accepting Shareholder or Accepting Warrantholder who is a Depositor is not subscribed to CDP’s DCS, any monies to be paid shall be credited to such Accepting Shareholder’s or Accepting Warrantholder’s Cash Ledger and be subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein).

#### 6. ANNOUNCEMENTS

6.1 **Timing and Contents.** Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the dealing day (“**Relevant Day**”) immediately after the day on which the Exit Offer and the Warrants Offer is due to expire, or is extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares and Warrants (as nearly as practicable):

- (a) for which valid acceptances of the Exit Offer and the Warrants Offer have been received;
- (b) held by the Offeror and any of its Concert Party before the Offer Period; and
- (c) acquired or agreed to be acquired by the Offeror and its Concert Party during the Offer Period,

and will specify the percentages of the total number of Shares represented by such numbers.

6.2 **Suspension.** Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of paragraph 6.1 (Timing and Contents) of this **Appendix I**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.



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- 6.3 **Valid Acceptances.** Subject to paragraph 18.1 (Valid Acceptances) of this Exit Offer and Warrants Offer Letter, in computing the number of Offer Shares and Offer Warrants represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

**7. RIGHT OF WITHDRAWAL IN RELATION TO THE EXIT OFFER AND THE WARRANTS OFFER**

- 7.1 **Acceptances Irrevocable.** Except as expressly provided in this Exit Offer and Warrants Offer Letter and the Code, acceptances of the Exit Offer and the Warrants Offer shall be irrevocable.

**7.2 Right of Withdrawal of Shareholders and Warrantholders**

If the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code by 3.30 p.m. (Singapore time) on the Relevant Day, then immediately thereafter:

- (a) Shareholders and Warrantholders holding Offer Shares and Offer Warrants which are deposited with CDP and accepting the Exit Offer or the Warrants Offer will be entitled to withdraw their acceptance by written notice to **Berjaya Leisure Capital (Cayman) Limited c/o The Central Depository (Pte) Limited, at Robinson Road Post Office P.O. Box 1984 Singapore 903934**; and
- (b) Shareholders and Warrantholders holding Offer Shares and Offer Warrants which are not deposited with CDP and accepting the Exit Offer and the Warrants Offer will be entitled to withdraw their acceptance by written notice to **Berjaya Leisure Capital (Cayman) Limited c/o M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902**.

A notice of withdrawal shall be effective only if signed by the Accepting Shareholder, Accepting Warrantholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.



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## APPENDIX II

### PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER AND THE WARRANTS OFFER

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#### 1. PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER AND THE WARRANTS OFFER BY DEPOSITORS WHOSE SECURITIES ACCOUNTS ARE AND/OR WILL BE CREDITED WITH OFFER SHARES AND/OR OFFER WARRANTS

##### 1.1 Depositors whose Securities Accounts are credited with Offer Shares and/or Offer Warrants

If you have Offer Shares and/or Offer Warrants standing to the credit of the “Free Balance” of your Securities Account, you are entitled to receive the Hardcopy Notification together with the FAA and/or Warrants FAA. If you do not receive the FAA and/or Warrants FAA, you may obtain a copy of such FAA and/or Warrants FAA, upon production of satisfactory evidence that you are a Shareholder and/or Warrantholder, from CDP by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services ([asksgx@sgx.com](mailto:asksgx@sgx.com)).

If you wish to accept the Exit Offer and/or the Warrants Offer, you should complete and sign the accompanying FAA and/or Warrants FAA in accordance with the provisions and instructions in this Exit Offer and Warrants Offer Letter, and the provisions and instructions printed on the FAA and/or Warrants FAA (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer and the Warrants Offer), in particular, you must state in Section C of the FAA or the Warrants FAA, the number of Offer Shares or Offer Warrants in respect of which you wish to accept the Exit Offer and/or the Warrants Offer.

(a) If you:

(aa) do not specify such number; or

(bb) specify a number which exceeds the number of Offer Shares or Offer Warrants standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, by 5.30 p.m. (Singapore time) on the Closing Date,

you shall be deemed to have accepted the Offer in respect of all the Offer Shares or Offer Warrants standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA and/or the Warrants FAA is received by CDP on the Closing Date).

(b) if paragraph 1.1(a)(bb) above applies and at the time of verification by CDP of the FAA and/or the Warrants FAA on the Date of Receipt, there are outstanding settlement instructions with CDP to receive further Offer Shares and/or Offer Warrants into the “Free Balance” of your Securities Account (“**Unsettled Buy Position**”), and the Unsettled Buy Position settles such that the Offer Shares and/or the Offer Warrants in the Unsettled Buy Position are transferred to the “Free Balance” of your Securities Account at any time during the period the Exit Offer and the Warrants Offer is open, up to 5.30 p.m. on the Closing Date (“**Settled Shares**”), you shall be deemed to have accepted the Exit Offer and/or Warrants Offer in respect of the balance number of Offer Shares and/or the Offer Warrants inserted in Section C of the FAA and/or the Warrants FAA or the relevant section of the electronic form of the FAA and/or the Warrants FAA which have not yet been accepted pursuant to paragraph 1.1(a)(bb) above, or the number of Settled Shares, whichever is less;

and submit the duly completed and signed the FAA and/or the Warrants FAA in accordance with this Appendix II and the instructions printed on the FAA and/or the Warrants FAA,

(i) **by post** (in the enclosed pre-addressed envelope(s)) at your own risk, to:

BERJAYA LEISURE CAPITAL (CAYMAN) LIMITED  
c/o The Central Depository (Pte) Limited  
Robinson Road Post Office  
P.O. Box 1984  
Singapore 903934

(ii) **in electronic form**, via SGX’s Investor Portal at <https://investors.sgx.com>,

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## APPENDIX II

### PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER AND THE WARRANTS OFFER

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in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date, being 2 December 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror. If the completed and signed FAA and/or Warrants FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope(s). It is your responsibility to affix adequate postage on the said envelope(s).

If you have sold or transferred all your Offer Shares and/or Offer Warrants, you need not forward the Hardcopy Notification and/or the FAA and/or Warrants FAA to the purchaser or the transferee (the “Purchaser”) as arrangements will be made by CDP for a separate Hardcopy Notification and the FAA and/or Warrants FAA to be sent to the Purchaser. Purchasers should note that CDP will, for and on behalf of the Offeror, send a copy of the Hardcopy Notification and the FAA and/or Warrants FAA by ordinary post at the Purchasers’ own risk to their respective addresses as maintained in the records of CDP.

If you wish to accept the Exit Offer and/or the Warrants Offer, you must insert in **Section C** of the FAA and/or the Warrants FAA or the relevant section in the electronic form of the FAA and/or the Warrants FAA, the number of Offer Shares and/or Offer Warrants in respect of which the Exit Offer and/or the Warrants Offer is accepted, which should not exceed the number of Offer Shares and/or Offer Warrants standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt by CDP, or in the case where the Date of Receipt is 5.30 p.m. (Singapore time) on the Closing Date, provided always that such Date of Receipt must fall on or before the Closing Date.

If you are a Depository Agent, you may accept the Exit Offer and the Warrants Offer via the SGX-SFG service provided by CDP as listed in the Terms and Conditions for User Services for Depository Agents (“**Electronic Acceptance**”). Such Electronic Acceptances must be submitted **NOT LATER THAN 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE**. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and the Warrants FAA and this Exit Offer and Warrants Offer Letter as if the FAA and the Warrants FAA had been completed and delivered to CDP.

#### 1.2 Depositors whose Securities Accounts will be credited with Offer Shares and/or Offer Warrants

If you have purchased Offer Shares and/or Offer Warrants on the SGX-ST and such Offer Shares and/or Offer Warrants are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive the Hardcopy Notification together with a FAA and/or a Warrants FAA. If you do not receive the FAA and/or the Warrants FAA, you may obtain a copy of such FAA and/or the Warrants FAA, upon production of satisfactory evidence that you are a Shareholder and/or a Warrantholder, from CDP by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services ([asksgx@sgx.com](mailto:asksgx@sgx.com)).

You may accept the Exit Offer and/or the Warrants Offer in respect of such Offer Shares and/or Offer Warrants only **after** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares and/or Offer Warrants. The provisions and instructions set out in paragraph 1.1 above in this **Appendix II** shall apply in the same way to your acceptance(s) in respect of such Offer Shares and/or Offer Warrants.

If upon receipt by CDP, for and on behalf of the Offeror, of the FAA and/or the Warrants FAA, it is established that the Offer Shares and/or Offer Warrants have not been, or will not be, credited to the “Free Balance” of your Securities Account (as, for example, where you sell or have sold such Offer Shares and/or Offer Warrants), your acceptance is liable to be rejected and none of the Offeror or CDP accepts any responsibility or liability for the consequences of such a rejection.

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## APPENDIX II

### PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER AND THE WARRANTS OFFER

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If you purchase Offer Shares and/or Offer Warrants on the SGX-ST on a date near to the Closing Date, your acceptance in respect of such Offer Shares and/or Offer Warrants will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares and/or Offer Warrants on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA and/or Warrants FAA is received by CDP on the Closing Date), unless paragraph 1.1(a)(bb) read together with paragraph 1.1(b) of this Appendix II apply. None of the Offeror, ZICO Capital or CDP accepts any responsibility or liability for the consequences of such a rejection, save where you had indicated the number of Offer Shares and/or Offer Warrants you wish to tender in acceptance of the Exit Offer and the Warrants Offer in **Section C** of the FAA and/or the Warrants FAA or the relevant section in the electronic form of the FAA and/or the Warrants FAA, and there is an Unsettled Buy Position on or subsequent to the time of verification by CDP of the FAA and/or the Warrants FAA on the Date of Receipt which settles on or before 5.30 p.m. (Singapore time) on the Closing Date. If an Unsettled Buy Position does not settle on or before 5.30 p.m. (Singapore time) on the Closing Date, your acceptance in respect of such Offer Shares and/or Offer Warrants will be rejected. None of the Offeror, ZICO Capital or CDP (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

#### 1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares and/or Offer Warrants

If you have Offer Shares and/or Offer Warrants credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Shares and/or Offer Warrants on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Exit Offer and the Warrants Offer in respect of the Offer Shares and/or Offer Warrants already standing to the credit of the “Free Balance” of your Securities Account and may accept the Exit Offer and/or the Warrants Offer in respect of the additional Offer Shares and/or Offer Warrants purchased which are in the process of being credited to your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares and/or Offer Warrants. The provisions and instructions set out in paragraphs 1.1 and 1.2 above in this **Appendix II** shall apply in the same way to your acceptance(s) in respect of such Offer Shares and/or Offer Warrants which are credited and such additional Offer Shares and/or Offer Warrants which will be credited to the “Free Balance” of your Securities Account (respectively).

#### 1.4 General

All CDP services will be provided through CDP Internet, phone (+65 6535 7511) and email services ([asksgx@sgx.com](mailto:asksgx@sgx.com)).

No acknowledgment of receipt will be given by CDP for submissions of the FAAs and/or the Warrants FAAs. All communications, notices, documents and payments will be sent by ordinary post at your own risk to your mailing address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares and/or Offer Warrants credited to your Securities Account. You can verify the number of Offer Shares and/or Offer Warrants credited to your Securities Account through: (a) CDP Online if you have registered for the CDP Internet Access Service, or (b) CDP Phone Service using SMS OTP, under the option “To check your securities balance”.

#### 1.5 Blocked Balance

Upon receipt of the FAA and/or the Warrants FAA which is complete and valid in all respects, CDP will transfer the Offer Shares and/or Offer Warrants in respect of which you have accepted the Exit Offer and the Warrants Offer from the “Free Balance” of your Securities Account to a “Blocked Balance” of your Securities Account. Such Offer Shares and/or Offer Warrants will be held in the “Blocked Balance” until the consideration for such Offer Shares and/or Offer Warrants has been despatched to you.

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## APPENDIX II

### PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER AND THE WARRANTS OFFER

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#### 1.6 Notification

If you have accepted the Exit Offer and/or the Warrants Offer in accordance with the provisions contained in this Exit Offer and Warrants Offer Letter and the FAA and/or the Warrants FAA, CDP will send you a notification letter stating the number of Offer Shares and/or Offer Warrants debited from your Securities Account together with payment of the Exit Offer Price and Warrants Offer Price which will be credited directly into your designated bank account for Singapore Dollars via DCS on the payment date as soon as practicable and in respect of acceptances of the Exit Offer and the Warrants Offer which are complete and valid in all respects and are received **before** the Exit Offer and Warrants Offer closes, within seven (7) Business Days of that date.

In the event you are not subscribed to CDP's DCS, any monies to be paid shall be credited to your Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein).

#### 1.7 No Securities Account

If you do not have any existing Securities Account in your name as at the time and date of acceptance of the Exit Offer and the Warrants Offer, your acceptance as contained in the FAA and/or the Warrants FAA or Electronic Acceptance will be rejected.

## 2. **PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER AND THE WARRANTS OFFER BY SHAREHOLDERS AND WARRANTHOLDERS WHO HOLD OFFER SHARES AND/OR OFFER WARRANTS WHICH ARE NOT DEPOSITED WITH CDP**

If you hold Offer Shares and/or Offer Warrants which are not deposited with CDP, you are entitled to receive the Hardcopy Notification together with the FAT and/or the Warrants FAT. If you wish to accept the Exit Offer and/or the Warrants Offer, the FAT and/or Warrants FAT must be completed and signed strictly in the manner set out on page 1 of the FAT and/or the Warrants FAT (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer and the Warrants Offer) and in accordance with the provisions of this Exit Offer and Warrants Offer Letter and then forwarded with the relevant share certificate(s), warrant certificate(s) and/or other document(s) of title and/or any other relevant document(s) required by the Offeror **by hand** or **by post** (in the enclosed pre-addressed envelope(s) at your own risk) to:

BERJAYA LEISURE CAPITAL (CAYMAN) LIMITED  
c/o M & C Services Private Limited  
112 Robinson Road #05-01  
Singapore 068902

as soon as possible but in any event to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date, being 2 December 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

If you have sold or transferred all your Shares and/or Warrants which are not held through CDP, you should immediately hand the Hardcopy Notification and the accompanying FAT and/or Warrants FAT to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale, for onward transmission to the purchaser or transferee.

If your Offer Shares and/or Offer Warrants are represented by share certificate(s) and warrant certificate(s) which are not registered in your own name, you must send in, at your own risk, the relevant certificate(s), other document(s) of title and/or any other relevant document(s) required by the Offeror together with a duly completed and signed FAT and/or Warrants FAT accompanied by transfer form(s), duly completed and executed by the person registered with the Company as the holder of the Offer Shares and/or Offer Warrants and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or Transferee, or a person authorised by either).

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## APPENDIX II

### PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER AND THE WARRANTS OFFER

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If you are recorded in the Register as holding Shares and/or Warrants but do not have the relevant share certificate(s) and warrant certificate(s) relating to such Shares and Warrants respectively, you, at your own risk, are required to procure the Company to issue such share certificate(s) and warrant certificate(s) in accordance with the constitution of the Company and then deliver such share certificate(s) in accordance with the procedures and instructions set out in this Exit Offer and Warrants Offer Letter, FAT and/or Warrants FAT.

If you wish to accept the Exit Offer and/or the Warrants Offer, you must insert in the FAT and/or Warrants FAT the number of Offer Shares and/or Offer Warrants in respect of which the Exit Offer and/or the Warrants Offer is accepted, which should not exceed the number of Offer Shares and/or Offer Warrants represented by the share certificate(s), warrant certificate(s) and/or other document(s) of title accompanying the FAT and Warrants FAT.

If the number of Offer Shares and/or Offer Warrants in respect of which the Exit Offer and/or Warrants Offer is accepted, as inserted by you in the FAT and/or Warrants FAT, exceeds the number of Offer Shares and/or Offer Warrants represented by the share certificate(s), warrant certificate(s) and/or other document(s) of title accompanying the FAT and/or Warrants FAT, or if no such number of Offer Shares and/or Offer Warrants is inserted in the FAT and/or Warrants FAT by you, then **you shall be deemed to have accepted the Exit Offer and/or the Warrants Offer in respect of all the Offer Shares and/or Offer Warrants represented by the share certificate(s), warrant certificate(s), and/or other document(s) of title accompanying the FAT and/or Warrants FAT.**

No acknowledgement of receipt of any FAT and/or Warrants FAT, share certificate(s), warrant certificate(s), other document(s) of title, transfer form(s) and/or any other relevant document(s) required by the Offeror, ZICO Capital or M & C Services Private Limited will be given.

The election made or deemed to be made by you in the FAT and/or the Warrants FAT shall be deemed to be irrevocable and any instructions or FAT and/or Warrants FAT received by the Offeror, ZICO Capital or M & C Services Private Limited after the FAT and/or Warrants FAT has been received shall be disregarded.

All communications, certificates, notices, documents and remittances to be delivered or sent to you will be sent to you (or your designated agent or, in the case of joint accepting Shareholders and/or Warrantholders who have not designated any agent, to the one first named in the Register, as the case may be) by ordinary post to your address as it appears in the Register, as the case may be, at your own risk (or, for the purpose of remittances only, to such different name and address as may appear in the FAT and/or Warrants FAT and at your own risk).

If the Exit Offer and/or the Warrants Offer is accepted and being unconditional in all respects in accordance with its terms, payment will be sent to you (or your designated agent or, in the case of joint accepting Shareholders and Warrantholders who have not designated any agent, to the one first named in the Register, as the case may be) by ordinary post to your address as it appears in the Register, as the case may be, at your own risk (or to such different name and address as may be specified by you in the FAT and/or Warrants FAT and at your own risk), by way of a cheque drawn on a bank in Singapore for the appropriate amount.

Acceptances of the Exit Offer and/or the Warrants Offer shall be irrevocable.

### 3. OTHER RELEVANT INFORMATION IN RESPECT OF THE PROCEDURES FOR ACCEPTANCE

If you hold the share certificate(s) and warrant certificate(s) of some of the Offer Shares and/or Offer Warrants beneficially owned by you and if you have deposited the rest of the Offer Shares and/or Offer Warrants beneficially owned by you with CDP, you are required to complete the FAT and/or Warrants FAT in respect of the Offer Shares and/or Offer Warrants represented by share certificate(s) and/or warrants certificate(s), and the FAA and/or the Warrants FAA, in respect of the Offer Shares and/or Offer Warrants which are deposited with CDP, if you wish to accept the



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## APPENDIX II

### PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER AND THE WARRANTS OFFER

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Exit Offer and/or the Warrants Offer in respect of all such Offer Shares and/or Offer Warrants. Both the FAT and/or Warrants FAT, and the FAA and/or Warrants FAA, must be completed, signed and accompanied by the relevant documents and sent to the Offeror in accordance with the respective procedures for acceptance set out above in paragraphs 1 and 2 of this **Appendix II**.

If you hold the share certificate(s) and/or warrants certificate(s) of the Offer Shares and/or Offer Warrants beneficially owned by you and you wish to accept the Exit Offer and/or the Warrants Offer in respect of such Offer Shares and/or Offer Warrants, you **SHOULD NOT** deposit the share certificate(s) and warrants certificate(s) with CDP during the period commencing on the date of this Exit Offer and Warrants Offer Letter and ending on the Closing Date (both dates inclusive) as the “Free Balance” of your Securities Account may not be credited with the relevant number of Offer Shares and/or Offer Warrants in time for you to accept the Exit Offer and the Warrants Offer.

Delivery of the duly completed and signed the FAA, the Warrants FAA, the FAT and/or the Warrants FAT to the Offeror, ZICO Capital, CDP and/or M & C Services Private Limited, as the case may be, shall be conclusive evidence in favour of the Offeror, ZICO Capital, CDP and/or M & C Services Private Limited of the right and title of the person(s) signing it to deal with the same and with the Offer Shares and/or Offer Warrants to which it relates.

Acceptances of the FAA, the Warrants FAA, the FAT and/or the Warrants FAT received by the Offeror, ZICO Capital, CDP and/or M & C Services Private Limited, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.

If you wish to accept the Exit Offer and/or the Warrants Offer, it is your responsibility to ensure that the FAA, the Warrants FAA, the FAT and/or the Warrants FAT, is/are accurately completed in all respects, signed and all required documents are provided. The Offeror, ZICO Capital, CDP and M & C Services Private Limited will be authorised and entitled, at their sole and absolute discretion, to reject any acceptance that does not comply with the provisions and instructions contained in this Exit Offer and Warrants Offer Letter, the FAA, the Warrants FAA, the FAT and/or the Warrants FAT (as the case may be), or which is otherwise incomplete, incorrect, unsigned, illegible or invalid in any respect. Any decision to reject the FAA, the Warrants FAA, the FAT and/or the Warrants FAT, on the grounds that it has been invalidly, incorrectly or incompletely signed, completed or submitted will be final and binding, and none of the Offeror, ZICO Capital, CDP and/or M & C Services Private Limited accepts any responsibility or liability for the consequences of such a decision.

You irrevocably agree and acknowledge that your acceptance is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft and any other events whatsoever (in each case whether or not within the control of the Offeror, ZICO Capital or CDP) and if, in any such event, the Offeror, ZICO Capital and CDP do not record or receive the same by the last date and time for acceptance of the Exit Offer and/or the Warrants Offer in respect of the Offer Shares and/or Offer Warrants or such data or tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed **NOT** to have accepted the Exit Offer and/or the Warrants Offer in respect of the Offer Shares and/or the Offer Warrants and you shall have no claim whatsoever against either the Offeror, ZICO Capital or CDP in respect of any purported acceptance thereof or for any compensation, loss or damages in connection therewith or in relation thereto.

By completing and delivering the FAA, the Warrants FAA, the FAT and/or the Warrants FAT, each person (a) consents to the collection, use and disclosure of his personal data by the Offeror, ZICO Capital, CDP, M & C Services Private Limited, the Company, and the SGX-ST (collectively, the **“Personal Data Relevant Persons”**) for the purpose of facilitating his acceptance of the Exit Offer and/or the Warrants Offer, and in order for the Personal Data Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (b) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (c) agrees that he will indemnify the Personal Data Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of such warranty.

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## APPENDIX III

### ADDITIONAL INFORMATION ON THE OFFEROR AND THE CONCERT PARTY

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#### 1. DIRECTORS OF THE OFFEROR

As at the Latest Practicable Date, the Offeror Directors are Ms. Vivienne Cheng Chi Fan, Mr. Tan Thiam Chai and Ms. Teh Phaik See. The Offeror Directors' address is c/o Level 12 (West Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

#### 2. PRINCIPAL ACTIVITY AND SHARE CAPITAL

The Offeror is a company incorporated in the Cayman Islands on 29 March 1994. Its principal activity is that of an investment holding company. As at the Latest Practicable Date, the Offeror has an authorised share capital of US\$20,000,000 comprising 20,000,000 ordinary shares of US\$1.00 each, of which US\$16,500,000 comprising 16,500,000 ordinary shares have been issued and fully paid-up.

#### 3. FINANCIAL SUMMARY

Certain financial information of the Offeror as extracted from the audited financial statements for the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 ("**FY2022 Audited Financial Statements**") (collectively, the "**Offeror Financial Statements**") is set out below. Such financial information should be read in conjunction with the Offeror Financial Statements and the accompanying notes as set out therein. Copies of the Offeror Financial Statements are available for inspection as mentioned in paragraph 19 of this Exit Offer and Warrants Offer Letter.

##### 3.1 Selected Financial Information relating to Statement of Profit or Loss and Other Comprehensive Income

	FY2020	FY2021	FY2022
(in RM)	(Audited)	(Audited)	(Audited)
Other income	–	79	1,837
Administrative and other expenses	(511,949)	(239,806)	(87,621)
Investment related expenses	(248,469)	(4,621,491)	(11,754,148)
Finance cost	(722,862)	(363,992)	(29,891)
Exceptional items	–	–	–
Loss before tax	(1,483,280)	(5,225,210)	(11,869,823)
Taxation	–	–	–
Loss for the financial year, representing total comprehensive income for the financial year	(1,483,280)	(5,225,210)	(11,869,823)
Net loss per share <sup>(1)</sup>	(0.09)	(0.32)	(0.72)
Net dividends per share	–	–	–

**Note:**

- (1) Net loss per share is computed based on the net loss of the Offeror and the total number of shares in issue of 16,500,000 ordinary shares as at 30 June 2020, 30 June 2021 and 30 June 2022.



## APPENDIX III

### ADDITIONAL INFORMATION ON THE OFFEROR AND THE CONCERT PARTY

#### 3.2 Statement of Assets and Liabilities as at 30 June 2022

The statement of financial position of the Offeror as at 30 June 2022, as extracted from the FY2022 Audited Financial Statements, is set out below.

	As at 30 June 2022 RM (Audited)
<b>ASSETS</b>	
<b>Non-current assets</b>	
Investment in a subsidiary company	–
Long term investment	–
Total non-current assets	–
<b>Current assets</b>	
Cash at bank	47,390
Prepayments	11,516
Amount due by a subsidiary company	1,858,112
Total current assets	1,917,018
<b>Total assets</b>	<b>1,917,018</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Share capital	53,808,885
Accumulated losses	(161,841,277)
<b>Shareholder's deficit</b>	<b>(108,032,392)</b>
<b>Current liabilities</b>	
Other payables	5,500
Borrowing	–
Amount due to immediate holding company	109,943,910
Total current liabilities	109,949,410
<b>Total liabilities</b>	<b>109,949,410</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,917,018</b>

#### 4. MATERIAL CHANGES IN FINANCIAL POSITION

Save for the financing of the Exit Offer and the Warrants Offer, as at the Latest Practicable Date, there have been no known material changes in the financial position of the Offeror since 30 June 2022, being the date of the last published audited financial statements of the Offeror.

#### 5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Offeror are disclosed in Note 2 of the FY2022 Audited Financial Statements. Copy of the FY2022 Audited Financial Statements is available for inspection at the registered office of M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902.

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## APPENDIX III

### ADDITIONAL INFORMATION ON THE OFFEROR AND THE CONCERT PARTY

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#### 6. CHANGES IN ACCOUNTING POLICIES

There have been no significant changes in the accounting policies of the Offeror since 30 June 2022, being the date of the last published audited accounts of the Offeror, which will cause the figures disclosed in this Exit Offer and Warrants Offer Letter not to be comparable to a material extent.

#### 7. REGISTERED OFFICE

The registered office of the Offeror is at One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

#### 8. DISCLOSURE OF SHAREHOLDINGS, WARRANT HOLDINGS AND DEALINGS

##### 8.1 Interests in the Shares and the Warrants of the Relevant Persons

The details of the Relevant Persons in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Offeror	119,563,515	67.4	—	—
RESB	930,062	0.5	—	—
ZICO Capital	—	—	—	—

The Offeror holds 33,333,333 Warrants as at the Latest Practicable Date. RESB and ZICO Capital do not hold any Warrants as at the Latest Practicable Date.

##### 8.2 Dealings in Shares and the Warrants by the Relevant Persons

The Relevant Persons have not dealt for value in the Shares and the Warrants during the Reference Period.

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## APPENDIX IV

### ADDITIONAL INFORMATION ON BCB

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#### 1. DIRECTORS OF BCB

As at the Latest Practicable Date, the directors of BCB are Tan Sri Dato' Seri Vincent Tan Chee Yioun, Dato' Sri Robin Tan Yeong Ching, Ms. Vivienne Cheng Chi Fan, Syed Ali Shahul Hameed, Datuk Seri Zurainah Binti Musa, Ms. Nerine Tan Sheik Ping, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, Ms. Chryseis Tan Sheik Ling, Datuk Robert Yong Kuen Loke, Dr. Jayanthi Naidu G. Danasamy, Ms. Penelope Gan Paik Ling, Dato' Leong Kwei Chun, Puan Norlela Binti Baharudin, and Mr. Tan Peng Lam. The address of the directors of BCB is c/o Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

#### 2. PRINCIPAL ACTIVITY AND SHARE CAPITAL

BCB was incorporated in Malaysia on 30 July 2001 and listed on the Main Market of Bursa Malaysia Securities Berhad on 3 January 2006. The principal activities of BCB are investment holding, provision of management services and lottery operations while its subsidiary companies are principally engaged in the following core businesses:-

- (i) financial services;
- (ii) marketing of consumer products and services;
- (iii) motor trading and distribution and provision of after-sales services;
- (iv) environmental and clean technology services;
- (v) food and beverage;
- (vi) property development and investment;
- (vii) development and operation of hotels, resorts and other recreational activities;
- (viii) gaming operations comprising lottery operations, Toto betting, provision of software support and development, manufacturing and distribution of computerized wagering and voting systems;
- (ix) telecommunication and information technology related services, solutions and products; and
- (x) investment holding and others.

As at the Latest Practicable Date, BCB has an issued and fully paid-up share capital of RM5,347,776,034 comprising 5,962,550,500 ordinary shares (including 317,988,527 treasury shares).

#### 3. FINANCIAL SUMMARY

Certain financial information of BCB and its subsidiaries ("**BCB Group**") as extracted from the audited financial statements for the financial year ended 30 June 2020 ("**BCB FY2020 Restated Financial Statements**"), 30 June 2021 ("**BCB FY2021 Audited Financial Statements**") and 30 June 2022 ("**BCB FY2022 Audited Financial Statements**") (collectively, the "**BCB Financial Statements**") is set out below. Such financial information should be read in conjunction with the BCB Financial Statements and the accompanying notes as set out therein. Copies of the BCB Financial Statements are available for inspection as mentioned in paragraph 19 of this Exit Offer and Warrants Offer Letter.

## APPENDIX IV

### ADDITIONAL INFORMATION ON BCB

#### 3.1 Selected Financial Information relating to Statement of Profit or Loss and Other Comprehensive Income

(in RM'000)	FY2020 (Restated)	FY2021 (Audited)	FY2022 (Audited)
Revenue	6,989,780	7,464,542	8,155,139
(Loss)/Profit from operations	(100,051)	140,486	368,477
Investment related income	912,330	239,613	396,460
Investment related expenses	(260,471)	(288,808)	(256,029)
Finance costs	(390,321)	(355,991)	(349,196)
Share of results of associates	3,583	(10,217)	39,505
Share of results of joint ventures	8,385	14,527	31,354
Exceptional items	—	—	—
(Loss)/Profit before tax	173,455	(260,390)	230,571
Income tax expense	(236,347)	(196,753)	(207,078)
(Loss)/Profit after tax	(62,892)	(457,143)	23,493
(Loss)/Profit after tax attributable to equity holders of the parent	(95,226)	(459,630)	51,770
(Loss)/Profit after tax attributable to non-controlling interests	32,334	2,487	(28,277)
Earnings/(loss) per share in basic and diluted basis <sup>(1)</sup>	(1.47)	(8.04)	0.94
Net dividends per share	1.08	—	—

**Note:**

- (1) Earnings/(loss) per share, basic and diluted basis, in sen is computed based on the net profit or loss of the BCB Group and the total number of shares in issue including conversion of mandatorily convertible instruments, adjusted for the dilutive effects of the dilutive instruments of BCB, of, 6,083,870,000, 5,688,969,000 and 5,691,854,000 ordinary shares respectively as at 30 June 2020, 30 June 2021 and 30 June 2022.

#### 3.2 Statement of Assets and Liabilities as at 30 June 2021 and 30 June 2022

The statement of financial position of the BCB Group as at 30 June 2021 and 30 June 2022, as extracted from the BCB FY2021 Audited Financial Statements and BCB FY2022 Audited Financial Statements, is set out below.

	As at 30 June 2021 RM'000 (Audited)	As at 30 June 2022 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,139,768	3,230,786
Right-of-use assets	1,858,016	1,853,675
Investment properties	1,000,714	936,605
Inventories - land held for property development	2,238,064	2,307,376
Investment in associated companies	1,065,165	942,933
Investment in joint ventures	134,777	175,042
Other investments	242,804	349,425
Other long term receivables	359,025	383,893
Retirement benefit assets	9,927	25,294
Intangible assets	4,879,130	4,876,957
Deferred tax assets	94,357	86,692
Total non-current assets	15,021,747	15,168,678

## APPENDIX IV

### ADDITIONAL INFORMATION ON BCB

	As at 30 June 2021	As at 30 June 2022
	RM'000	RM'000
	(Audited)	(Audited)
<b>Current assets</b>		
Inventories – property development costs	107,556	91,200
Inventories – completed properties and others	1,482,677	1,467,950
Contract cost assets	13,127	12,417
Derivative assets	195	–
Trade and other receivables	1,862,808	1,854,267
Contract assets	129,026	161,777
Short term investments	64,345	99,713
Tax recoverable	50,071	46,525
Deposits with financial institutions	556,767	637,209
Cash and bank balances	646,417	721,864
Non-current assets classified as held for sale	187,768	188,968
Total current assets	5,100,757	5,281,890
<b>Total assets</b>	<b>20,122,504</b>	<b>20,450,568</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	5,092,989	5,286,202
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	242,657	53,231
Reserves	807,627	806,269
Less: Treasury shares	(59,987)	(74,982)
Non-controlling interests	2,824,227	2,808,371
<b>Equity funds</b>	<b>8,907,513</b>	<b>8,879,091</b>
<b>Non-current liabilities</b>		
ICULS	11,464	5,066
Long term borrowings	2,675,926	3,248,194
Other long term liabilities	157,987	135,638
Lease liabilities	1,838,083	1,802,679
Contract liabilities	205,673	185,341
Provisions	24,521	37,381
Deferred tax liabilities	1,243,762	1,237,231
<b>Total current liabilities</b>	<b>6,157,416</b>	<b>6,651,530</b>
<b>Current liabilities</b>		
ICULS	25,714	2,057
Trade and other payables	2,081,346	2,248,998
Contract liabilities	316,262	435,773
Derivative liabilities	6,751	39,750
Provisions	7,904	21,994
Short term borrowings	2,349,735	1,871,413
Lease liabilities	228,154	231,947
Taxation	41,709	68,015
<b>Total current liabilities</b>	<b>5,057,575</b>	<b>4,919,947</b>
<b>Total liabilities</b>	<b>11,214,991</b>	<b>11,571,477</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,122,504</b>	<b>20,450,568</b>

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## **APPENDIX IV**

### **ADDITIONAL INFORMATION ON BCB**

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#### **4. MATERIAL CHANGES IN FINANCIAL POSITION**

As at the Latest Practicable Date, there have been no known material changes in the financial position of BCB Group since 30 June 2022, being the date of the last published audited financial statements of the BCB Group.

#### **5. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of BCB Group are disclosed in Note 2 of the BCB FY2021 Audited Financial Statements and Note 2 of the BCB FY2022 Audited Financial Statements. Copies of the BCB FY2021 Audited Financial Statements and the BCB FY2022 Audited Financial Statements are available for inspection at the registered office of M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902.

#### **6. CHANGES IN ACCOUNTING POLICIES**

There have been no significant changes in the accounting policies of BCB Group since 30 June 2022, being the date of the last published audited accounts of BCB, which will cause the figures disclosed in this Exit Offer and Warrants Offer Letter not to be comparable to a material extent.

#### **7. REGISTERED OFFICE**

The registered office of BCB is at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.



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## APPENDIX V

### GENERAL INFORMATION

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#### 1. DISCLOSURE OF INTERESTS

##### 1.1 No Indemnity Arrangements

To the knowledge of the Offeror Directors as at the Latest Practicable Date, save for the Irrevocable Undertaking from RESB, neither the Offeror nor its Concert Party has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities.

##### 1.2 No Agreement having any Connection with or Dependence upon the Exit Offer and the Warrants Offer

As at the Latest Practicable Date, save for the Irrevocable Undertaking from RESB, there is no agreement, arrangement or understanding between (a) the Offeror or its Concert Party and (b) any of the present or recent Company Directors or the present or recent Shareholders or Warrantholders having any connection with or dependence upon the Exit Offer and the Warrants Offer.

##### 1.3 Transfer of Offer Shares and Offer Warrants

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror or its Concert Party whereby any of the Offer Shares or Offer Warrants acquired pursuant to the Exit Offer and the Warrants Offer will or may be transferred to any other person. However, the Offeror reserves the right to transfer any of the Offer Shares and Offer Warrants to any of its related corporations or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.

##### 1.4 No Payment or Benefit to Company Directors

As at the Latest Practicable Date, no payment or other benefit will be made or given to any director of the Company or any of its related corporations as compensation for loss of office or otherwise in connection with the Exit Offer and the Warrants Offer.

##### 1.5 No Agreement Conditional upon Outcome of the Exit Offer and the Warrants Offer

As at the Latest Practicable Date, save for the Irrevocable Undertaking from RESB, there is no agreement, arrangement or understanding between (a) the Offeror and (b) any of the Company Directors or any other person in connection with or conditional upon the outcome of the Exit Offer and the Warrants Offer or otherwise connected with the Exit Offer and the Warrants Offer.

##### 1.6 Transfer Restrictions

There is no restriction in the Bye-Laws of the Company on the right to transfer any Offer Shares or Offer Warrants, which has the effect of requiring the holders of such Offer Shares or Offer Warrants before transferring them, to offer them for purchase by members of the Company or any other person.

##### 1.7 No Material Change in Information

As far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Joint Announcement Date and ending on the Latest Practicable Date.

#### 2. GENERAL

##### 2.1 Costs and Expenses.

All costs and expenses of or incidental to the preparation and circulation of this Exit Offer and Warrants Offer Letter (other than professional fees and other costs incurred or to be incurred by the Company relating to the Exit Offer and the Warrants Offer) and stamp duty and transfer fees resulting from acceptances of the Exit Offer and the Warrants Offer will be paid by the Offeror.

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**APPENDIX VI**  
**COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS**

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**INFORMATICS EDUCATION LTD.**

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

**Board of Directors:**

Ms. Yau Su Peng (*Executive Chairman*)  
Mr. Azhar Bin Azib (*Non-Executive and Non-Independent Director*)  
Mr. Yeap Beng Swee, Philip (*Independent Director*)  
Professor Lai Kim Fatt (*Independent Director*)

**Registered Office:**

7 Temasek Boulevard,  
#12-07 Suntec Tower One,  
Singapore 038987.

4 November 2022

**To: The Shareholders and Warrantholders of Informatics Education Ltd.**

Dear Sir/Madam

**COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS IN CONNECTION WITH THE DIRECTED DELISTING OF INFORMATICS EDUCATION LTD. PURSUANT TO RULES 1315 AND 1306 READ TOGETHER WITH RULE 1309 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED, AND RULE 19 OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS**

*Unless otherwise defined herein, all capitalised terms in this letter from the Company to the Shareholders and Warrantholders ("**Company's Letter to Shareholders and Warrantholders**") shall have the same meanings as attributed to them in the Exit Offer and Warrants Offer Letter.*

**1. INTRODUCTION**

**1.1. Watch-List Status**

The Company was placed on the Watch-List by the SGX-ST pursuant to Rule 1311(2) (Minimum Trading Price Entry Criteria) and Rule 1311(1) (Financial Entry Criteria) of the Listing Manual on 5 June 2017 and 5 December 2017, respectively.

Pursuant to Rule 1315 of the Listing Manual, if an issuer fails to meet the requirements of Rule 1314 of the Listing Manual within 36 months of the date on which it was placed on the Watch-List, the SGX-ST may either remove the issuer from the Official List of the SGX-ST, or suspend trading of the listed securities of the issuer (without agreement of the issuer) with a view of removing the issuer from the Official List of the SGX-ST, and accordingly the Company was required to meet the requirements of Rule 1314 of the Listing Manual by 4 December 2020.

The Company was subsequently granted extensions of time to meet the requirements for removal from the Watch-List on 23 November 2020 for an extension of 12 months, and 30 November 2021 for an extension of 6 months. On 9 December 2021, the then-directors of the Company confirmed that if the Company is unable to exit the Watch-List by 4 June 2022, the Company shall be delisted from the Official List of the SGX-ST and a cash exit offer shall be made to the Shareholders pursuant to Rule 1309 of the Listing Manual by 4 July 2022.

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## APPENDIX VI

### COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

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#### 1.2. Delisting Notification

On 3 June 2022, the Company submitted an application for a further 12-month extension of time to meet the requirements for removal from the Watch-List. Further to such application, the Company received a rejection of application and the Delisting Notification dated 28 June 2022 from the SGX-ST, informing, amongst others, that the trading of the Company's securities will be suspended with effect from 5.05 p.m. on 28 July 2022 and that the Company or its controlling shareholder(s) must comply with Rule 1309 of the Listing Manual which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit offer to the Shareholders.

Trading in the Company's securities has been suspended from 5.05 p.m. on 28 July 2022, and will remain suspended until the completion of the Exit Offer and the Warrants Offer.

#### 1.3. Joint Announcement

On the Joint Announcement Date, the Company and the Offeror jointly announced that the Offeror had presented to the Company Directors the Exit Offer and Warrants Offer Proposal in connection with the Directed Delisting by the SGX-ST in accordance with Rule 1315 of the Listing Manual and the Delisting Notification.

#### 1.4. Exit Offer and Warrants Offer and Exit Offer and Warrants Offer Letter

Under the Exit Offer and Warrants Offer Proposal, the Offeror will make the Exit Offer in cash to acquire all the Offer Shares in accordance with Section 139 of the SFA and the Code. The Offeror will also make the Warrants Offer to acquire all the Offer Warrants from the Warrantholders in accordance with Rule 19 of the Code.

The Exit Offer and Warrants Offer Letter contains the terms and conditions of the Exit Offer and the Warrants Offer made by the Offeror to acquire all the Offer Shares and the Offer Warrants, including the Exit Offer Price and the Warrants Offer Price, the Offer Period and the Closing Date of the Exit Offer and the Warrants Offer, the requirements relating to the announcement(s) of the level of acceptances of the Exit Offer, and the right of withdrawal of acceptances of the Exit Offer and the Warrants Offer.

**Shareholders and Warrantholders are advised to read the terms and conditions set out in the Exit Offer and Warrants Offer Letter and/or the relevant Acceptance Forms carefully.**

#### 1.5. Company's Letter to Shareholders and Warrantholders

This Company's Letter to Shareholders and Warrantholders contains, among other things, information on the Company, the extract of the advice of the IFA to the Recommending Directors for the purposes of providing a recommendation to the Shareholders and the Warrantholders on the Exit Offer and the Warrants Offer respectively, and the recommendation of the Recommending Directors to the Shareholders and the Warrantholders on the Exit Offer and the Warrants Offer respectively.

**Shareholders and Warrantholders are advised to read this Company's Letter to Shareholders and Warrantholders including, but not limited to, the IFA Letter (as defined in paragraph 2.1 (IFA) below) carefully and in its entirety, and together with the rest of the Exit Offer and Warrants Offer Letter.**

**If you are in any doubt about the Exit Offer and the Warrants Offer, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

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## APPENDIX VI

### COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

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#### 1.6. No Shareholders' Approval Required

Shareholders are to note that no extraordinary general meeting of the Shareholders will be convened for the purpose of the Directed Delisting. In addition, Shareholders' and Warrantholders' attention is drawn to the sections headed "Compulsory Acquisition" and "Implications of the Directed Delisting for Shareholders and Warrantholders" in paragraphs 11 and 12 of the Exit Offer and Warrants Offer Letter.

#### 2. ADVICE OF INDEPENDENT FINANCIAL ADVISER TO THE RECOMMENDING DIRECTORS

##### 2.1. IFA

RHT Capital Pte. Ltd. has been appointed as the IFA to the Recommending Directors. The letter from the IFA setting out its advice to the Recommending Directors for the purposes of providing a recommendation on the Exit Offer to the Shareholders and the Warrants Offer to the Warrantholders respectively ("**IFA Letter**") is set out in **Annex A** to this Company's Letter to Shareholders and Warrantholders. **Shareholders and Warrantholders are advised to read and consider the IFA Letter in its entirety.**

##### 2.2. IFA's Advice

Information relating to the advice of the IFA to the Recommending Directors and the key factors it has taken into consideration have been extracted from **paragraph 9 of the IFA Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the IFA Letter unless otherwise stated. **Shareholders and Warrantholders are advised to read the following extract in conjunction with and in the context of the full text of the IFA Letter. Shareholders and Warrantholders should read and consider carefully the key considerations relied upon by the IFA, in arriving at its advice to the Recommending Directors.**

#### "9. **OPINION**

*In arriving at our opinion on the financial terms of the Exit Offer and the Warrants Offer, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:*

(a) *Market quotation and trading liquidity of the Shares;*

- (i) *The Exit Offer Price represents a premium of approximately 37.5% over the VWAP of the Shares of S\$0.008 on 28 July 2022, being the Last Trading Date.*
- (ii) *The Exit Offer Price represents a premium of approximately 8.9% and 4.8% above the VWAP of the Shares for 1-month and 3-month periods up to and including the Last Trading Date respectively.*
- (iii) *The Exit Offer Price represents a discount of approximately 6.0% and 17.3% below the VWAP of the Shares for 6-month and 1-year periods up to and including the Last Trading Date respectively.*
- (iv) *Over the 1-year period up to and including the Last Trading Date, the Shares have traded between a low of S\$0.008 and a high of S\$0.048. The Exit Offer Price represents a premium of S\$0.003 (or 37.5%) above the lowest transacted price and a discount of S\$0.037 (or 77.1%) to the highest transacted price of the Shares. As mentioned earlier, the Share Price has been on a downward trend for the 1-year period up to and including the Last Trading Date.*

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## APPENDIX VI

### COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

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- (v) *As mentioned above, the Shares were only traded on 99 days. We noted that out of these 99 traded days, the Shares have closed at or above the Exit Offer Price on 92 of these 99 traded days, representing 92.9% of the total traded days of the Shares.*
  - (vi) *For the period from the release of the Delisting Announcement to the Last Trading Date, the Shares have traded between a low of S\$0.008 and a high of S\$0.015. The Exit Offer Price represents a discount of S\$0.004 (or 26.7%) to the highest transacted price of the Shares. The Shares have closed at or above the Exit Offer Price on only 2 traded days from the Delisting Announcement to the Last Trading Date.*
  - (vii) *Over the 1-year period up to and including the Last Trading Date, as above, the Shares were only traded on 99 days out of 261 market days. The average daily trading volume of the Shares for the 1-month, 3-month, 6-month and 1-year periods prior to the release of the Delisting Announcement represent 1.5%, 0.6%, 0.3%, and 0.2% of the free float of the Shares respectively.*
  - (viii) *During the period following the release of the Delisting Announcement up to the Last Trading Date, the average daily trading volume on the Shares was approximately 632,000 Shares, representing 1.5% of the free float of the Shares.*
- (b) *Historical financial performance of the Group;*
- The revenue of the Group decreased by 34.6% from FY2020 to FY2021 but recorded a slight increase of 4.5% from FY2021 (restated) to FY2022. Similarly, the Group recorded a loss attributable to equity holders of the Company of S\$0.55 million in FY2020 and a loss attributable to equity holders of the Company of S\$1.54 million in FY2021 but the loss attributable to equity holders of the Company reduced to S\$0.1 million in FY2022.*
- (c) *Net tangible liabilities position of the Group;*
- As at 30 June 2022, the Group recorded a net tangible liabilities of S\$1.7 million, based on the 177,339,649 number of shares, the net tangible liabilities per Share is (S\$0.0096). As the Group is in a net liability position, it is not meaningful to compare the Group's net tangible liabilities to the Exit Offer Price.*
- (d) *Cash flow of the Group;*
- The Group recorded (i) a net cash outflow from operating activities of S\$1.4 million, S\$0.8 million and S\$0.2 million in FY2020, FY2021 and FY2022 respectively; (ii) a net cash outflow from investing activities of S\$0.1 million, S\$0.2 million and S\$0.05 million in FY2020, FY2021 and FY2022 respectively; and (iii) a net cash inflow from financing activities of S\$2.8 million and \$0.3 million in FY2020 and FY2022 respectively but a net cash outflow from financing activities of S\$0.7 million in FY2021.*
- (e) *Comparison with the valuation ratios of selected companies listed on the SGX-ST which are broadly comparable to the Group;*
- (i) *The P/Revenue ratio of the Group of 0.30 times is below the minimum P/Revenue ratios of the Comparable Companies of 0.71 times and below the mean and median P/Revenue ratios of the Comparable Companies, at 0.74 times.*



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## APPENDIX VI

### COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

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- (ii) *The Group was loss-making in FY2022, hence the PE ratio of the Group is not applicable. Solely for illustrative purposes, the PE ratios of the Comparable Companies ranged between 8.46 times and 12.15 times, with the mean and median PE ratios at 10.31 times.*
- (iii) *The Group was in a net liability position as at 30 June 2022, hence the P/NAV ratio is not applicable. Solely for illustrative purposes, the P/NAV ratios of the Comparable Companies ranged between 0.63 times and 0.74 times, with the mean and median P/NAV ratios at 0.68 times.*
- (iv) *The EV/EBITDA ratio of the Group of 5.20 times is above the minimum EV/EBITDA ratios of the Comparable Companies of 3.97 times and below the mean and median EV/EBITDA ratios of the Comparable Companies of 6.18 times and 6.91 times respectively.*

*In estimating the range of values of the Shares, we have placed reliance on EV/EBITDA ratio as it considers the capital structure of the Comparable Companies and the Group. Further, the PE ratio or the P/NAV ratio is not meaningful in our assessment as the Group is loss making and in a net tangible liabilities position. Based on the range of the EV/EBITDA ratios of the Comparable Companies, the estimated value of the Shares ranges from S\$0.0103 to S\$0.0145. The Offer Price is within the range of estimated value of the Shares.*

(f) *Comparison with Selected Precedent SGX-ST Directed Delisting Exit Offers;*

- (i) *The premia implied by the Exit Offer Price of 37.5% over the last transacted price of the Shares being the Last Trading Date is within the range and above the median but below the mean of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.*
- (ii) *The premia implied by the Exit Offer Price of 8.9% and 4.8% over the VWAPs for the 1-month and 3-month period up to and including the Last Trading Date is within the range but below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.*
- (iii) *The discount implied by the Exit Offer Price of 6.0% to the VWAPs for the 6-month period up to and including the Last Trading Date is within the range but below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.*
- (iv) *The Group was in a net liability position in as at 30 June 2022, hence the P/NAV ratio is not applicable. Solely for illustrative purposes, the P/NAV ratios of the Selected Precedent Directed Delisting Exit Offers range between 0.19 times and 1.04 times, with the mean and median P/NAV ratios at 0.63 times and 0.81 times respectively. Amongst the Selected Precedent Directed Delisting Exit Offers that had recorded a net liability position, similar to the Group, all the respective independent financial advisers had advised independent directors to recommend to shareholders to "accept" the offer.*

(g) *Valuation of the Warrants issued;*

*Warrantholders should note that the Warrants Offer, which represents a premium of S\$0.0001 to the theoretical value of the Warrants of S\$nil, is the only exit offer for the issued Warrants as at the Latest Practicable Date that provides Warrantholders the opportunity to monetise their Warrants. Trading of the Warrants will remain suspended until acceptance of the exit offer and the Warrants will be delisted thereafter. There is no certainty that Warrantholders will otherwise be able to obtain a better value for their Warrants if they do not accept the Offer.*



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## APPENDIX VI

### COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

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- (h) *Dividend track record of the Company; and*

*The Company had not declared or paid any dividends since the financial year ended 2003.*

- (i) *Other relevant considerations.*

(i) *The likelihood of a competing offer for the Shares is remote in view of the Offeror and its Concert Party's shareholding interest of approximately 67.9% in the Company as at the Latest Practicable Date.*

(ii) *Following the Mandatory Delisting, in the absence of a public market for the Shares, Eligible Shareholders may likely find it difficult to sell their Shares as there is no arrangement for such Shareholders to exit.*

(iii) *The Company's view on the industry it is operating and the future direction of the Group, as set out in paragraph 8.9.3 of this Letter.*

(iv) *The Offeror's intentions for the Company, as set out in paragraph 8.9.4 of this Letter.*

*Having considered the various factors set out in the earlier sections of this Letter and summarised below, we are of the opinion that the financial terms of the Exit Offer and the Warrants Offer are fair and reasonable.*

*We consider the financial terms of the Exit Offer and the Warrants Offer to be FAIR, after taking into consideration the following pertinent factors:*

(a) *The Exit Offer Price represents a premium of approximately 37.5%, 8.9% and 4.8% over the VWAP of the Shares on the Last Trading Date, 1-month and 3-month periods up to and including the Last Trading Date respectively, the Exit Offer Price represents a discount of approximately 6.0% and 17.3% to the VWAP of the Shares for 6-month and 1-year periods up to and including the Last Trading Date respectively.*

(b) *The Shares have closed at or above the Exit Offer Price on only 2 traded days from the Delisting Announcement to the Last Trading Date. The Exit Offer Price represents a discount of 26.7% to the highest transacted price of the Shares during the period from the release of the Delisting Announcement to the Last Trading Date.*

(c) *The Group is in a net liability position as at 30 June 2022.*

(d) *In respect of the Comparable Companies, we have considered the following factors:*

(i) *The P/Revenue ratio of the Group of 0.30 times (as implied by the Exit Offer Price) is below the minimum P/Revenue ratios of the Comparable Companies of 0.71 and significantly below the mean and median P/Revenue ratios of the Comparable Companies of 0.74 times and 0.74 times respectively;*

(ii) *The EV/EBITDA ratio of the Group of 5.20 times (as implied by the Exit Offer Price) is above the minimum EV/EBITDA ratios of the Comparable Companies of 3.97 and below the mean and median EV/EBITDA ratios of the Comparable Companies of 6.18 times and 6.91 times respectively.*

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## APPENDIX VI

### COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

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*In estimating the range of values of the Shares, we have placed reliance on EV/EBITDA ratio as it considers the capital structure of the Comparable Companies and the Group. Further, the PE ratio or the P/NAV ratio is not meaningful in our assessment as the Group is loss making and in a net tangible liabilities position. Based on the range of the EV/EBITDA ratios of the Comparable Companies, the estimated value of the Shares ranges from S\$0.0103 to S\$0.0145. The Offer Price is within the range of estimated value of the Shares.*

- (e) *In respect of the Selected Precedent SGX-ST Directed Delisting Exit Offers, we have considered the following factors:*
  - (i) *Notwithstanding the premia implied by the Exit Offer Price of 37.5% over the VWAPs for the last transacted price of the Shares as at Last Trading Date is within the range and above the median but below the mean of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers, the premia implied by the Exit Offer Price of 8.9% and 4.8% over the VWAPs for the last transacted price of the Shares for the 1-month and 3-month period up to and included Last Trading Date is within the range but significantly below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers respectively, the discount implied by the Exit Offer Price of 6.0% to the VWAPs for the 6-month period up to and included Last Trading Date is within the range but significantly below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers respectively; and*
  - (ii) *Amongst the Selected Precedent Directed Delisting Exit Offers that had recorded a net liability position, similar to the Group, the respective independent financial advisers had advised independent directors to recommend to shareholders to "accept" the offer.*
- (f) *The Warrants Offer is at a premium to the valuation of the Warrants.*

*We consider the financial terms of the Exit Offer and the Warrants Offer to be REASONABLE, after taking into consideration the following factors:*

- (a) *The Shares were thinly traded, trading on only 99 days out of a total of 261 market days during the 1-year period up to and including the Last Trading Date. Out of these 99 traded days, the Shares have closed at or above the Exit Offer Price on 92 of these 99 traded days, representing 92.9% of the total traded days of the Shares;*
- (b) *The Shares have closed at or above the Exit Offer Price on only 2 traded days from the Delisting Announcement to the Last Trading Date;*
- (c) *The net liability position of the Group as at 30 June 2022;*
- (d) *The Group's net cash outflow from operating activities in FY2022, FY2021 and FY2020;*
- (e) *The dividend track record of the Company and that the Company had not declared or paid any dividends since the financial year ended 2003;*
- (f) *The current suspended status of the Shares and that the Company is due to be mandatory delisted from the Official List of the SGX-ST. Following the Delisting, in the absence of a public market for the Shares, Eligible Shareholders may likely find it difficult to sell their Shares as there is no other arrangement for such Shareholders to exit;*

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- (g) *The likelihood of a competing offer for the Shares is remote in view of the Offeror and its Concert Party's shareholding interest of approximately 67.9% in the Company as at the Latest Practicable Date; and*
- (h) *The business outlook of the Group.*

#### **Exit Offer**

*Having considered the various factors set out in the earlier sections of this Letter, we are of the opinion that the financial terms of the Exit Offer are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend that Shareholders **ACCEPT** the Exit Offer.*

*As set out in the Exit Offer and Warrants Offer Letter, Shareholders should also take note that it is the intention of the Offeror to exercise its right to compulsorily acquire all the Shares not tendered in acceptance of the Exit Offer pursuant to Section 215(1) of the Companies Act if it is entitled to do so. Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent professional advice.*

#### **Warrants Offer**

*Having considered the various factors set out in the earlier sections of this Letter, we are of the opinion that the financial terms of the Warrants Offer are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend that Warrantholders **ACCEPT** the Warrants Offer."*

### **3. RECOMMENDING DIRECTORS' RECOMMENDATION**

The SIC had on 7 October 2022 ruled that two of the Company Directors (namely, Ms. Yau Su Peng and Mr. Azhar Bin Azib) ("**Relevant Directors**") are exempted from the requirement of making a recommendation to the Shareholders and the Warrantholders on the Exit Offer and the Warrants Offer respectively.

The Recommending Directors comprising Mr. Yeap Beng Swee, Philip and Professor Lai Kim Fatt are required to make a recommendation to the Shareholders and the Warrantholders on the Exit Offer and the Warrants Offer respectively.

Notwithstanding, all the Company Directors (including, for the avoidance of doubt, the Relevant Directors) are jointly and severally responsible for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Exit Offer and the Warrants Offer.

The Recommending Directors have reviewed the terms of the Exit Offer and the Warrants Offer and have carefully considered the advice of the IFA in the IFA Letter set out in **Annex A** to this Company's Letter to Shareholders and Warrantholders. The Recommending Directors **concur** with the advice of the IFA in respect of the Exit Offer and the Warrants Offer. **Accordingly, the Recommending Directors recommend that Shareholders and Warrantholders ACCEPT the Exit Offer and the Warrants Offer.**

Shareholders who do not accept the Exit Offer and Warrantholders who do not accept the Warrants Offer will continue to hold Shares and Warrants in the Company, respectively, which will then be an unlisted public company, are advised to take into consideration the implications of holding on to Shares in an unlisted public company (as set out in paragraph 12 (*Implications of the Directed Delisting for Shareholders and Warrantholders*) of the Exit Offer and Warrants Offer Letter).

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Shareholders and Warrantholders are advised to read the IFA Letter set out in Annex A to this Company's Letter to Shareholders and Warrantholders and other relevant information set out in this Company's Letter to Shareholders and Warrantholders and the Exit Offer and Warrants Offer Letter carefully before deciding whether to accept or reject the Exit Offer and/or the Warrants Offer. In rendering the above opinion and giving the above recommendation, both the IFA and the Recommending Directors have not had regard to the general or specific investment objectives, financial situation, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder and Warrantholder. As different Shareholders and Warrantholders would have different investment objectives and profiles, the Recommending Directors recommend that any individual Shareholder and/or Warrantholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

#### **4. DISCLOSURE OF INTERESTS OF THE IFA**

##### **4.1. Interests of IFA in Company Securities**

Neither the IFA, its related corporations nor any of the funds whose investments are managed by the IFA on a discretionary basis owns or controls any Company Securities as at the Latest Practicable Date.

##### **4.2. Dealings in Company Securities by IFA**

Neither the IFA, its related corporations nor any of the funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Company Securities during the Reference Period.

#### **5. DISCLOSURE OF INTERESTS OF THE COMPANY DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

##### **5.1. Interests of the Company Directors and Substantial Shareholders in the Company**

5.1.1. The table below sets out the interests of the Company's Directors and Substantial Shareholders (as defined below) in the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively.

"Substantial Shareholder" means a person who holds directly or indirectly not less than five per cent (5%) of the total number of Issued Shares.

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	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)(2)</sup>	No. of Shares	% <sup>(1)(2)</sup>
<b><u>Company Directors</u></b>				
Yau Su Peng	—	—	—	—
Azhar Bin Azib	—	—	—	—
Yeap Beng Swee, Philip	—	—	—	—
Professor Lai Kim Fatt	—	—	—	—

**Substantial Shareholders**  
**(Other than Company Directors)**

Berjaya Leisure Capital (Cayman) Limited	119,563,515	67.42	—	—
Tan Sri Dato' Seri Vincent Tan Chee Yioun	—	—	120,493,577 <sup>(3)</sup>	67.95
Berjaya Corporation Berhad	—	—	120,493,577 <sup>(3)</sup>	67.95
Berjaya Group Berhad	—	—	120,493,577 <sup>(3)</sup>	67.95
Juara Sejati Sdn Bhd	—	—	120,493,577 <sup>(3)</sup>	67.95
Berjaya Land Berhad	—	—	119,563,515 <sup>(4)</sup>	67.42
Meriton Capital Limited	14,971,350	8.44	—	—
Lim Eng Hock	—	—	14,971,350 <sup>(5)</sup>	8.44

**Notes:**

- (1) The percentage of shareholding interest is calculated based on the issued share capital of 177,339,649 ordinary shares (excluding treasury shares).
- (2) The percentage figures in the above table have been rounded to the nearest two decimal places.
- (3) Deemed to be interested in the Shares held by the Offeror and RESB pursuant to Section 7 of the Companies Act.
- (4) Deemed to be interested in the Shares held by the Offeror pursuant to Section 7 of the Companies Act.
- (5) Deemed to be interested in the Shares held by Meriton Capital Limited pursuant to Section 7 of the Companies Act.

5.1.2. None of the Company Directors has any direct or deemed interest in the Company Securities as at the Latest Practicable Date.

5.1.3. None of the Company Directors has dealt for value in the Company Securities during the Reference Period.

## 5.2. Interests of the Company and the Company Directors in the Offeror

5.2.1. As at the Latest Practicable Date, the Company does not have any direct or deemed interest in the equity share capital, securities convertible into equity share capital or rights to subscribe for or options (including traded options) in respect of the equity share capital of the Offeror (collectively, the **"Offeror Securities"**), and for the purposes of this Company's Letter to Shareholders and Warrantholders:

**"convertible securities"** refers to securities convertible or exchangeable into new shares or existing shares in the company;

**"derivatives"** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities; and

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“options” refers to options to subscribe for or purchase new shares or existing shares in the company.

- 5.2.2. The Company has not dealt for value in any Offeror Securities during the Reference Period.
- 5.2.3. As at the Latest Practicable Date, the Offeror has an authorised share capital of US\$20,000,000 comprising 20,000,000 ordinary shares with a par value of US\$1.00 each, of which US\$16,500,000 comprising 16,500,000 ordinary shares have been issued and fully paid-up. The Offeror's directors are Ms. Vivienne Cheng Chi Fan, Mr. Tan Thiam Chai and Ms. Teh Phaik See. The Offeror is wholly-owned by BLB, which in turn is a subsidiary of BCB.
- 5.2.4. As at the Latest Practicable Date, none of the Company Directors has any direct or deemed interest in the Offeror Securities.
- 5.2.5. None of the Company Directors has dealt for value in the Offeror Securities in the Reference Period.

#### 5.3. Director's Service Contracts

There (i) are no service contracts between any Company Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and (ii) were no service contracts entered into or amended between any of the Company Directors or proposed director and the Company or any of its subsidiaries between the start of 6 months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

#### 5.4. Arrangements Affecting Company Directors

- (a) There are no payments or other benefits which will be made or given to any Company Director or any director of any corporation, which is by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Exit Offer and the Warrants Offer.
- (b) There are no agreements or arrangements made between any Company Director and any other person in connection with or conditional upon the outcome of the Exit Offer and the Warrants Offer.
- (c) None of the Company Directors has any material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

#### 6. GENERAL INFORMATION

The Company was incorporated in the Republic of Singapore on 20 July 1983. It was listed on the SGX-ST Dealing and Automated Quotation System on 3 May 1993 and was transferred and listed on the Mainboard of the SGX-ST on 27 October 1995. The Group is principally engaged in the education business such as franchising and licensing for computer and commercial training centres, provision of computer and business education and training, examinations facilitators, and educational and business management consultancy.



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#### 7. DIRECTORS OF THE COMPANY

The names, addresses and designations of the Company Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Ms. Yau Su Peng	c/o 7 Temasek Boulevard, #12-07 Suntec Tower One, Singapore 038987.	Executive Chairman
Mr. Azhar Bin Azib	c/o 7 Temasek Boulevard, #12-07 Suntec Tower One, Singapore 038987.	Non-Executive and Non-Independent Director
Mr. Yeap Beng Swee, Philip	c/o 7 Temasek Boulevard, #12-07 Suntec Tower One, Singapore 038987.	Independent Director
Professor Lai Kim Fatt	c/o 7 Temasek Boulevard, #12-07 Suntec Tower One, Singapore 038987.	Independent Director

#### 8. REGISTERED OFFICE OF THE COMPANY

The registered office of the Company is at 7 Temasek Boulevard, #12-07 Suntec Tower One, Singapore 038987.

#### 9. SHARE CAPITAL OF THE COMPANY

##### 9.1. Number and Class of Shares

The Company has only one class of shares, being the Shares. The Shares are quoted and listed on the Mainboard of the SGX-ST.

As at the Latest Practicable Date, the total issued and paid-up share capital of the Company is approximately S\$34.7 million comprising 177,339,649 Shares. There are no Shares held by the Company as treasury shares.

##### 9.2. Rights of Shareholders

The rights of Shareholders in respect of capital, dividends and voting are contained in the constitution of the Company ("**Constitution**"). The provisions in the Constitution relating to the rights of the Shareholders in respect of capital, dividends and voting are set out in **Appendix VII** (*Relevant Excerpts from the Constitution of the Company*) to the Exit Offer and Warrants Offer Letter.

##### 9.3. Number of Shares issued since the end of the last financial year

No new Shares have been issued by the Company since 30 June 2022, being the end of the last financial year, up to the Latest Practicable Date.

##### 9.4. Warrants

As at the Latest Practicable Date, the Company has 35,041,371 Warrants in issue, representing approximately 16.50% of the maximum potential issued share capital of the Company. The Warrants were issued pursuant to a renounceable non-underwritten rights cum warrants issue completed on 22 August 2019. Under the terms of the Warrants, each Warrant may be exercisable into one (1) new Share at an exercise price of S\$0.05 for each new Share, subject to adjustments in accordance with the terms and conditions of

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the Warrants. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants commenced on 22 August 2019 and will end on 21 August 2024. The outstanding Warrants held by the Warrantholders (other than those held by the Offeror) amount to 1,708,038 Warrants as at the Latest Practicable Date.

#### 9.5. Convertible Instruments

As at the Latest Practicable Date, save for the Warrants, there are no outstanding instruments convertible into, rights to subscribe for, or options (whether pursuant to an employee share option scheme or otherwise) in respect of, Shares or securities which carry voting rights affecting the Shares in the Company.

## 10. SUMMARY OF FINANCIAL INFORMATION

### 10.1. Consolidated Statement of Comprehensive Income

A summary of the audited consolidated statements of profit or loss and consolidated statements of comprehensive income of the Group for the financial years ended 31 March 2019 ("FY2019"), 30 June 2020 ("FY2020") and 30 June 2021 ("FY2021"), and a summary of the unaudited consolidated statement of profit or loss and consolidated statement of comprehensive income of the Group for FY2022 are set out below. The Company had on 3 December 2019 announced the change of the Company's financial year end from 31 March to 30 June. Accordingly, the audited financial statements for the financial period ended 30 June 2020 covered a period of 15 months from 1 April 2019 to 30 June 2020.

#### SUMMARY OF AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS OF THE GROUP FOR FY2019, FY2020 AND FY2021

(S\$'000)	← Audited →		
	FY2021	FY2020	FY2019
<b>Revenue</b>	7,104	10,863	7,617
Other operating income	204	189	87
Staff costs	(4,614)	(5,899)	(5,299)
Depreciation of property, plant and equipment	(324)	(443)	(110)
Allowance for expected credit loss on receivables	(185)	(29)	(80)
Other operating expenses	(3,709)	(5,226)	(5,698)
<b>Loss before taxation</b>	(1,524)	(545)	(3,483)
Taxation	(15)	(7)	(91)
<b>Loss for the financial year/period, representing loss attributable to equity holders of the Company</b>	(1,539)	(552)	(3,574)
<b>Loss per share (cents), basic and fully diluted</b>	(0.87)	(0.38)	(4.95)

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#### SUMMARY OF AUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF THE GROUP FOR FY2019, FY2020 AND FY2021

(S\$'000)	← Audited →		
	FY2021	FY2020	FY2019
Loss for the financial year/period	(1,539)	(552)	(3,574)
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation	(156)	(70)	(16)
Other comprehensive income for the financial year/period	(156)	(70)	(16)
<b>Total comprehensive income for the financial year/period, representing total comprehensive income attributable to equity holders of the Company</b>	<b>(1,695)</b>	<b>(622)</b>	<b>(3,590)</b>

#### SUMMARY OF UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE GROUP FOR FY2022

(S\$'000)	UNAUDITED FY2022
<b><u>Continuing operations</u></b>	
<b>Revenue</b>	6,501
Other operating income	134
Staff costs	(3,286)
Depreciation of property, plant and equipment	(154)
Write-back of expected credit loss on receivables	42
Other operating expenses	(3,336)
<b>Loss before taxation</b>	<b>(99)</b>
Taxation	(6)
<b>Loss for the financial year from continuing operations</b>	<b>(105)</b>
<b><u>Discontinued operation</u></b>	
<b>Loss for the financial year from discontinued operation</b>	<b>(8)</b>
<b>Loss for the financial year, representing loss attributable to equity holders of the Company</b>	<b>(113)</b>
<b>Loss per share (cents), basic and fully diluted</b>	<b>(0.06)</b>

#### SUMMARY OF UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP FOR FY2022

(S\$'000)	UNAUDITED FY2022
Loss for the financial year	(113)
<b>Other comprehensive income:</b>	
<b>Items that may be reclassified subsequently to profit or loss:</b>	
Foreign currency translation	226
Other comprehensive income for the financial year	226
<b>Total comprehensive income for the financial year, representing total comprehensive income attributable to equity holders of the Company</b>	<b>113</b>

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The above summary of financial information should be read together with the audited consolidated financial statements of the Group for the relevant years, the unaudited consolidated financial statements of the Group for the relevant year, and related notes thereto, copies of which are available for inspection at the office of the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, during normal business hours for the period for which the Exit Offer and Warrants Offer remain open for acceptance.

The audited consolidated financial statements of the Group for FY2021 are set out in **Appendix VIII** (*Audited Financial Statements of the Group for the Financial Year Ended 30 June 2021*) to the Exit Offer and Warrants Offer Letter. The unaudited consolidated financial statements of the Group for FY2022 are set out in **Appendix IX** (*Unaudited Financial Statements of the Group for the Financial Year Ended 30 June 2022*) to the Exit Offer and Warrants Offer Letter.

#### 10.2. Statement of Financial Position

A summary of the unaudited consolidated statements of financial position of the Group and the Company as at 30 June 2022, and the audited consolidated statements of financial position of the Group and the Company as at 30 June 2021 and 30 June 2020 are set out below:

	← Group →			← Company →		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	400	70	500	–	–	–
Intangible assets	162	285	129	–	–	–
Investment in subsidiaries	–	–	–	557	557	–
Trade and other receivables	–	–	–	781	859	–
	562	355	629	1,338	1,416	–
<b>Current assets</b>						
Prepayments	177	250	228	6	6	42
Trade and other receivables	905	1,003	1,450	286	138	141
Cash and bank balances	1,101	2,039	3,692	85	1,055	1,212
	2,183	3,292	5,370	377	1,199	1,395
<b>Total assets</b>	2,745	3,647	5,999	1,715	2,615	1,395
<b>Current liabilities</b>						
Deferred income and fees	1,358	1,808	2,339	172	120	201
Trade and other payables	2,467	2,161	1,494	4,771	3,693	3,029
Interest-bearing borrowings	17	1,019	1,000	–	1,000	1,000
Lease liabilities	164	210	759	–	–	–
Provision for reinstatement cost	–	26	109	–	–	–
	4,006	5,224	5,701	4,943	4,813	4,230
<b>Net current liabilities</b>	(1,823)	(1,932)	(331)	(4,566)	(3,614)	(2,835)

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	Group			Company		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
<b>Non-current liabilities</b>						
Trade and other payables	–	–	–	–	749	–
Interest-bearing borrowings	51	74	86	–	–	–
Lease liabilities	199	–	168	–	–	–
Provision for reinstatement cost	27	–	–	–	–	–
	277	74	254	–	749	–
<b>Total net (liabilities)/assets</b>	<b>(1,538)</b>	<b>(1,651)</b>	<b>44</b>	<b>(3,228)</b>	<b>(2,947)</b>	<b>(2,835)</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	34,667	34,667	34,667	34,667	34,667	34,667
Reserves	(36,205)	(36,318)	(34,623)	(37,895)	(37,614)	(37,502)
Total equity	(1,538)	(1,651)	44	(3,228)	(2,947)	(2,835)

The above summary of financial information should be read together with the unaudited consolidated financial statements of the Group for FY2022, the audited consolidated financial statements of the Group for FY2021 and FY2020, and the related notes thereto, copies of which are available for inspection at the office of the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, during normal business hours for the period for which the Exit Offer and Warrants Offer remain open for acceptance.

#### 10.3. Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in Note 3 to the audited consolidated financial statements of the Group for FY2021, which are set out in **Appendix VIII** (*Audited Financial Statements of the Group for the Financial Year Ended 30 June 2021*) to the Exit Offer and Warrants Offer Letter.

#### 10.4. Change in Accounting Policies

As at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures as disclosed in this Company's Letter to Shareholders and Warrantholders not to be comparable to a material extent.

### 11. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in publicly available information on the Company (including but not limited to announcements released by the Company in respect of its financial results), as at the Latest Practicable Date, there have been no known material changes in the financial position of the Group since 30 June 2021 and 30 June 2022, being the date to which the Company's last published audited and unaudited accounts were made up respectively.

### 12. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Neither the Company nor any of its subsidiaries has entered into material contracts (not being contracts entered into in the ordinary course of business of the Group) with Interested Persons (as defined below), during the period commencing three (3) years prior to the Joint Announcement Date and ending on the Latest Practicable Date.

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An “**Interested Person**”, as defined in the Note on Rule 24.6 of the Code read with the Note on Rule 23.12 of the Code, is:

- (a) a director, chief executive officer or substantial shareholder of the company;
- (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;
- (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;
- (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
- (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

#### 13. THE OFFEROR'S INTENTIONS FOR THE COMPANY

The full text of the Offeror's intentions for the Company has been extracted from paragraph 9 of the Exit Offer and Warrants Offer Letter and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Exit Offer and Warrants Offer Letter.

*Given the Group's loss-making position and requirement for BLB to continue providing financial support to the Group as and when deemed necessary to meet its general working requirements, following the close of the Exit Offer and the Warrants Offer, the Offeror intends to conduct a comprehensive review of the operations, management and financial position of the Group, including the evaluation of various strategic options. This may include (a) making of material changes to the existing businesses of the Group, (b) disposal of fixed assets and other assets of the Group, and (c) reviewing the employment of the employees of the Group having regard to the outcome of the comprehensive review and evaluation of strategic options. The Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.*

#### 14. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group taken as a whole, and the Company Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries, or any facts likely to give rise to any litigation, claims or proceedings which might materially and/or adversely affect the financial position of the Company or the Group taken as a whole.



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#### 15. EXEMPTION RELATING TO COMPANY DIRECTORS' RECOMMENDATION

As stated in paragraph 6.1 of the Exit Offer and Warrants Offer Letter:

- (a) Ms. Yau Su Peng is a Company Director and an employee of BCB, and holds directorships in certain subsidiaries of BCB; and
- (b) Mr. Azhar Bin Azib is a Company Director and holds directorships in certain subsidiaries of BCB.

The SIC had ruled on 7 October 2022 that the Relevant Directors are exempted from the requirement to make a recommendation on the Exit Offer and the Warrants Offer to the Shareholders and the Warrantholders respectively as the Relevant Directors, based on their relationships above, face irreconcilable conflicts of interests in doing so. Nonetheless, the Relevant Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents and advertisements issued by or on behalf of the Company in connection with the Exit Offer and the Warrants Offer.

#### 16. COMPANY DIRECTORS' RESPONSIBILITY STATEMENT

The Company Directors (including any Company Director who may have delegated detailed supervision of this Company's Letter to Shareholders and Warrantholders) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to the Offeror, the Exit Offer, the Warrants Offer, the IFA, the IFA Letter set out in **Annex A** to this Company's Letter to Shareholders and Warrantholders and the recommendation of the Recommending Directors to Shareholders and Warrantholders) are fair and accurate and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this Company's Letter to Shareholders and Warrantholders have been arrived at after due and careful consideration, this Company's Letter to Shareholders and Warrantholders constitutes full and true disclosure of all material facts which relate to the Group in the context of the Exit Offer and the Warrants Offer and that no material facts have been omitted from this Company's Letter to Shareholders and Warrantholders, the omission of which would make any statement in this Company's Letter to Shareholders and Warrantholders misleading. In respect of the IFA Letter, the sole responsibility of the Company Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate. The recommendation of the Recommending Directors to Shareholders and Warrantholders set out in paragraph 3 (*Recommending Directors' Recommendation*) of this Company's Letter to Shareholders and Warrantholders is the sole responsibility of the Recommending Directors. Where any information in this Company's Letter to Shareholders and Warrantholders (other than the IFA Letter) has been extracted or reproduced from published or publicly available sources or obtained from the Offeror or the IFA, the sole responsibility of the Company Directors has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Company's Letter to Shareholders and Warrantholders. The Company Directors jointly and severally accept responsibility accordingly.

#### 17. CONSENT

##### 17.1. Consent from IFA

The IFA has given and has not withdrawn its written consent to the issue of the Exit Offer and Warrants Offer Letter (including this Company's Letter to Shareholders and Warrantholders and the IFA Letter) with the inclusion herein of the IFA Letter in the form and context in which they are included and all references to its name in the form and context in which they appear in the Exit Offer and Warrants Offer Letter (including this Company's Letter to Shareholders and Warrantholders and the IFA Letter).

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**APPENDIX VI**  
**COMPANY'S LETTER TO SHAREHOLDERS AND WARRANTHOLDERS**

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**17.2. Consent from Receiving Agent, Share Registrar cum Warrant Agent**

The Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, has given and has not withdrawn its written consent to the issue of the Exit Offer and Warrants Offer Letter (including this Company's Letter to Shareholders and Warrantholders) with the inclusion of its name and all references thereto in the form and context in which they appear in the Exit Offer and Warrants Offer Letter (including this Company's Letter to Shareholders and Warrantholders).

**18. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the office of the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, during normal business hours for the period for which the Exit Offer and the Warrants Offer remain open for acceptance:

- (a) the Joint Announcement;
- (b) the IFA Letter as set out in Annex A of this Company's Letter to Shareholders and Warrantholders;
- (c) the Constitution;
- (d) the annual reports of the Company for FY2019, FY2020 and FY2021;
- (e) the unaudited consolidated financial statements of the Group for FY2022;
- (f) the letters of consent referred to in paragraph 17 (Consent) of this Company's Letter to Shareholders and Warrantholders; and
- (g) deed poll of the Warrants.

**19. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the Exit Offer and Warrants Offer Letter and its Appendices.

Yours faithfully

For and on behalf of  
the Board of Directors of  
**INFORMATICS EDUCATION LTD.**

Yau Su Peng  
Executive Chairman  
4 November 2022

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## ANNEX A TO APPENDIX VI

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### RHT CAPITAL PTE. LTD.

(Company Registration Number: 201109968H)  
(Incorporated in the Republic of Singapore)  
6 Raffles Quay, #24-02  
Singapore 048580

4 November 2022

To: The Recommending Directors of Informatics Education Ltd.  
(in respect of the Exit Offer and the Warrants Offer)

Mr. Yeap Beng Swee, Philip  
Professor Lai Kim Fatt

(Non-Executive, Independent Director)  
(Non-Executive, Independent Director)

Dear Sirs,

#### INDEPENDENT FINANCIAL ADVICE TO THE RECOMMENDING DIRECTORS IN RESPECT OF THE EXIT OFFER AND WARRANTS OFFER

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*Unless otherwise defined or the context otherwise requires, all terms defined in this letter shall have the same meaning as defined in the Company's Letter to Shareholders and Warrantholders dated 4 November 2022 issued by the Offeror.*

#### 1. INTRODUCTION

On 28 June 2022, the board of directors ("**Board**") of Informatics Education Ltd. ("**Company**", and together with its subsidiaries, "**Group**") announced that the Company had received a rejection of application and notification of delisting ("**Rejection and Delisting Notification**") from the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). In the Rejection and Delisting Notification, the SGX-ST informed the Company that:

- (i) the SGX-ST had rejected the Company's application dated 3 June 2022 for a further extension of time to meet the requirements for removal from the SGX-ST financial watch-list ("**Watch-List**"); and that the Company will be suspended with effect from 28 July 2022; and
- (ii) pursuant to Rule 1306 of the SGX-ST Listing Manual ("**Listing Manual**"), the Company or its controlling shareholder(s) must comply with Rule 1309 of the Listing Manual which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit offer to shareholders.

By way of background, the Company was placed on the Watch-List pursuant to Rule 1311(2) (Minimum Trading Price Entry Criterion) of the Listing Manual on 5 June 2017. Subsequently, the Company was placed on the Watch-List pursuant to Rule 1311(1) (Financial Entry Criteria) of the Listing Manual on 5 December 2017. Pursuant to Rule 1315 of the Listing Manual, if an issuer fails to meet the requirements of Rule 1314 of the Listing Manual within 36 months of the date on which it was placed on the Watch-List, the SGX-ST may either remove the issuer from the Official List of the SGX-ST, or suspend trading of the listed securities of the issuer (without agreement of the issuer) with a view to removing the issuer from the Official List of the SGX-ST. Accordingly the Company was required to meet the requirements of Rule 1314 of the Listing Manual by 4 December 2020 (post amendment of the relevant Rule 1314 of the Listing Manual in June 2020).

The Company was subsequently granted extensions of time to meet the requirements for removal from the Watch-List on 23 November 2020 for an extension of twelve months, and 30 November 2021 for an extension of six months. On 9 December 2021, the then directors of the Company confirmed that if the Company is unable to exit the Watch-List by 4 June 2022, the Company shall be delisted from the Official List of the SGX-ST and a cash exit offer shall be made to the shareholders of the Company ("**Shareholders**") pursuant to Rule 1309 of the Listing Manual by 4 July 2022.

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## ANNEX A TO APPENDIX VI

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On 3 June 2022, the Company submitted an application to the SGX-ST for a further twelve months extension of time to meet the requirements for removal from the Watch-List, which was rejected by the SGX-ST on 28 June 2022 as narrated above. The Company was also requested to inform the SGX-ST of the exit offer and warrants offer proposal as soon as practicable and no later than one (1) month from the date of the Rejection and Delisting Notification.

Pursuant to Rules 1306 and 1309 of the Listing Manual and in connection with the directed delisting of the Company ("**Delisting**") by the SGX-ST in accordance with the Rejection and Delisting Notification, Berjaya Leisure Capital (Cayman) Limited ("**Offeror**"), the controlling shareholder of the Company, has presented to the directors of the Company ("**Directors**") a formal proposal to make a cash exit offer ("**Exit Offer**") to acquire from the Shareholders all the issued and paid-up ordinary shares in the capital of the Company ("**Shares**") (excluding treasury shares), other than those Shares already owned, controlled or agreed to be acquired by the Offeror as at the date of the Exit Offer ("**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore and the Singapore Code on Take-overs and Mergers ("**Code**").

In accordance with Rule 19 of the Code, the Offeror also made a proposal to acquire all the outstanding warrants issued by the Company ("**Warrants**"), other than those warrants held by the Offeror ("**Warrants Offer**") from the holders of outstanding Warrants ("**Warrantholders**"). Such Warrants were issued and allotted by the Company pursuant to a renounceable non-underwritten rights cum warrants issue completed on 22 August 2019. Each Warrant carries the right to subscribe for one new Share at the exercise price of S\$0.05 for each new Share.

In connection with the Exit Offer and Warrants Offer and pursuant to Rule 1309(2) of the Listing Manual, RHT Capital Pte. Ltd. ("**RHTC**") has been appointed by the Company as the independent financial adviser ("**IFA**") to the Directors who are regarded as independent for the purposes of making a recommendation to the Shareholders and the Warrantholders in respect of the Exit Offer and Warrants Offer respectively, as required under the Code ("**Recommending Directors**").

Ms. Yau Su Peng and Mr. Azhar Bin Azib are exempted from the requirement to make a recommendation to the Shareholders and the Warrantholders on the Exit Offer and the Warrants Offer respectively. Ms. Yau Su Peng is a Company Director, an employee of BCB, and holds directorships in certain subsidiaries of BCB. Similarly, Mr. Azhar Bin Azib is a Company Director and holds directorships in certain subsidiaries of BCB. Nevertheless, they must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company to the Shareholders and the Warrantholders in connection with the Exit Offer and the Warrants Offer respectively. Following from the above, the Recommending Directors are Mr. Yeap Beng Swee, Philip and Professor Lai Kim Fatt.

This letter ("**Letter**") is addressed to the Recommending Directors and sets out, *inter alia*, our views and evaluation of the financial terms of the Exit Offer and the Warrants Offer, our opinion thereon, and forms part of the Company's Letter to Shareholders and Warrantholders providing, *inter alia*, details of the Exit Offer and the Warrants Offer, and the recommendation of the Recommending Directors and it is to be electronically despatched to Shareholders and Warrantholders in relation to the Exit Offer and the Warrants Offer.

## 2. TERMS OF REFERENCE

We have been appointed as the IFA under Rule 1309(2) of the Listing Manual to advise the Recommending Directors on the financial terms of the Exit Offer and the Warrants Offer in compliance with the provisions of the Code. We have confined our evaluation to the financial terms of the Exit Offer and the Warrants Offer and have not taken into account the commercial risks and/or commercial merits of the Exit Offer and the Warrants Offer.

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## ANNEX A TO APPENDIX VI

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Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long term merits of the Exit Offer and the Warrants Offer or on the future prospects of the Company and/or the Group or the method and terms by which the Exit Offer and the Warrants Offer is made or any other alternative methods by which the Exit Offer and the Warrants Offer may be made. Such evaluations and comments remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

We are not authorised, and we have not solicited, any indications of interest from any third party with respect to the Shares and/or the Warrants. We are therefore not addressing the relative merits of the Exit Offer and the Warrants Offer as compared to any alternative transaction that may be available to the Company (or its Shareholders and/or Warrantholders), or as compared to any alternative offer that might otherwise be available in the future.

In the course of our evaluation of the financial terms of the Exit Offer and the Warrants Offer, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Group. We have also relied on information provided and representations made, including relevant financial analyses and estimates, by the management of the Company ("**Management**"), the Directors, the Company's solicitors and auditors. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer, the Company and/or the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Company's Letter to Shareholders and Warrantholders to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

For the purposes of assessing the financial terms of the Exit Offer and the Warrants Offer and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment). As such, we will be relying on the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of the Company and/or the Group. We have not been furnished with any such evaluation or appraisal. We have not relied on any financial projections or forecasts in respect of the Company and/or the Group for the purpose of our evaluation of the Exit Offer and the Warrants Offer.

Our analysis and our opinion as set out in this Letter are based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at 31 October 2022 ("**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders and Warrantholders should further take note of any announcements relevant to their consideration of the Exit Offer and the Warrants Offer which may be released by the Company and/or the Offeror after the Latest Practicable Date.

## ANNEX A TO APPENDIX VI

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder and Warrantholder would have different investment objectives and profiles, we would advise the Recommending Directors to recommend that any individual Shareholder and/or Warrantholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether or not to accept the Exit Offer and/or the Warrants Offer.

The Company has been separately advised by its own advisers in the preparation of the Company's Letter to Shareholders and Warrantholders (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Company's Letter to Shareholders and Warrantholders (other than this Letter).

Our opinion in respect of the Exit Offer and the Warrants Offer, as set out in Section 9 of this Letter, should be considered in the context of the entirety of this Letter and the Company's Letter to Shareholders and Warrantholders.

### 3. THE EXIT OFFER AND WARRANTS OFFER

The information on the Exit Offer and Warrants Offer, as set out below in italics, has been extracted from Section 3 and 4 of the Exit Offer and Warrants Offer Letter respectively. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Exit Offer and Warrants Offer Letter.

#### **"3. TERMS OF THE EXIT OFFER**

*The Offeror hereby makes the offer to acquire all the Offer Shares on the terms and subject to the conditions set out in this Exit Offer and Warrants Offer Letter, the FAA and the FAT, and on the following basis:*

##### **3.1 Consideration**

*Under the terms of the Exit Offer, the Offeror will make the Exit Offer at:*

*For each Offer Share: S\$0.011 in cash (the "**Exit Offer Price**")*

*The Exit Offer Price represents the following premium over / (discount to) the historical transacted prices of the Shares on the SGX-ST:*

<b>Description</b>	<b>Benchmark Price (S\$)</b>	<b>Premium over / (discount to) the Benchmark Price based on the Exit Offer Price of S\$0.011 (%)</b>
<i>Last transacted price per Share as quoted on the SGX-ST on 28 July 2022, being the Last Trading Day</i>	<i>0.0080</i>	<i>37.5</i>
<i>VWAP per Share for the 1-month period up to and including the Last Trading Day</i>	<i>0.0101</i>	<i>8.9</i>
<i>VWAP per Share for the 3-month period up to and including the Last Trading Day</i>	<i>0.0105</i>	<i>4.8</i>
<i>VWAP per Share for the 6-month period up to and including the Last Trading Day</i>	<i>0.0117</i>	<i>(6.0)</i>
<i>VWAP per Share for the 12-month period up to and including the Last Trading Day</i>	<i>0.0133</i>	<i>(17.3)</i>



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## ANNEX A TO APPENDIX VI

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***For the avoidance of doubt, the Exit Offer Price will not be revised except as mentioned in paragraph 3.4 below.***

*The Exit Offer is extended to all Offer Shares and the Exit Offer Price is applicable to all Offer Shares tendered in acceptance. Shareholders may accept the Exit Offer in full or in part of their holdings of Offer Shares. For the avoidance of doubt, the Exit Offer will be also extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Exit Offer.*

### 3.2 Acceptance Condition

*The Exit Offer is unconditional in all respects.*

### 3.3 No Encumbrances

*The Offer Shares are to be acquired (a) validly issued and fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto including all voting rights and the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by the Company on or after the Joint Announcement Date.*

*Accordingly, if any Distribution is announced, declared, paid or made by the Company on or after the Joint Announcement Date, depending on the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer, the Offeror reserves the right to reduce the Exit Offer Price by an amount equivalent to such Distribution as set out in paragraph 3.4 below.*

### 3.4 Adjustments for Distributions

*Without prejudice to the foregoing, the Exit Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Joint Announcement Date.*

*Accordingly, if any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Joint Announcement Date to an Accepting Shareholder, the Exit Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution payable to such Accepting Shareholder, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer by the Accepting Shareholder falls, as follows:*

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Exit Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Exit Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or*
- (b) if such settlement falls after the Books Closure Date, the Exit Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Exit Offer Price after such reduction, the “**Adjusted Exit Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Exit Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.*

### 3.5 Warranty

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date, and thereafter attaching thereto (including the right to receive and retain all Distributions, if any, declared, paid or made by the Company on or after the Joint Announcement Date).

### 3.6 Duration and Closing Date

The Exit Offer will remain open for acceptance by Shareholders for a period of 28 days after the date on which the Exit Offer and Warrants Offer Letter by the Offeror to the Shareholders and Warrantholders is electronically despatched.

Although no extension of the Exit Offer is currently contemplated by the Offeror, if the Exit Offer is extended, announcements will be made on such extensions, and the Exit Offer will remain open for acceptance for such period as may be announced by the Offeror. If the Exit Offer is extended, Shareholders who have validly accepted the Exit Offer in respect of part of their Shares will be entitled to tender additional Offer Shares in acceptance of the Exit Offer.

If there is an extension of the Exit Offer, then pursuant to Rule 22.4 of the Code, any announcement of an extension will state the next closing date, or if the Exit Offer is unconditional as to acceptances, a statement may be made that the Exit Offer will remain open until further notice. In the latter case, Shareholders who have not accepted the Exit Offer will be notified electronically on the website of the SGX-ST at <https://www.sgx.com> at least 14 days before the Exit Offer is closed.

### 3.7 Undertakings

As at the Latest Practicable Date, RESB, being a party who is acting or presumed to be acting in concert with the Offeror, holds 930,062 Shares representing approximately 0.5% of the issued and paid-up share capital of the Company. RESB has undertaken to tender all the Offer Shares held by it in acceptance of the Exit Offer (the “**Irrevocable Undertaking**”).

Save for the Irrevocable Undertaking provided by the Concert Party, the Offeror has not received any irrevocable undertaking from any party to accept or reject the Exit Offer.

### 3.8 Further Details of the Exit Offer

**Appendix I** to this Exit Offer and Warrants Offer Letter sets out further details on (a) the settlement of the consideration for the Exit Offer, (b) the requirements relating to the announcement(s) of the level of acceptances of the Exit Offer, and (c) the right of withdrawal of acceptances of the Exit Offer.

### 3.9 Procedures for Acceptance

**Appendix II** to this Exit Offer and Warrants Offer Letter sets out the procedures for the acceptance of the Exit Offer.

**4. TERMS OF THE WARRANTS OFFER****4.1 Warrants**

*As at the Latest Practicable Date, the Company has 35,041,371 Warrants in issue, representing approximately 16.50% of the maximum potential issued share capital of the Company. The Warrants were issued pursuant to a renounceable non-underwritten rights cum warrants issue completed on 22 August 2019. Under the terms of the Warrants, each Warrant may be exercisable into one (1) new Share at an exercise price of S\$0.05 for each new Share, subject to adjustments in accordance with the terms and conditions of the Warrants. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants commenced on 22 August 2019 and will end on 21 August 2024. The outstanding Warrants held by the Warrantholders (other than those held by the Offeror) amount to 1,708,038 Warrants as at the Latest Practicable Date.*

**4.2 Warrants Offer**

*In accordance with Rule 19 of the Code, the Offeror will make a cash offer to the Warrantholders to acquire all the Warrants, other than those already owned, controlled or agreed to be acquired by the Offeror in accordance with the terms and subject to the conditions set out in the Exit Offer and Warrants Offer Letter, the Warrants FAA and the Warrants FAT. The Exit Offer will be extended, on the same terms and conditions, to all new Shares unconditionally issued pursuant to the valid exercise of any Warrant prior to the close of the Exit Offer. If the Exit Offer lapses or is withdrawn or if the relevant Offer Warrants cease to be exercisable into new Shares, the Warrants Offer will lapse accordingly.*

*The Offeror does not intend to exercise any of the Warrants held by it during the period commencing from the Joint Announcement Date until the date the Warrants Offer is declared to have closed or lapsed.*

**4.3 Warrants Offer Price**

*The Warrants Offer Price will be as follows:*

<i>For each Offer Warrant: S\$0.0001 in cash</i>
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*In accordance with Note 1 to Rule 19 of the Code, the Warrants Offer Price is calculated based on a “see-through” basis. In other words, the Warrants Offer Price for an Offer Warrant will be the amount (if positive) of the Exit Offer Price less the exercise price of that Offer Warrant. As at the Latest Practicable Date, no adjustments have been made to the Offer Warrants exercise price of S\$0.05 for each new Share. Since the exercise price of the Offer Warrants is more than the Exit Offer Price, the Warrants Offer Price for each Offer Warrant will be the nominal amount of S\$0.0001.*

*The Offeror does not intend to revise the Warrants Offer Price.*

**4.4 Acceptance Condition**

*The Warrants Offer is unconditional in all respects.*

**4.5 No Encumbrances**

*Warrantholders who accept the Warrants Offer will be deemed to unconditionally and irrevocably warrant, in respect of the relevant Offer Warrants, that such relevant Offer Warrants are (a) fully paid and (b) free from all Encumbrances (please refer to paragraph 3.3 above).*

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## ANNEX A TO APPENDIX VI

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### 4.6 Exit Offer and Warrants Offer Mutually Exclusive

*The Exit Offer and the Warrants Offer are separate and are mutually exclusive. The Warrants Offer does not form part of the Exit Offer, and vice versa. The Exit Offer will not be conditional upon acceptances received in relation to the Warrants Offer. Without prejudice to the foregoing, if a Warrantholder exercises its Offer Warrants in order to accept the Exit Offer in respect of the new Shares to be issued pursuant to such exercise, it may not accept the Warrants Offer in respect of such Offer Warrants. Conversely, if a Warrantholder wishes to accept the Warrants Offer in respect of its Offer Warrants, it may not exercise those Offer Warrants in order to accept the Exit Offer in respect of the new Shares to be issued pursuant to such exercise.*

### 4.7 Further Details of the Warrants Offer

**Appendix I** to this Exit Offer and Warrants Offer Letter sets out further details on (a) choices a Warrantholder can take and (b) the general terms of the Warrants Offer.

### 4.8 Procedures for Acceptance

**Appendix II** to this Exit Offer and Warrants Offer Letter sets out the procedures for the acceptance of the Warrants Offer.”

## 4. INFORMATION ON THE OFFEROR AND THE CONCERT PARTY

The information on the Offeror and the Concert Party, as set out below in italics, has been extracted from Section 7 of the Exit Offer and Warrants Offer Letter. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Exit Offer and Warrants Offer Letter.

### “7.1 Information on the Offeror

*The Offeror is the controlling shareholder of the Company, holding 119,563,515 Shares, representing approximately 67.4% of the issued and paid-up share capital of the Company as at the Latest Practicable Date. The Offeror also holds 33,333,333 Warrants as at the Latest Practicable Date.*

*The Offeror is a company incorporated in the Cayman Islands on 29 March 1994 and has its registered office at One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands. The principal activity of the Offeror is that of an investment holding company.*

*The Offeror is wholly-owned by BLB, which in turn is a subsidiary of BCB. BCB and BLB are both listed on the Main Market of Bursa Malaysia Securities Berhad. The Executive Chairman of the Company, Ms Yau Su Peng, currently holds the position of Director, Retail and Innovation at BCB and also holds directorships in certain subsidiaries of BCB.*

*As at the Latest Practicable Date, the Offeror has an authorised share capital of US\$20,000,000 comprising 20,000,000 ordinary shares with a par value of US\$1.00 each, of which US\$16,500,000 comprising 16,500,000 ordinary shares have been issued and fully paid-up. The Offeror Directors are Ms. Vivienne Cheng Chi Fan, Mr. Tan Thiam Chai and Ms. Teh Phaik See.*

**Appendix III** to this Exit Offer and Warrants Offer Letter sets out additional information on the Offeror.

### 7.2 Information on the Concert Party

*As at the Latest Practicable Date, RESB is acting or presumed to be acting in concert with the Offeror under the Code. RESB, an investment holding company, is an indirect wholly-owned subsidiary of BCB. RESB holds 930,062 Shares, representing approximately 0.5% of the issued and paid-up share capital of the Company as at the Latest Practicable Date. RESB does not hold any Warrants.*

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## ANNEX A TO APPENDIX VI

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*RESB has undertaken to tender all the Offer Shares held by it in acceptance of the Exit Offer.*

*Appendix III to this Exit Offer and Warrants Offer Letter sets out additional information on the Concert Party.”*

### 5. INFORMATION ON THE COMPANY

The information on the Company, as set out below in italics, has been extracted from Section 8 to the Exit Offer and Warrants Offer Letter. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Exit Offer and Warrants Offer Letter.

#### **“8. INFORMATION ON THE COMPANY**

*The Company was incorporated in the Republic of Singapore on 20 July 1983. It was listed on the SGX-ST Dealing and Automated Quotation System on 3 May 1993 and was transferred and listed on the Mainboard of the SGX-ST on 27 October 1995. The Group is principally engaged in the education business such as franchising and licensing for computer and commercial training centres, provision of computer and business education and training, examinations facilitators, and educational and business management consultancy.*

*As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S\$34.7 million, comprising 177,339,649 Shares. The Company has 35,041,371 Warrants in issue and does not have any other outstanding instruments convertible into, rights to subscribe for, and options (whether pursuant to an employee share option scheme or otherwise) in respect of, Shares or securities which carry voting rights affecting Shares in the Company. The Company does not hold any Shares in treasury.*

*As at the Latest Practicable Date, the board of Directors of the Company comprises the following:*

- i. Ms. Yau Su Peng – Executive Chairman;*
- ii. Mr. Azhar Bin Azib – Non-Executive and Non-Independent Director;*
- iii. Mr. Yeap Beng Swee, Philip – Independent Director; and*
- iv. Professor Lai Kim Fatt – Independent Director*

*As at the Latest Practicable Date, save as disclosed in this Exit Offer and Warrants Offer Letter and save for the information on the Group which is publicly available (including, but not limited to, the information disclosed in the announcements released by the Company on the SGX-ST), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Company since 30 June 2022, being the date to which the Company's last published unaudited accounts were made up.”*

#### **Implied market capitalisation**

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 177,339,649 Shares. Based on the Exit Offer Price of S\$0.011 per Share and the total number of issued Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S\$1.95 million.



**6. IRREVOCABLE UNDERTAKING**

The information on the Irrevocable Undertaking, as set out below in italics, has been extracted from Section 10 of the Exit Offer and Warrants Offer Letter. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Exit Offer and Warrants Offer Letter.

**“10. *Irrevocable Undertaking***

**10.1 *Irrevocable Undertaking***

*RESB owns 930,062 Shares, being the Undertaking Shares, representing approximately 0.5% of the total number of issued Shares.*

*RESB has given the Irrevocable Undertaking to the Offeror, inter alia, to:*

- (a) accept the Exit Offer in respect of all (and not some only) of the Undertaking Shares not later than 5.00 p.m. (Singapore time) on the date falling three (3) Business Days, or on such later date as may be agreed with the Offeror, after the date on which the Exit Offer and Warrants Offer Letter is electronically despatched to Shareholders and Warrantholders, in accordance with the procedures to be prescribed in the Exit Offer and Warrants Offer Letter and the Acceptance Forms;*
- (b) notwithstanding any rights of withdrawal under the Code, to not withdraw any of the Undertaking Shares tendered for acceptance until the date on which the Irrevocable Undertaking lapses or terminates in accordance with paragraph 10.3 below;*
- (c) during the term of the Irrevocable Undertaking:*
  - (i) shall not, other than in accordance with the Irrevocable Undertaking, directly or indirectly offer, sell, transfer, give or otherwise dispose of, grant any option, right or warrant to purchase in respect of, charge, mortgage, pledge or otherwise create an Encumbrance over or enter into any swap or other arrangement that transfers, legal, beneficial or economic interests in any Undertaking Shares to any other party;*
  - (ii) shall not accept any other offer from any other party other than the Offeror or a party approved in writing by the Offeror for all or any of the Undertaking Shares, whether or not such other offer is on more favourable terms than under the Exit Offer; and*
- (d) not authorise any person to, directly and indirectly, solicit, initiate or entertain any offers or proposals, discuss, provide any information, negotiate or enter into any arrangements with any third party with a view to or in connection with the acquisition of any securities in the Company and/or its subsidiaries or all or any substantial part of the businesses, revenues and undertakings of the Company and/or its subsidiaries or any arrangement with a view to a transaction taking place which would preclude the Exit Offer.*

**10.2 *Consideration***

*Payment for the Undertaking Shares shall be fully satisfied by the Offeror in cash.*

**10.3 *Termination of Irrevocable Undertaking***

*The Irrevocable Undertaking shall terminate, lapse or cease to have any effect upon the earlier of (i) the Exit Offer being withdrawn for whatever reason other than as a result of a breach of any of RESB's obligations under the Irrevocable Undertaking; or (ii) closing of the Exit Offer.”*



**7. RATIONALE FOR THE OFFER, OFFEROR'S INTENTION REGARDING THE COMPANY, THE LISTING STATUS OF THE COMPANY AND COMPULSORY ACQUISITION**

The information on the rationale for the Offer and compulsory acquisition, as set out below in italics, has been extracted from Sections 9 and 11 of the Exit Offer and Warrants Offer Letter respectively. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Exit Offer and Warrants Offer Letter.

**“9. THE OFFEROR'S INTENTIONS FOR THE COMPANY**

*Given the Group's loss-making position and requirement for BLB to continue providing financial support to the Group as and when deemed necessary to meet its general working requirements, following the close of the Exit Offer and the Warrants Offer, the Offeror intends to conduct a comprehensive review of the operations, management and financial position of the Group, including the evaluation of various strategic options. This may include (a) making of material changes to the existing businesses of the Group, (b) disposal of fixed assets and other assets of the Group, and (c) reviewing the employment of the employees of the Group having regard to the outcome of the comprehensive review and evaluation of strategic options. The Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.*

**11. COMPULSORY ACQUISITION**

*Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and excluding any Shares of the Company held as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Dissenting Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.*

***The Offeror intends to exercise its right to compulsorily acquire all the Shares not tendered in acceptance of the Exit Offer pursuant to Section 215(1) of the Companies Act if it is entitled to do so.***

*In addition, the Dissenting Shareholders who have not accepted the Exit Offer have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror and/or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations and/or their respective nominees, comprise 90% or more of the total issued Shares.*

***Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent professional advice.”***

**8. ASSESSMENT OF THE FINANCIAL TERMS OF THE EXIT OFFER AND WARRANTS OFFER**

In our assessment of the financial terms of the Exit Offer and the Warrants Offer, we have considered the following which we consider to be pertinent and to have a significant bearing on our assessment of the Exit Offer and the Warrants Offer:

- (1) Market quotation and trading liquidity of the Shares;
- (2) Financial performance of the Group;
- (3) Net tangible liabilities position of the Group;
- (4) Cash flow of the Group;

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- (5) Comparison with the valuation ratios of selected companies listed on the SGX-ST which are broadly comparable to the Group;
- (6) Comparison with selected precedent SGX-ST directed delisting offers ("**Selected Precedent SGX-ST Directed Delisting Exit Offers**");
- (7) Valuation of Warrants issued;
- (8) Dividend track record of the Company; and
- (9) Other relevant considerations.

The figures, underlying financial and market data used on our analysis, including securities prices, trading volumes, free float data and foreign exchange rates have been extracted from Bloomberg L.P., SGX-ST and other publicly available information as at the Latest Practicable Date or as provided by the Company where relevant. RHTC makes no representation or warranties, express or implied, as to the accuracy or completeness of such information.

### 8.1 Market quotation and trading liquidity of the Shares

We have compared the Exit Offer Price against the historical market price performance of the Shares and considered the historical trading volume over the observation periods as discussed below.

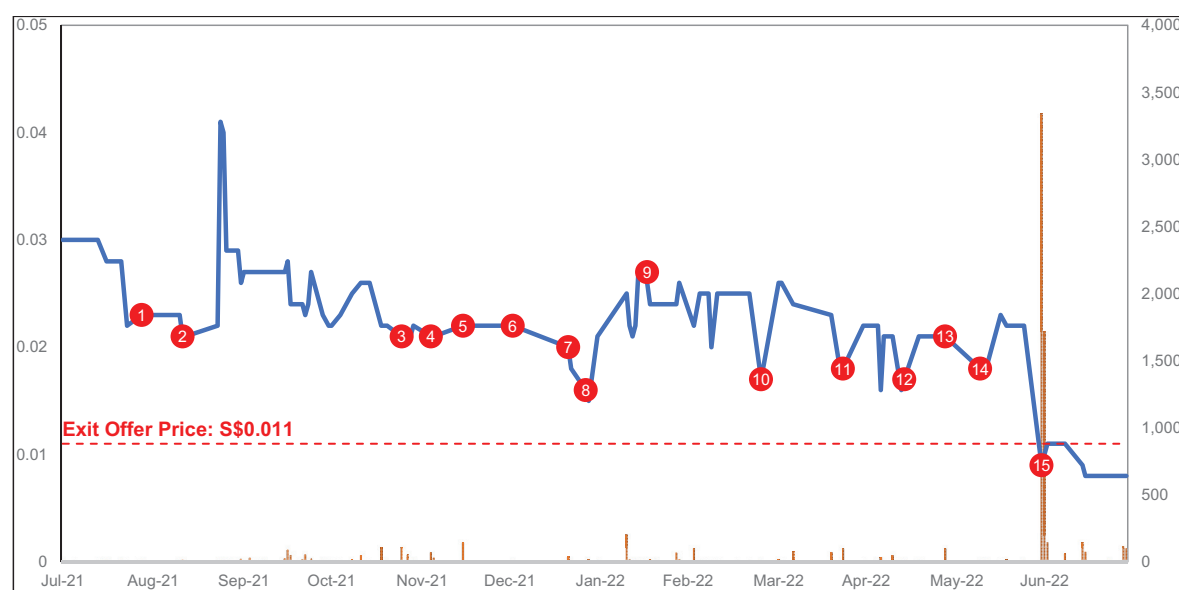
We note that trading of the Shares was suspended after trading hours on 28 July 2022 ("**Last Trading Date**") pursuant to the Rejection and Delisting Announcement on 28 June 2022.

We have therefore compared the Exit Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares from 29 July 2021, being approximately a 1-year period prior to the Last Trading Date ("**Period Under Review**").

#### Share price chart

We set out below a chart showing the Exit Offer Price relative to the daily last transacted prices and trading volume of the Shares for the Period Under Review.

**Price movement and trading volume of the Shares for the Period Under Review**



Source: Bloomberg L.P.

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### Significant announcements

- (1) **27 August 2021:** The Company announced its full year financial results for the year ended 30 June 2021.
- (2) **8 September 2021:** The Company announced the striking off of its wholly owned subsidiary, Informatics International Pte. Ltd., from the Register of Companies, effective on 6 September 2021 (**"The Striking Off"**). The Striking Off was not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 30 June 2022.
- (3) **19 November 2021:** The Company announced its further application to the SGX-ST for a 6-month extension of time to meet the requirements of Rule 1314 of the Listing Manual to exit the SGX-ST Watch-List (**"The Watch-List"**).
- (4) **30 November 2021:** The Company announced that the SGX-ST has confirmed that it had no objection to the Company's application for an extension of time of six (6) months to 4 June 2022 (the **"Waiver"**) subject to the Company meeting the Waiver conditions.
- (5) **9 December 2021:** The Company announced that the Waiver conditions as required under the Company's application for an extension of time of six (6) months to 4 June 2022 had been satisfied.
- (6) **15 December 2021:** The Company announced its audited financial results and released its Annual Report for the year ended 30 June 2021. The Company also announced that it had entered into a Share Sale Agreement (**"SSA"**) with Professional Education Management Pte. Ltd. for the sale of all the issued and paid-up shares in the capital of Informatics Academy Pte. Ltd., on the terms and subject to the conditions of the SSA (**"Proposed Disposal"**). Pursuant to Chapter 10 of the Listing Manual, the Proposed Disposal constitutes a 'major transaction' and the Company sought the approval of the shareholders of the Company at an extraordinary general meeting (**"EGM"**) to be convened.  
  
**22 December 2021:** The Company announced its responses to the queries raised by the SGX-ST in relation to the Company's announcement dated 15 December 2021
- (7) **31 December 2021:** The Company announced: (i) the resignation of Dato' Sri Robin Tan Yeong Ching as the Non-Executive Chairman of the Group; (ii) the re-designation of Ms. Yau Su Peng from Executive Director to Non-Executive Chairman of the Group; and (iii) the changes to the Board and re-composition of the Board Committees. The Company also announced its first quarter financial results for the period ending 30 September 2021 and its quarterly update in relation to its exit from the Watch-List, pursuant to Rule 1313(2) of the Listing Manual.  
  
**18 January 2022:** The Company announced its monthly update on the progress to exit from the SGX-ST Watch-List.
- (8) **24 January 2022:** The Company announced: (i) the re-designation of Ms. Yau Su Peng from Non-Executive Chairman to Executive Chairman of the Group; (ii) the appointment of Mr. Azhar Bin Azib as the new Non-Executive and Non-Independent Director of the Group; and (iii) the changes to the Board and re-composition of the Board Committees.
- (9) **14 February 2022:** The Company announced its second quarter financial results for the period ended 31 December 2021 and its quarterly update in relation to its exit from the Watch-List, pursuant to Rule 1313(2) of the Listing Manual.
- (10) **22 March 2022:** The Company announced its monthly update on the progress to exit from the SGX-ST Watch-List.
- (11) **22 April 2022:** The Company announced its monthly update on the progress to exit from the SGX-ST Watch-List.
- (12) **13 May 2022:** The Company announced its third quarter financial results for the period ended 31 March 2022 and its quarterly update in relation to its exit from the Watch-List, pursuant to Rule 1313(2) of the Listing Manual.
- (13) **25 May 2022:** The Company announced its responses to the queries raised by the SGX-ST in relation to the Company's announcement dated 13 May 2022.
- (14) **3 June 2022:** The Company announced its further application to the SGX-ST for a 12-month extension of time to meet the requirements of Rule 1314 of the Listing Manual to exit the SGX-ST Watch-List.
- (15) **28 June 2022:** The Company announced it has received a rejection of the Company's application, dated 3 June 2022, for the extension of time and notification of delisting from the SGX-ST. The Company's shares were suspended from trading with effect from 28 July 2022 and the Company was required to provide a fair and reasonable exit offer to shareholders pursuant to Listing Rules 1306 and 1309.

From the share price chart above, we noted that the Shares have been on a downward trend for the Period Under Review. The Shares had traded between a high of S\$0.048 (on 20 September 2021) and a low of S\$0.008 (on 14 July 2022). The share price had declined from S\$0.041 on 21 September 2021 to S\$0.029 on 23 September 2021 to S\$0.015 on 25 January 2022 to S\$0.009 on 29 June 2022 and S\$0.008 on 28 July 2022, being the last trading day prior to the release of the Delisting Announcement. However, the Shares are also thinly traded, trading on only 99 days out of a total of 261 market days during the 1-year period prior to the Last Trading Day.

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### Market statistics

In addition to the share price chart above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares for the Period Under Review:

	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP <sup>(1)</sup> (S\$)	Premium / (Discount) of Exit Offer Price over / (to) VWAP (%)	Number of traded days	Average daily traded volume <sup>(2)</sup> (S\$'000)	Average daily traded volume as a percentage of free float <sup>(3)</sup> (%)
<b>Prior to the Last Trading Date</b>							
Last 1 month	0.0150	0.0080	0.0101	8.9	9	632	1.5
Last 3 months	0.0230	0.0080	0.0105	4.8	23	257	0.6
Last 6 months	0.0280	0.0080	0.0117	(6.0)	48	139	0.3
Last 1 year	0.0480	0.0080	0.0133	(17.3)	99	78	0.2
As of 28 July 2022, being the Last Trading Date	0.0080	0.0080	0.0080	37.5	1	100	0.2

As the Shares has been suspended, no shares were traded as at the Latest Practicable Date.

**Source:** Bloomberg L.P.

#### Notes:

- (1) The VWAP is calculated based on the turnover divided by volume of the Shares as extracted from Bloomberg L.P.
- (2) The average daily trading volume of the Shares was computed based on the total volume of Shares traded during the relevant periods, divided by the number of days that were open for trading (excluding public holidays and days with full day trading halts on the Shares) during that period.
- (3) Free float refers to the Shares other than those held by the Directors or substantial Shareholders of the Company and amounts to approximately 41.9 million Shares representing approximately 23.6% of the issued Shares as disclosed in the Company's annual report for FY2021.

Based on the above, we observe the following with regard to the share price performance of the Company for the Period Under Review:

- (a) The Exit Offer Price represents a premium of approximately 37.5% over the VWAP of the Shares of S\$0.008 on 28 July 2022, being the Last Trading Date.
- (b) The Exit Offer Price represents a premium of approximately 8.9% and 4.8% above the VWAP of the Shares for 1-month and 3-month periods up to and including the Last Trading Date respectively.
- (c) The Exit Offer Price represents a discount of approximately 6.0% and 17.3% below the VWAP of the Shares for 6-month and 1-year periods up to and including the Last Trading Date respectively.

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- (d) Over the 1-year period up to and including the Last Trading Date, the Shares have traded between a low of S\$0.008 and a high of S\$0.048. The Exit Offer Price represents a premium of S\$0.003 (or 37.5%) above the lowest transacted price and a discount of S\$0.037 (or 77.1%) to the highest transacted price of the Shares. As mentioned earlier, the Share Price has been on a downward trend for the 1-year period up to and including the Last Trading Date.
- (e) As mentioned above, the Shares were only traded on 99 days. We noted that out of these 99 traded days, the Shares have closed at or above the Exit Offer Price on 92 of these 99 traded days, representing 92.9% of the total traded days of the Shares.
- (f) For the period from the release of the Delisting Announcement to the Last Trading Date, the Shares have traded between a low of S\$0.008 and a high of S\$0.015. The Exit Offer Price represents a discount of S\$0.004 (or 26.7%) to the highest transacted price of the Shares. The Shares have closed at or above the Exit Offer Price on only 2 traded days from the Delisting Announcement to the Last Trading Date.

We observed the following with regard to the trading liquidity of the Shares:

- (i) Over the 1-year period up to and including the Last Trading Date, as above, the Shares were only traded on 99 days out of 261 market days. The average daily trading volume of the Shares for the 1-month, 3-month, 6-month and 1-year periods prior to the release of the Delisting Announcement represent 1.5%, 0.6%, 0.3%, and 0.2% of the free float of the Shares respectively.
- (ii) During the period following the release of the Delisting Announcement up to the Last Trading Date, the average daily trading volume on the Shares was approximately 632,000 Shares, representing 1.5% of the free float of the Shares.

### *Summary*

In summary, the Shares are very thinly traded on the SGX-ST, and for the period from the release of the Delisting Announcement to the Last Trading Date, the Shares have traded between a low of S\$0.008 and a high of S\$0.015. The Exit Offer Price represents a discount of S\$0.004 (or 26.7%) to the highest transacted price of the Shares and a premium of S\$0.003 (or 37.5%) above the lowest transacted price.

Shareholders should also note that the Exit Offer is the only exit offer as at the Latest Practicable Date that provides Shareholders the opportunity to monetise their Shares. Trading of the Shares will remain suspended until acceptance of the exit offer and the Shares will be delisted thereafter. There is no certainty that Shareholders will otherwise be able to obtain a better value for their Shares if they do not accept the Exit Offer.

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### 8.2 Historical financial performance of the Group

For the purpose of evaluating the financial terms of the Exit Offer and the Warrants Offer, we have considered the audited financial results of the Group for the financial years ended 30 June 2020 (“FY2020”) and 30 June 2021 (“FY2021”), and unaudited financial results of the Group for the financial year ended 30 June 2022 (“FY2022”). The Company had on 3 December 2019 announced the change of the Company’s financial year end from 31 March to 30 June. Accordingly, the audited financial statements for the financial period ended 30 June 2020 covered a period of 15 months from 1 April 2019 to 30 June 2020. The following summary of the financial information should be read in conjunction with the full text of the Group’s audited financial statements for FY2020 and FY2021, and unaudited financial results for FY2022 in respect of the relevant financial years including the notes thereto.

(S\$'000)	Audited FY2020	Audited FY2021	Unaudited FY2021 <sup>(1)</sup>	Unaudited FY2022
<b>Continuing operations</b>				
Revenue	10,863	7,104	6,224	6,501
Other operating Income	189	204	83	134
Staff costs	(5,899)	(4,614)	(3,230)	(3,286)
Depreciation of property, plant and equipment	(443)	(324)	(321)	(154)
(Allowance for)/write-back of expected credit loss on receivables	(29)	(185)	(173)	42
Other operating expenses	(5,226)	(3,709)	(3,289)	(3,336)
<b>Loss before taxation</b>	(545)	(1,524)	(706)	(99)
Taxation	(7)	(15)	(15)	(6)
<b>Loss for the financial year from continuing operations</b>	(552)	(1,539)	(721)	(105)
<b>Discontinued operation</b>				
<b>Loss for the financial year from discontinued operation</b>	–	–	(818)	(8)
<b>Loss for the financial year</b>	–	–	(1,539)	(113)
<b>Loss attributable to:</b>				
Equity holders of the Company				
Loss from continuing operations	(552)	(1,539)	(721)	(105)
Loss from discontinued operation	–	–	(818)	(8)
	(552)	(1,539)	(1,539)	(113)

**Sources:** Group’s Annual Report for FY2021 and unaudited financial statements for FY2022.

**Note:**

- (1) The comparative numbers for FY2021 have been re-stated to report separately profit and loss items for continuing and discontinued operations. Please refer to the FY2022 results announcement for the basis of the restatement.

#### **FY2021 vs FY2020**

Revenue decreased by S\$3.8 million or approximately 34.6% from S\$10.9 million in FY2020 to S\$7.1 million in FY2021 due mainly to lower number of students enrolled in Singapore and the United Kingdom resulting from the constraints imposed by the COVID-19 pandemic and Informatics Academy Pte. Ltd. (“IAPL”) has ceased accepting new students with effect from 1 April 2021.



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Staff costs decreased by S\$1.3 million or approximately 21.8% from S\$5.9 million in FY2020 to S\$4.6 million in FY2021 due to headcount reductions in Singapore and an increase in wage-related grants and subsidies received by Singapore, Hong Kong, and the United Kingdom subsidiaries. Wage-related grants and subsidies are recognised and credited against staff costs during the financial year.

Depreciation of property, plant and equipment decreased by S\$0.1 million or approximately 26.9% from S\$0.4 million in FY2020 to S\$0.3 million in FY2021 due mainly to an increase in fully depreciated assets with minimal investments made during the financial year.

Other operating expenses decreased by S\$1.5 million or approximately 29.0% from S\$5.2 million in FY2020 to S\$3.7 million in FY2021 due mainly to lower cost of sales (assessment cost and university fees) resulting from lower level of business activities and lower operating costs.

Allowances for expected credit loss on receivables increased by S\$0.16 million from S\$0.03 million in FY2020 to S\$0.19 million in FY2021 due mainly to slower repayments arising from COVID-19 pandemic restraints in the United Kingdom operations.

As a result of the above, the loss for the year attributable to equity holders of the Company increased by S\$0.99 million or approximately 178.8% from S\$0.55 million in FY2020 to S\$1.54 million in FY2021.

### ***FY2022 vs FY2021 (re-stated)***

Revenue from continuing operations increased by S\$0.3 million or approximately 4.5% from S\$6.2 million in FY2021 to S\$6.5 million in FY2022 due mainly to higher number of students enrolled in Africa region and Hong Kong operations.

Other operating income increased by S\$51,000 or approximately 61.4% from S\$83,000 in FY2021 to S\$134,000 in FY2022 due mainly to the forfeiture of deposit received for the sale of shares in IAPL, partially offset by lower government grants and subsidies received in FY2022.

Staff costs increased marginally by S\$0.1 million or approximately 1.7% from S\$3.2 million in FY2021 to S\$3.3 million in FY2022 due mainly to lower wage-related grants and subsidies received and recognised during the financial year.

Depreciation of property, plant and equipment decreased by S\$0.17 million or approximately 52.0% from S\$0.32 million in FY2021 to S\$0.15 million in FY2022 due mainly to an increase in fully depreciated and/or impaired assets.

Other operating expenses increased marginally by S\$0.05 million or approximately 1.4% from S\$3.29 million in FY2021 to S\$3.34 million in FY2022 due mainly to exchange loss recorded for FY2022.

The net write-back of allowances for expected credit loss on receivables increased by S\$215,000 or approximately 124.3% from net allowances of S\$173,000 in FY2021 to net write-back of S\$42,000 in FY2022 due mainly to improvements in collections on receivables for the United Kingdom operations.

As a result of the above, the loss for the year attributable to equity holders of the Company decreased by S\$1.4 million or approximately 92.7% from S\$1.5 million in FY2021 to S\$0.1 million in FY2022.

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### 8.3 Net tangible liabilities position of the Group

A summary of the unaudited financial position of the Group as at 30 June 2022 is set out below:

(S\$'000)	Unaudited As at 30 June 2022
<u>Non-current assets</u>	
Property, plant and equipment	400
Intangible assets	162
	562
<u>Current assets</u>	
Prepayments	177
Trade and other receivables	905
Cash and bank balances	1,101
	2,183
<b>Total assets</b>	2,745
<u>Current liabilities</u>	
Deferred income and fees	1,358
Trade and other payables	2,467
Interest-bearing borrowings	17
Lease liabilities	164
	4,006
<b>Net current liabilities</b>	(1,823)
<u>Non-current liabilities</u>	
Interest-bearing borrowings	51
Lease liabilities	199
Provision for reinstatement costs	27
	277
<b>Total net liabilities</b>	(1,538)
<b>Equity attributable to equity holders of the Company</b>	
Share Capital	34,667
Reserves	(36,205)
<b>Total equity</b>	(1,538)

Source: Group's unaudited financial statements for FY2022

#### Assets of the Group

The assets of the Group of S\$2.7 million as at 30 June 2022 comprised mainly: (i) cash and bank balances of S\$1.1 million; (ii) trade and other receivables of S\$0.9 million; and (iii) property, plant and equipment of S\$0.4 million, representing approximately 40.1%, 33.0% and 14.6% of the Group's total assets respectively.

We note that a large proportion, 79.5% of the assets of the Group are current in nature. The remaining 20.5% of the assets of the Group are non-current in nature, which comprises of property, plant and equipment and intangible assets.

Fixed deposits previously pledged with the bank of S\$1.0 million has been utilised to repay the Group's outstanding working capital bank loan as at 30 June 2021.

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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.

### **Liabilities of the Group**

The liabilities of the Group of S\$4.3 million as at 30 June 2022 comprised mainly: (i) trade and other payables of S\$2.5 million; and (ii) deferred income and fees of S\$1.4 million, representing approximately 57.6% and 31.7% of the Group's total liabilities respectively.

Deferred income and fees comprise mainly of course fees received prior to the commencement of the courses and examination fees received prior to the completion of examinations.

Trade and other payables include amount due to the Group's immediate holding company, which is non-interest bearing.

### **Net tangible liabilities position of the Group**

Accordingly, the net tangible liabilities of the Group as at 30 June 2022 was S\$1.7 million, representing net tangible liabilities per Share of S\$0.0096 based on 177,339,649 Shares as at 30 June 2022.

In our evaluation of the financial terms of the Exit Offer and the Warrants Offer, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 30 June 2022 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the net tangible liabilities of the Group as at 30 June 2022.

In respect of the above, we have sought the following confirmation from the Directors and Management, and they confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief that:

- (i) there are no material differences between realisable values of Group's assets and their respective book values as at 30 June 2022 which would have material impact on the net tangible liabilities of the Group;
- (ii) other than that already provided for or disclosed in the Group's financial statements as at 30 June 2022, there are no other contingent liabilities, bad or doubtful debts or material events which would likely have a material impact on the net tangible liabilities of the Group as at the Latest Practicable Date;
- (iii) there are no litigation, claim or proceedings pending or threatened against the Company or the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and the Group;
- (iv) there are no other intangible assets and which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (v) there are no material acquisitions or disposals of assets by the Group between 30 June 2022 and the Latest Practicable Date and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business.

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### 8.4 Cash flow of the Group

(S\$'000)	Audited		Unaudited
	FY2020	FY2021	FY2022
Net cash generated used in operating activities	(1,391)	(841)	(178)
Net cash used in investing activities	(147)	(179)	(49)
Net cash generated from / (used in) financing activities	2,844	(677)	309
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,306</b>	<b>(1,697)</b>	<b>82</b>
Cash and cash equivalent at the beginning of the financial year	1,396	2,692	1,031
Effect of exchange rate changes on cash and cash equivalents	(10)	36	(12)
<b>Cash and cash equivalents at end of financial year</b>	<b>2,692</b>	<b>1,031</b>	<b>1,101</b>

*Sources:* Group's audited financial statements for FY2021 and unaudited financial results for FY2022.

#### **FY2020**

In FY2020, the Group recorded a net cash outflow from operating activities of S\$1.4 million, which was a result of operating loss before movement in working capital of S\$0.17 million, adjusted for net working capital outflow of approximately S\$1.2 million. The net working capital outflow was mainly due to: (i) an increase of S\$61,000 in prepayments, trade and other receivables; (ii) a decrease of S\$0.9 million in deferred income and fees; and (iii) a decrease of S\$0.3 million in trade and other payables.

Net cash outflow in investing activities amounted to approximately S\$0.1 million, which was attributable to (i) the purchase of property, plant and equipment; and (ii) expenditure on intangible assets.

Net cash inflow from financing activities amounted to approximately S\$2.8 million, which was mainly attributable to: (i) proceeds from issuance of new shares; and (ii) proceeds from interest-bearing borrowings and were partially offset by fixed deposits pledged as security for borrowings and repayment of borrowings and lease liabilities.

As at 30 June 2020, the Group's cash and cash equivalents (net of bank overdraft and pledged fixed deposits and bank balances) were approximately S\$2.7 million.

#### **FY2021**

In FY2021, the Group recorded a net cash outflow from operating activities of S\$0.8 million, which was a result of operating loss before movement in working capital of S\$1.1 million, adjusted for net working capital inflow of approximately S\$0.2 million. The net working capital inflow was mainly due to: (i) a decrease of S\$0.2 million in prepayments, trade and other receivables; and (ii) an increase of S\$0.6 million in trade and other payables and were partially offset by a decrease of S\$0.5 million in deferred income and fees.

Net cash outflow in investing activities amounted to approximately S\$0.2 million, which was attributable to (i) the purchase of property, plant and equipment; and (ii) expenditure on intangible assets.

Net cash outflow from financing activities amounted to approximately S\$0.7 million, which mainly was attributable to the repayment of lease liabilities.

As at 30 June 2021, the Group's cash and cash equivalents (net of bank overdraft and pledged fixed deposits and bank balances) were S\$1.0 million.

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### FY2022

In FY2022, the Group recorded a net cash outflow from operating activities of S\$0.2 million, which was a result of operating profit before movement in working capital of S\$0.3 million, adjusted for net working capital outflow of approximately S\$0.5 million. The net working capital outflow was mainly due to: (i) a decrease of S\$0.5 million in deferred income and fees; and (ii) a decrease of S\$0.3 million in trade and other payables and were partially offset by a decrease of S\$0.2 million in trade and other receivables.

Net cash outflow in investing activities amounted to approximately S\$49,000, which was attributable to the purchase of property, plant and equipment and were partially offset by the disposal of property, plant and equipment.

Net cash inflow from financing activities amounted to approximately S\$0.3 million, which was mainly attributable to (i) the advances from immediate holding company; and (ii) the proceeds from withdrawal of fixed deposit and were partially offset by repayment of borrowings and lease liabilities.

As at 30 June 2022, the Group's cash and cash equivalents (net of bank overdraft and pledged fixed deposits and bank balances) were S\$1.1 million.

### 8.5 Comparison with the valuation ratios of selected companies listed on the SGX-ST which are broadly comparable to the Group

For the purpose of our evaluation on the financial terms of the Exit Offer and the Warrants Offer, we have made reference to the valuation ratios of selected companies listed on the SGX-ST. These companies are engaged in the providing educational related services which the Company considers to be broadly comparable to the Group ("**Comparable Companies**").

**We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there is no company listed on the SGX-ST, which we may consider to be identical to the Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of the business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. The Recommending Directors should note that any comparison made with respect to the Comparable Companies merely serve to provide an illustrative perceived market valuation of the Group as at the Latest Practicable Date.**

A brief description of the Comparable Companies is as follows:

Comparable Companies	Business Description	Financial Year Ended
Overseas Education Limited (" <b>OEL</b> ")	OEL operates as an elementary school. OEL offers early years curriculum and baccalaureate for children. Overseas Education serves students in Singapore.	31 December 2021
Raffles Education Corporation Limited (" <b>RECL</b> ")	RECL provides training programs and courses in various areas of design and management. RECL's education services include fashion design, visual communication, multimedia design, interior design, design management, fashion marketing, and business administration.	30 June 2022
MindChamps Preschool Ltd (" <b>MCPL</b> ")	MCPL operates as a franchiser of preschool centres. MCPL offers infant care and bilingual academic programs, nursery, and kindergarten services. MCPL serves students in Singapore.	31 December 2021

Source: Bloomberg L.P.

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In our evaluation, we have considered the following widely used valuation measures:

Valuation Ratio	Description
Price-to-revenue (“ <b>P/Revenue</b> ”) ratio	<p>P/Revenue ratio or sales multiple is the ratio of a company’s market capitalisation divided by the total sales over a 12-month period. The P/Revenue ratio illustrates the ratio of the market capitalisation of an entity in relation to its revenue.</p>
Price-to-earnings (“ <b>PE</b> ”) ratio	<p>PE ratio or earnings multiple is the ratio of a company’s market capitalisation divided by the historical consolidated net profit attributable to shareholders.</p> <p>The PE ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. The PE ratio illustrates the ratio of the market capitalisation of an entity in relation to the historical net profit attributable to its shareholders.</p> <p>As such, it is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.</p>
Price-to-net asset (“ <b>P/NAV</b> ”) ratio	<p>NAV refers to consolidated net asset value, which are the total assets of a company less total liabilities.</p> <p>P/NAV refers to the ratio of a company’s share price divided by NAV per share. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company.</p> <p>The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology, and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.</p>
Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation (“ <b>EV/EBITDA</b> ”) ratio	<p>EV refers to enterprise value which is the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents.</p> <p>EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of an entity’s business in relation to its historical pre-tax operating cash flow performance. The EV/EBITDA multiple is an earnings-based valuation methodology. The difference between EV/EBITDA and the PE ratio (described above) is that it does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.</p>

### P/Revenue ratio implied by the Exit Offer Price

For our analysis, we have evaluated the implied P/Revenue ratio of the Group as ascribed by the Exit Offer Price based on the Group’s unaudited revenue for FY2022.

The Group’s unaudited revenue for FY2022 was S\$6.5 million. Based on the Exit Offer Price of S\$0.011 per Offer Share for 177,339,649 issued Shares as at the Latest Practicable Date, the implied market capitalisation of the Group is approximately S\$1.95 million. The Exit Offer Price thus values the Group at a P/Revenue ratio of approximately **0.3 times**.

### PE Ratio implied by the Exit Offer Price

As the Group was loss-making in FY2022, it is not meaningful to compare the Group’s PE ratio implied by the Exit Offer Price with the PE ratios of the Comparable Companies.



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### P/NAV implied by the Exit Offer Price

As the Group was in a net liability position as at 30 June 2022, it is not meaningful to compare the Group's P/NAV ratio implied by the Exit Offer Price with the P/NAV ratios of the Comparable Companies.

### EV/EBITDA implied by the Exit Offer Price

For our analysis, we have evaluated the implied EV/EBITDA ratio of the Group as ascribed by the Exit Offer Price based on the Group's unaudited EBITDA for FY2022.

The Group's unaudited EBITDA for FY2022 was S\$0.2 million. Based on the implied market capitalisation of the Group mentioned above, the Exit Offer Price thus values the Group at an EV/EBITDA ratio of approximately **5.20 times**.

### Comparable Companies

The valuation ratios of the Comparable Companies based on their respective last traded share prices as at the Latest Practicable Date are set out below:

Comparable Companies	Market Capitalisation (S\$million)	P/Revenue <sup>(1)</sup> (times)	PE Ratio (times)	P/NAV <sup>(2)</sup> (times)	EV/EBITDA <sup>(3)</sup> (times)
OEL	97.61	1.33 <sup>(4)</sup>	20.22 <sup>(5)</sup>	0.74	7.65
RECL	81.34	0.77	8.46	0.12 <sup>(6)</sup>	6.91
MEPL	44.94	0.71	12.15	0.63	3.97
<b>Max</b>		<b>0.77</b>	<b>12.15</b>	<b>0.74</b>	<b>7.65</b>
<b>Min</b>		<b>0.71</b>	<b>8.46</b>	<b>0.63</b>	<b>3.97</b>
<b>Mean</b>		<b>0.74</b>	<b>10.31</b>	<b>0.68</b>	<b>6.18</b>
<b>Median</b>		<b>0.74</b>	<b>10.31</b>	<b>0.68</b>	<b>6.91</b>
<b>The Group (implied by the Exit Offer Price)</b>	<b>1.95</b>	<b>0.30</b>	<b>n.m.<sup>(7)</sup></b>	<b>n.m.<sup>(7)</sup></b>	<b>5.20</b>

**Sources:** Annual reports and announcements of the Comparable Companies and RHTC calculations

#### Notes:

- (1) The P/Revenue ratios of the Comparable Companies are calculated based on their respective trailing twelve months ("T12M") revenue as set out in their latest available published interim results or latest full year results, whichever is applicable.
- (2) The P/NAV ratios of the Comparable Companies are calculated based on their respective NAV values as set out in their latest available published interim results or latest full year results, whichever is applicable.
- (3) The EV of the Comparable Companies are calculated based on (i) their market capitalisation; and (ii) their minority interests and net debt (if any), as set out in their respective latest available financial results. The EBITDAs are calculated based on the T12M results of the respective Comparable SGX-ST Companies.
- (4) Excluded as statistical outlier in the computations in relation to the P/Revenue ratio.
- (5) Excluded as statistical outlier in the computations in relation to the PE ratio.
- (6) Excluded as statistical outlier in the computations in relation to the P/NAV ratio.
- (7) n.m. denotes not meaningful as the Group was in both a net liability and net loss position in FY2022.

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Based on the above, we observe that:

- (a) The P/Revenue ratio of the Group of 0.30 times is below the minimum P/Revenue ratios of the Comparable Companies of 0.71 times and below the mean and median P/Revenue ratios of the Comparable Companies, at 0.74 times.
- (b) The Group was loss-making in FY2022, hence the PE ratio of the Group is not applicable. Solely for illustrative purposes, the PE ratios of the Comparable Companies ranged between 8.46 times and 12.15 times, with the mean and median PE ratios at 10.31 times.
- (c) The Group was in a net liability position as at 30 June 2022, hence the P/NAV ratio is not applicable. Solely for illustrative purposes, the P/NAV ratios of the Comparable Companies ranged between 0.63 times and 0.74 times, with the mean and median P/NAV ratios at 0.68 times.
- (d) The EV/EBITDA ratio of the Group of 5.20 times is above the minimum EV/EBITDA ratios of the Comparable Companies of 3.97 times and below the mean and median EV/EBITDA ratios of the Comparable Companies of 6.18 times and 6.91 times respectively.

In estimating the range of values of the Shares, we have placed reliance on EV/EBITDA ratio as it considers the capital structure of the Comparable Companies and the Group. Further, the PE ratio or the P/NAV ratio is not meaningful in our assessment as the Group is loss making and in a net tangible liabilities position. Based on the range of the EV/EBITDA ratios of the Comparable Companies, the estimated value of the Shares ranges from S\$0.0103 to S\$0.0145. The Offer Price is within the range of estimated value of the Shares.

### 8.6 Comparison with Selected Precedent SGX-ST Directed Delisting Exit Offers

Following the Rejection and Delisting Notification received on 28 June 2022, the Company will be delisted from the Official List of the SGX-ST as it was unable to exit the financial watch-list by the end-date of the cure period of 4 June 2022. Accordingly, the Exit Offer and the Warrants Offer is made pursuant to Rule 1306 of the Listing Manual, which requires the Company or its controlling Shareholder(s) to comply with Rule 1309 of the Listing Manual to provide a reasonable exit alternative to Shareholders. For the purposes of our evaluation of the financial terms of the Exit Offer and the Warrants Offer, we have compared the valuation statistics of the Company as implied by the Exit Offer Price *vis-à-vis* those of selected successful cash offers made by companies listed on the SGX-ST pursuant to receiving similar directed delisting notification from the SGX-ST (the “**Selected Precedent Directed Delisting Exit Offers**”) during the period from January 2015 to the Latest Practicable Date.

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The table below sets out the brief information of the Selected Precedent Directed Delisting Exit Offers:

Selected Precedent SGX-ST Directed Delisting Exit Offers	Delisting notification by the SGX- ST and the respective announcement date	Date of announcement	Opinion of the independent adviser	Exit Offer Price (S\$)	Premium / (Discount) of Offer Price over / (to) <sup>(1)</sup>			Price-to-NAV (times)
					Last transacted market price prior to announcement (%)	VWAP for the 1-month period prior to announcement (%)	VWAP for the 3-month period prior to announcement (%)	
Yong Xin International Holdings Ltd.	3 Mar 15	30 Apr 15	Fair and reasonable	0.0080	(27.3)	(33.3)	(38.5)	0.19 <sup>(2)</sup>
Texchem-Pack Holdings (S) Ltd.	5 Mar 14	5 Aug 15	Fair and reasonable	0.1050	16.7	41.0(3)	37.2(3)	0.81 <sup>(3)</sup>
Pacific Healthcare Holdings Ltd.	3 Jun 15	16 Apr 16	Fair and reasonable	0.0010	(85.7)	(91.7)	(95.7)	n.m. <sup>(4)</sup>
China Hongcheng Holdings Limited	2 Sep 15	15 Jul 16	Fair and reasonable	0.0054	(32.5)	35.0	(61.4)	n.m. <sup>(4)</sup>
Europicronic Group Ltd.	2 Mar 16	7 Nov 17	Fair and reasonable	0.0001	(95.0)	(98.2)	(98.7)	n.m. <sup>(4)</sup>
China Gaoxian Fibre Fabric Holdings Ltd.	17 Feb 19	7 Nov 19	Fair and reasonable	0.0305	916.7	510.0	408.3	n.m. <sup>(4)</sup>
Huan Hsin Holdings Ltd.	19 Dec 18	29 Apr 20	Fair and reasonable	0.0160	14.3	137.9	110.2	n.m. <sup>(4)</sup>
Lafe Corporation Ltd.	5 Jun 19	27 May 20	Not fair but reasonable <sup>(5)</sup>	0.6000	1.0	160.9	125.0	0.29 <sup>(2)</sup>
NGSC Limited	3 Dec 19	11 Jul 21	Fair and reasonable	0.0016	55.0	55.0	55.0	1.04 <sup>(2)</sup>
PSL Holdings Limited	4 Jun 20	19 Jun 20	Fair and reasonable	0.3600	304.5	414.3	333.7	0.82 <sup>(2)</sup>
<b>Max</b>					<b>916.7</b>	<b>510.0</b>	<b>510.2</b>	<b>1.04</b>
<b>Min</b>					<b>(95.0)</b>	<b>(98.2)</b>	<b>(98.7)</b>	<b>0.19</b>
<b>Mean</b>					<b>106.8</b>	<b>113.1</b>	<b>95.6</b>	<b>0.63</b>
<b>Median</b>					<b>7.7</b>	<b>48.0</b>	<b>46.1</b>	<b>0.81</b>
<b>The Group (implied by the Exit Offer Price)</b>	<b>3 Jun 22</b>	<b>28 June 22</b>			<b>37.5</b>	<b>8.9</b>	<b>4.8</b>	<b>n.m.<sup>(4)</sup></b>

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### Notes:

- (1) Market premia/(discount) calculated relative to the last transacted prices of the respective target companies prior to the respective offer announcements and VWAPs of the one-month, three-month and six-month periods prior to the respective announcements.
- (2) Based on the NAV per share as published in the respective circulars of the target companies.
- (3) Based on the one-month, three-month and six-month volume-weighted closing prices respectively as published in the circular of the target company.
- (4) n.m. denotes not meaningful as the comparable companies had recorded negative book value attributable to shareholders.
- (5) As mentioned in the exit offer letter dated 10 June 2020, Rule 1309 of the Listing Manual was amended following the receipt by Lafe Corporation Ltd of the delisting notification to require an exit offer to be fair and reasonable. It was also stated that the SGX-ST had confirmed that the company will be subject to Rule 1309 of the Listing Manual which was in force at the time of the delisting notification instead of Rule 1309 of the Listing Manual currently in force. Under Rule 1309 of the Listing Manual which was in force at the time of the delisting notification, if an issuer is seeking to delist from the Official List of the SGX-ST: (a) a reasonable exit alternative, which should normally be in cash, should be offered to the shareholders and holders of any other classes of listed securities to be delisted; and (b) the issuer should normally appoint an independent financial adviser to advise on the offer.

Taking into account the aforementioned and having regard to the considerations set out in its opinion letter, the independent financial adviser had arrived at the opinion that the financial terms of the exit offer were on balance, not fair but reasonable. Notwithstanding, we note that the independent financial adviser had advised the independent directors to recommend shareholders to accept the exit offer. This transaction has been included and considered as part of our comparable analysis on the basis that it was (i) a successful cash offer made in respect of a company listed on the SGX-ST in compliance with the applicable Listing Rules at the time; and (ii) the exit offer was made pursuant to the receipt of a directed delisting notification from the SGX-ST.

Based on the above, we note the following:

- (a) The premia implied by the Exit Offer Price of 37.5% over the last transacted price of the Shares being the Last Trading Date is within the range and above the median but below the mean of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.
- (b) The premia implied by the Exit Offer Price of 8.9% and 4.8% over the VWAPs for the 1-month and 3-month period up to and including the Last Trading Date is within the range but below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.
- (c) The discount implied by the Exit Offer Price of 6.0% to the VWAPs for the 6-month period up to and including the Last Trading Date is within the range but below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.
- (d) The Group was in a net liability position in as at 30 June 2022, hence the P/NAV ratio is not applicable. Solely for illustrative purposes, the P/NAV ratios of the Selected Precedent Directed Delisting Exit Offers range between 0.19 times and 1.04 times, with the mean and median P/NAV ratios at 0.63 times and 0.81 times respectively. Amongst the Selected Precedent Directed Delisting Exit Offers that had recorded a net liability position, similar to the Group, all the respective independent financial advisers had advised independent directors to recommend to shareholders to “accept” the offer.

Shareholders should note that the level of premium (if any) an acquirer would normally pay for acquiring and/or privatising a listed company (as the case may be) in a directed delisting scenario varies in different circumstances depending on, *inter alia*, the attractiveness and/or financial condition of the underlying business to be acquired, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the trading liquidity of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations. Consequently, each of the Selected Precedent Directed Delisting Exit Offers has to be judged on its own merits (or otherwise).

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The list of Selected Precedent Directed Delisting Exit Offers indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premia/discounts implied by the exit offer prices in respect of the Selected Precedent Directed Delisting Exit Offers over the aforementioned periods and does not highlight bases other than the aforementioned in determining an appropriate premia/discount for the Selected Precedent Directed Delisting Exit Offers. It should be noted that the comparison is made without taking into account the total amount of the offer value of each Selected Precedent Directed Delisting Exit Offers or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings/financial performance prior to the relevant announcements and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to compulsory acquisition.

We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Selected Precedent Directed Delisting Exit Offers and would therefore not be directly comparable to the list of companies in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Accordingly, it should be noted that the above comparison merely serves as a general guide to provide an indication of the premia/discount in connection with the Selected Precedent Directed Delisting Exit Offers. Therefore, any comparison of the Exit Offer and the Warrants Offer with the Selected Precedent Directed Delisting Exit Offers is solely for illustrative purposes and any conclusions drawn from the comparisons may not necessarily reflect any perceived market valuation for the Company.

### 8.7 Valuation of the Warrants issued

The Warrants are issued free with the rights shares on the basis of one (1) free detachable Warrant for every three (3) rights shares validly subscribed. Based solely on the Exercise Price of S\$0.05, the warrants would be out-of-the-money and would have zero intrinsic value.

However, given that the Warrants are exercisable over a 5-year period commencing on the date of issue of the Warrants and expiring on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, there is time value to the Warrants in addition to the aforesaid intrinsic value. In this regard, we have considered the valuation of the Warrants using the theoretical value of the Warrants based on the Black-Scholes model, which is a common methodology used in the calculation of call warrants. The theoretical value of the Warrants is a function of, *inter alia*, the Exercise Price *vis-à-vis* the current price of the underlying Shares, the life period of the Warrants, the nature of the call option as to whether it is a European call option (which is only exercisable on a predetermined exercise date) or an American call option (which can be exercised at any time prior to the expiry date of the Warrant), the risk-free interest rate and the price volatility of the underlying Shares. Accordingly, the theoretical value of the Warrants computed based on the Black-Scholes model may fluctuate significantly depending on the input to the above factors, and the actual market value of the Warrants may deviate significantly from the theoretical value of the Warrants.

Based on the risk-free interest rate and the price volatility of the Shares, as provided by Bloomberg L.P., the Exercise Price of S\$0.05, the 5-year option period, the price of the Shares on the Last Trading Date of S\$0.008, as well as taking into account that the Warrants are currently suspended and cannot be exercised at the moment, the theoretical value of the Warrants as computed by Bloomberg L.P. based on the Black-Scholes model would be approximately S\$nil for each Warrant.

It should be noted that the theoretical value of the Warrants using the Black-Scholes model may not reflect the actual value of the Warrants to be transacted on the SGX-ST, and there can be no assurance that an active trading of the Warrants will ensue or will trade at or close to the theoretical value as suggested by the Black-Scholes model. Notwithstanding the theoretical value of the Warrants, shareholders should note that the Warrants are issued at no consideration.

Apart from being detachable from the rights shares upon issuance and allotment, the Warrants are listed and traded separately on the SGX-ST.

As mentioned above, the Warrants Offer price is at S\$0.0001 for each Offer Warrant. At the price of S\$0.0001, the Warrants Offer represents a premium of S\$0.0001 to S\$nil theoretical value of the Warrants.

Warrantholders should also note that the Warrants Offer is the only exit offer for the issued Warrants as at the Latest Practicable Date that provides Warrantholders the opportunity to monetise their Warrants. Trading of the Warrants will remain suspended until acceptance of the Exit Offer and the Warrants will be delisted thereafter. There is no certainty that Warrantholders will otherwise be able to obtain a better value for their Warrants if they do not accept the Warrants Offer.

### 8.8 Dividend track record of the Company

The Company had not declared or paid any dividends since the financial year ended 2003.

The Directors have confirmed that the Company does not have a fixed dividend policy and that they will only recommend future dividends, if any, after taking into consideration the Company's cash and financial position, financial performance of the Group, working capital requirements and projected capital expenditure and other investment plans.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy. There is no assurance that the Company will or will not pay dividends in future and/or maintain that level of dividend paid in past periods.

### 8.9 Other relevant considerations

#### 8.9.1 Likelihood of competing offers is remote

As disclosed in Section 7 of the Exit Offer and Warrants Offer Letter, the Offeror and its Concert Party, who collectively hold 120,493,577 Shares representing approximately 67.9% of the issued and paid-up share capital of the Company, have each provided an unconditional and irrevocable undertaking ("**Undertakings**") to the Company to waive any rights that they may have as a Shareholder to accept the Exit Offer and the Warrants Offer. As the shareholdings in the Company are fragmented, no single major Shareholder is in a position to make an offer to acquire all the Shares of the other Shareholders, including the public Shareholders. It is therefore highly unlikely that there will be a competing offer from any other third party aside from the Offeror and its Concert Party. Having also taken into consideration of the certainty of the delisting of the Company from the Official List of the SGX-ST as set out in the Rejection and Delisting Notification, the likelihood of any alternative exit offer is remote.

It should be highlighted that pursuant to the Undertakings, the Offeror and its Concert Party will not be entitled to receive their respective pro-rata entitlement of the Cash Distribution, having waived any rights that they may have as Shareholders to participate in the Selective Capital Reduction.

Furthermore, in view that trading of Shares remains suspended since the Suspension Date, the shareholders are unable to dispose of their Shares or exit their investments in the public market and accordingly, the Exit Offer and the Warrants Offer, is the only publicly available option for exit as at the Latest Practicable Date.



### 8.9.2 Mandatory Delisting

The Exit Offer is required under Rule 1309 of the Listing Manual to be provided by the Company to Shareholders, following which the Delisting will take place upon acceptance of the Exit Offer and the Warrants Offer. In the event that the Exit Offer and the Warrants Offer is not accepted by the Shareholders, and assuming that there are no other alternative exit offers received from the Company or its controlling shareholders, the Company will be mandatorily delisted from the Official List of SGX-ST pursuant to Rule 1315 of the Listing Manual. Eligible Shareholders will continue to hold Shares in the Company, which may then become an unlisted public company if the SGX-ST proceeds with the Delisting.

Following the Delisting, in the absence of a public market for the Shares, Eligible Shareholders may likely find it difficult to sell their Shares as there is no arrangement for such Shareholders to exit. Even if such Shareholders are able to sell their Shares, there is no certainty that they will be able to fetch a higher price than the Exit Offer Price or the market prices of the shares of comparable listed companies as shares of unlisted public companies are generally valued at a discount due to the lack of marketability. Where such transfer or sale of Shares involves a change in the beneficial ownership of those Shares, they will also need to be subject to the relevant provisions of the constitution of the Company, as may be amended, modified, or supplemented from time to time (“**Constitution**”).

Additionally, following the Delisting, the Company will no longer be subject to the listing requirements of the SGX-ST and the Listing Manual. Notwithstanding the Company will still be required to comply with the Companies Act, and accordingly in the event that the Exit Offer and the Warrants Offer is not accepted, the interests of Eligible Shareholders will be protected to the extent provided for under the Companies Act and the Constitution.

### 8.9.3 Outlook of the Group

We have noted that based on the Group’s quarterly update pursuant to Rule 1313(2) of the SGX Listing Manual released on 23 August 2022, the Company had provided its views on the industry it is operating. We have reproduced the extracts of its views in italics below:

#### ***“Future Direction, Business Updates and Updates on Progress to Exit Watch-List***

#### ***Business updates on the Group’s operations, financial performance, financial position and cash flows***

##### *United Kingdom*

*The Group’s subsidiary in the United Kingdom, NCC Education Ltd (“NCC”), is involved in the running of examinations and awarding of qualifications. NCC continues to administer its examinations using remote exam invigilation for NCC’s accredited partner centres which are closed, and time constrained assessment to ensure minimal disruptions to students’ examinations. In most regions, business activities are resuming to normal curriculum delivery, while majority of the accredited partner centres are hosting examinations on site now.*

*While the business of NCC’s network of accredited partner centres located across different geographical locations have gradually recover from the pro-longed impact of the COVID-19 pandemic, overall registrations of students were still below pre-pandemic levels. NCC remains committed in supporting its partner centres and are working closely with the partner centres to develop online and/or blended learning models to ensure continuity of learning, to avoid disruptions in operations due to the pandemic.*

*On 1 May 2022, the Company has signed an agreement with PPLE Education Pte Ltd (“PPLE”) to jointly develop new products and programmes for the Group. The new programmes will combine NCC’s existing curriculum with the digital technology of PPLE to deliver a new refreshed curriculum to new markets not already serviced by NCC. Development will commence immediately with no definite timeline set out yet for the rollout of the new programmes.*

### Hong Kong

The Group's subsidiary in Hong Kong, Informatics Education (HK) Ltd ("**IEHK**") is one of the leading education and training centres in Hong Kong, having built a strong track record for quality programmes and training services for individuals, multinational corporations and government departments. IEHK focuses on professional training for executives at all stages of their career. During the pandemic period, IEHK has ensured continuity in the delivery of its programmes through online live classes and online recruitment activities through the use of webinars. IEHK has resumed delivery of its classes in hybrid mode, i.e. mixture of face-to-face and online classes since 21 April 2022.

IEHK is an authorised training partner of Project Management Institute ("**PMI®**"). This will better position IEHK to attract market participants who are interested to achieve certifications on PMI®-related programmes. IEHK continues to strive to improve its delivery of short courses to the market and has been conducting workshops on topics such as blockchain, entrepreneurship, innovation with design thinking and software development testing in collaborations with partners in this industry, and is continuing to expand on other relevant topics relating to upskilling and reskilling the workforce.

### Overall business outlook for the Group

While the Group continue to strive to maintain its business costs due to rising inflation and gradually return to profitability, the Group's customers and business partners may need more time to recover their businesses to pre-pandemic levels. Hence, the Group may continue to experience pressure on its operating cash flows. Whilst the Group is unable to provide guidance its future economic performance and cash flows going forward, the Group will continue to assess the situation, put in place appropriate measures to manage and minimise the impact to the business, and continue to exercise prudence in ensuring sufficient working capital to continue as a going concern.

### **Updates on Delisting**

The Company and the controlling shareholder have finalised the appointments of the respective advisors in connection with the directed delisting of the Company from the Official List of the SGX-ST and the appointment of the independent financial adviser in respect of the exit offer.

The Company expects to inform the SGX-ST of the exit offer proposal as soon as practicable.

The Company will keep shareholders informed of any developments in this regard and will make such further announcements as and when appropriate."

#### **8.9.4 The Offeror's intentions for the Company**

The information on the rationale for the Offer, as set out below in italics, has been extracted from Section 9 of the Exit Offer and Warrants Offer Letter. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Exit Offer and Warrants Offer Letter.

#### **"9. THE OFFEROR'S INTENTIONS FOR THE COMPANY**

*Given the Group's loss-making position and requirement for BLB to continue providing financial support to the Group as and when deemed necessary to meet its general working requirements, following the close of the Exit Offer and the Warrants Offer, the Offeror intends to conduct a comprehensive review of the operations, management and financial position of the Group, including the evaluation of various strategic options. This may include (a) making of material changes to the existing businesses of the Group, (b) disposal of fixed assets and other assets of the Group, and (c) reviewing the employment of the employees of the Group having regard to the outcome of the comprehensive review and evaluation of strategic options. The Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company."*

**9. OPINION**

In arriving at our opinion on the financial terms of the Exit Offer and the Warrants Offer, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (a) Market quotation and trading liquidity of the Shares;
  - (i) The Exit Offer Price represents a premium of approximately 37.5% over the VWAP of the Shares of S\$0.008 on 28 July 2022, being the Last Trading Date.
  - (ii) The Exit Offer Price represents a premium of approximately 8.9% and 4.8% above the VWAP of the Shares for 1-month and 3-month periods up to and including the Last Trading Date respectively.
  - (iii) The Exit Offer Price represents a discount of approximately 6.0% and 17.3% below the VWAP of the Shares for 6-month and 1-year periods up to and including the Last Trading Date respectively.
  - (iv) Over the 1-year period up to and including the Last Trading Date, the Shares have traded between a low of S\$0.008 and a high of S\$0.048. The Exit Offer Price represents a premium of S\$0.003 (or 37.5%) above the lowest transacted price and a discount of S\$0.037 (or 77.1%) to the highest transacted price of the Shares. As mentioned earlier, the Share Price has been on a downward trend for the 1-year period up to and including the Last Trading Date.
  - (v) As mentioned above, the Shares were only traded on 99 days. We noted that out of these 99 traded days, the Shares have closed at or above the Exit Offer Price on 92 of these 99 traded days, representing 92.9% of the total traded days of the Shares.
  - (vi) For the period from the release of the Delisting Announcement to the Last Trading Date, the Shares have traded between a low of S\$0.008 and a high of S\$0.015. The Exit Offer Price represents a discount of S\$0.004 (or 26.7%) to the highest transacted price of the Shares. The Shares have closed at or above the Exit Offer Price on only 2 traded days from the Delisting Announcement to the Last Trading Date.
  - (vii) Over the 1-year period up to and including the Last Trading Date, as above, the Shares were only traded on 99 days out of 261 market days. The average daily trading volume of the Shares for the 1-month, 3-month, 6-month and 1-year periods prior to the release of the Delisting Announcement represent 1.5%, 0.6%, 0.3%, and 0.2% of the free float of the Shares respectively.
  - (viii) During the period following the release of the Delisting Announcement up to the Last Trading Date, the average daily trading volume on the Shares was approximately 632,000 Shares, representing 1.5% of the free float of the Shares.

- (b) Historical financial performance of the Group;

The revenue of the Group decreased by 34.6% from FY2020 to FY2021 but recorded a slight increase of 4.5% from FY2021 (restated) to FY2022. Similarly, the Group recorded a loss attributable to equity holders of the Company of S\$0.55 million in FY2020 and a loss attributable to equity holders of the Company of S\$1.54 million in FY2021 but the loss attributable to equity holders of the Company reduced to S\$0.1 million in FY2022.

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## ANNEX A TO APPENDIX VI

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(c) Net tangible liabilities position of the Group;

As at 30 June 2022, the Group recorded a net tangible liabilities of S\$1.7 million, based on the 177,339,649 number of shares, the net tangible liabilities per Share is (S\$0.0096). As the Group is in a net liability position, it is not meaningful to compare the Group's net tangible liabilities to the Exit Offer Price.

(d) Cash flow of the Group;

The Group recorded (i) a net cash outflow from operating activities of S\$1.4 million, S\$0.8 million and S\$0.2 million in FY2020, FY2021 and FY2022 respectively; (ii) a net cash outflow from investing activities of S\$0.1 million, S\$0.2 million and S\$0.05 million in FY2020, FY2021 and FY2022 respectively; and (iii) a net cash inflow from financing activities of S\$2.8 million and \$0.3 million in FY2020 and FY2022 respectively but a net cash outflow from financing activities of S\$0.7 million in FY2021.

(e) Comparison with the valuation ratios of selected companies listed on the SGX-ST which are broadly comparable to the Group;

- (i) The P/Revenue ratio of the Group of 0.30 times is below the minimum P/Revenue ratios of the Comparable Companies of 0.71 times and below the mean and median P/Revenue ratios of the Comparable Companies, at 0.74 times.
- (ii) The Group was loss-making in FY2022, hence the PE ratio of the Group is not applicable. Solely for illustrative purposes, the PE ratios of the Comparable Companies ranged between 8.46 times and 12.15 times, with the mean and median PE ratios at 10.31 times.
- (iii) The Group was in a net liability position as at 30 June 2022, hence the P/NAV ratio is not applicable. Solely for illustrative purposes, the P/NAV ratios of the Comparable Companies ranged between 0.63 times and 0.74 times, with the mean and median P/NAV ratios at 0.68 times.
- (iv) The EV/EBITDA ratio of the Group of 5.20 times is above the minimum EV/EBITDA ratios of the Comparable Companies of 3.97 times and below the mean and median EV/EBITDA ratios of the Comparable Companies of 6.18 times and 6.91 times respectively.

In estimating the range of values of the Shares, we have placed reliance on EV/EBITDA ratio as it considers the capital structure of the Comparable Companies and the Group. Further, the PE ratio or the P/NAV ratio is not meaningful in our assessment as the Group is loss making and in a net tangible liabilities position. Based on the range of the EV/EBITDA ratios of the Comparable Companies, the estimated value of the Shares ranges from S\$0.0103 to S\$0.0145. The Offer Price is within the range of estimated value of the Shares.

(f) Comparison with Selected Precedent SGX-ST Directed Delisting Exit Offers;

- (i) The premia implied by the Exit Offer Price of 37.5% over the last transacted price of the Shares being the Last Trading Date is within the range and above the median but below the mean of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.
- (ii) The premia implied by the Exit Offer Price of 8.9% and 4.8% over the VWAPs for the 1-month and 3-month period up to and including the Last Trading Date is within the range but below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.

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## ANNEX A TO APPENDIX VI

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- (iii) The discount implied by the Exit Offer Price of 6.0% to the VWAPs for the 6-month period up to and including the Last Trading Date is within the range but below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers.
  - (iv) The Group was in a net liability position in as at 30 June 2022, hence the P/NAV ratio is not applicable. Solely for illustrative purposes, the P/NAV ratios of the Selected Precedent Directed Delisting Exit Offers range between 0.19 times and 1.04 times, with the mean and median P/NAV ratios at 0.63 times and 0.81 times respectively. Amongst the Selected Precedent Directed Delisting Exit Offers that had recorded a net liability position, similar to the Group, all the respective independent financial advisers had advised independent directors to recommend to shareholders to “accept” the offer.
- (g) Valuation of the Warrants issued;
- Warrantholders should note that the Warrants Offer, which represents a premium of S\$0.0001 to the theoretical value of the Warrants of S\$nil, is the only exit offer for the issued Warrants as at the Latest Practicable Date that provides Warrantholders the opportunity to monetise their Warrants. Trading of the Warrants will remain suspended until acceptance of the exit offer and the Warrants will be delisted thereafter. There is no certainty that Warrantholders will otherwise be able to obtain a better value for their Warrants if they do not accept the Offer.
- (h) Dividend track record of the Company; and
- The Company had not declared or paid any dividends since the financial year ended 2003.
- (i) Other relevant considerations.
- (i) The likelihood of a competing offer for the Shares is remote in view of the Offeror and its Concert Party’s shareholding interest of approximately 67.9% in the Company as at the Latest Practicable Date.
  - (ii) Following the Mandatory Delisting, in the absence of a public market for the Shares, Eligible Shareholders may likely find it difficult to sell their Shares as there is no arrangement for such Shareholders to exit.
  - (iii) The Company’s view on the industry it is operating and the future direction of the Group, as set out in paragraph 8.9.3 of this Letter.
  - (iv) The Offeror’s intentions for the Company, as set out in paragraph 8.9.4 of this Letter.

Having considered the various factors set out in the earlier sections of this Letter and summarised below, we are of the opinion that the financial terms of the Exit Offer and the Warrants Offer are fair and reasonable.

We consider the financial terms of the Exit Offer and the Warrants Offer to be FAIR, after taking into consideration the following pertinent factors:

- (a) The Exit Offer Price represents a premium of approximately 37.5%, 8.9% and 4.8% over the VWAP of the Shares on the Last Trading Date, 1-month and 3-month periods up to and including the Last Trading Date respectively, the Exit Offer Price represents a discount of approximately 6.0% and 17.3% to the VWAP of the Shares for 6-month and 1-year periods up to and including the Last Trading Date respectively.
- (b) The Shares have closed at or above the Exit Offer Price on only 2 traded days from the Delisting Announcement to the Last Trading Date. The Exit Offer Price represents a discount of 26.7% to the highest transacted price of the Shares during the period from the release of the Delisting Announcement to the Last Trading Date.



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- (c) The Group is in a net liability position as at 30 June 2022.
- (d) In respect of the Comparable Companies, we have considered the following factors:
  - (i) The P/Revenue ratio of the Group of 0.30 times (as implied by the Exit Offer Price) is below the minimum P/Revenue ratios of the Comparable Companies of 0.71 and significantly below the mean and median P/Revenue ratios of the Comparable Companies of 0.74 times and 0.74 times respectively;
  - (ii) The EV/EBITDA ratio of the Group of 5.20 times (as implied by the Exit Offer Price) is above the minimum EV/EBITDA ratios of the Comparable Companies of 3.97 and below the mean and median EV/EBITDA ratios of the Comparable Companies of 6.18 times and 6.91 times respectively.

In estimating the range of values of the Shares, we have placed reliance on EV/EBITDA ratio as it considers the capital structure of the Comparable Companies and the Group. Further, the PE ratio or the P/NAV ratio is not meaningful in our assessment as the Group is loss making and in a net tangible liabilities position. Based on the range of the EV/EBITDA ratios of the Comparable Companies, the estimated value of the Shares ranges from S\$0.0103 to S\$0.0145. The Offer Price is within the range of estimated value of the Shares.

- (e) In respect of the Selected Precedent SGX-ST Directed Delisting Exit Offers, we have considered the following factors:
  - (i) Notwithstanding the premia implied by the Exit Offer Price of 37.5% over the VWAPs for the last transacted price of the Shares as at Last Trading Date is within the range and above the median but below the mean of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers, the premia implied by the Exit Offer Price of 8.9% and 4.8% over the VWAPs for the last transacted price of the Shares for the 1-month and 3-month period up to and included Last Trading Date is within the range but significantly below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers respectively, the discount implied by the Exit Offer Price of 6.0% to the VWAPs for the 6-month period up to and included Last Trading Date is within the range but significantly below the mean and median of the corresponding premia of the Selected Precedent Directed Delisting Exit Offers respectively; and
  - (ii) Amongst the Selected Precedent Directed Delisting Exit Offers that had recorded a net liability position, similar to the Group, the respective independent financial advisers had advised independent directors to recommend to shareholders to “accept” the offer.
- (f) The Warrants Offer is at a premium to the valuation of the Warrants.

We consider the financial terms of the Exit Offer and the Warrants Offer to be REASONABLE, after taking into consideration the following factors:

- (a) The Shares were thinly traded, trading on only 99 days out of a total of 261 market days during the 1-year period up to and including the Last Trading Date. Out of these 99 traded days, the Shares have closed at or above the Exit Offer Price on 92 of these 99 traded days, representing 92.9% of the total traded days of the Shares;
- (b) The Shares have closed at or above the Exit Offer Price on only 2 traded days from the Delisting Announcement to the Last Trading Date;
- (c) The net liability position of the Group as at 30 June 2022;



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## ANNEX A TO APPENDIX VI

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- (d) The Group's net cash outflow from operating activities in FY2022, FY2021 and FY2020;
- (e) The dividend track record of the Company and that the Company had not declared or paid any dividends since the financial year ended 2003;
- (f) The current suspended status of the Shares and that the Company is due to be mandatory delisted from the Official List of the SGX-ST. Following the Delisting, in the absence of a public market for the Shares, Eligible Shareholders may likely find it difficult to sell their Shares as there is no other arrangement for such Shareholders to exit;
- (g) The likelihood of a competing offer for the Shares is remote in view of the Offeror and its Concert Party's shareholding interest of approximately 67.9% in the Company as at the Latest Practicable Date; and
- (h) The business outlook of the Group.

### Exit Offer

Having considered the various factors set out in the earlier sections of this Letter, we are of the opinion that the financial terms of the Exit Offer are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend that Shareholders **ACCEPT** the Exit Offer.

As set out in the Exit Offer and Warrants Offer Letter, Shareholders should also take note that it is the intention of the Offeror to exercise its right to compulsorily acquire all the Shares not tendered in acceptance of the Exit Offer pursuant to Section 215(1) of the Companies Act if it is entitled to do so. Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent professional advice.

### Warrants Offer

Having considered the various factors set out in the earlier sections of this Letter, we are of the opinion that the financial terms of the Warrants Offer are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend that Warrantheolders **ACCEPT** the Warrants Offer.

We have prepared this Letter for the use of the Recommending Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Exit Offer and Warrants Offer and should not be relied on by any other party. The recommendation made by the Recommending Directors to the Shareholders and Warrantheolders in relation to the Exit Offer and Warrants Offer shall remain the sole responsibility of the Recommending Directors.

Whilst a copy of this Letter may be reproduced in the Company's Letter to Shareholders and Warrantheolders, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**RHT CAPITAL PTE. LTD.**

Khong Choun Mun  
Chief Executive Officer

Lay Shi Wei  
Associate Director

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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The provisions in the Constitution relating to rights of Shareholders in respect of capital, dividends and voting are reproduced below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution and/or the Companies Act, a copy of the Constitution is available for inspection at the office of the Receiving Agent, Share Registrar cum Warrant Agent, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, during normal business hours for the period for which the Exit Offer and Warrants Offer remain open for acceptance.

#### (a) Rights in respect of Capital

##### SHARE CAPITAL

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|--------------------------------------|--|
| Issue of new shares                  | 3. (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act and with the prior approval of the Company in General Meeting, shares in the Company may be allotted and issued (with or without conferring a right of renunciation) or options granted or otherwise disposed of by the Directors on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any new shares may, subject to Statute, be issued with such preferential, deferred, qualified, special rights, privileges or conditions as the Directors, subject to any Ordinary Resolution shall determine, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:-<br><br>(i) subject to any direction to the contrary that might be given by the Company in General Meeting, any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and Regulation 53(1) with such adaptations as are necessary shall apply; and<br><br>(ii) subject to these Regulations, the Company may issue further preference shares ranking equally with, or in priority to, preference shares already issued. |
| Issue of shares for no consideration | (2) The Company may issue shares for which no consideration is payable to the Company.   |
| Rights attached to certain shares    | 4. (1) The rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same and in this Constitution.   |

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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|  | (2)    | Notwithstanding anything in Regulation 4(1), the Company shall not undertake any issuance of shares that confer special, limited or conditional voting rights, or that confer no voting rights, unless it is approved by the Members by Special Resolution.   |
|  | (3)    | Holders of preference shares shall have the same rights as holders of ordinary shares as regards receiving notices, reports and financial statements and attending General Meetings of the Company. Holders of preference shares shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company; winding- up of the Company; sanctioning a sale of the undertaking of the Company; where any proposal to be submitted to the meeting directly affects their rights and privileges; or where the dividend on the preference shares is more than six months in arrears.   |
| Power to pay commission and brokerage      | 5. (1) | The Company may exercise the powers of paying commissions or brokerage at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company.   |
| Power to pay expenses out of share capital | (2)    | Any expenses (including commissions or brokerage) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company's share capital. Such payment shall not be taken as reducing the amount of share capital in the Company.  |
| Power to charge interest on capital        | 6.     | If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital (except treasury shares) as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision.  |
| No trust recognised                        | 7.     | Except as required by law, no person (other than the Depository) shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or unit of a share or (except as only by these Regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the person (other than the Depository) whose name is entered in the Register of Members as the registered holder or (as the case may be) the person whose name is entered in the Depository Register in respect of that share. |

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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| Joint holders            | <p>8. If two or more persons are entered in the Register of Members or (as the case may be) the Depository Register, as joint holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the provisions following:-</p> <p>(a) The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or administrators (or trustees) of the estate of a deceased Member.</p> <p>(b) Registered joint holders of any share whose names are entered in the Register of Members or (as the case may be) the Depository Register shall be treated as one Member.</p> <p>(c) Only the person whose name stands first in the Register of Members or (as the case may be) the Depository Register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.</p> |
| Fractional part of share | <p>9. No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share.</p>   |
| Payment of instalments   | <p>10. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.</p>   |

#### SHARE CERTIFICATES

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| Entitlement to certificate | <p>11. Subject to these Regulations and the payment of all or any part of the stamp duty chargeable under any law for the time being in force, the Company shall not refuse to register transfers, split certificates, issue certificates and mark or note transfers. Every person whose name is entered as a Member in the Register of Members or (as the case may be) the Depository Register shall be entitled without payment to receive a certificate under the Seal of the company in a form approved by the Exchange and in accordance with the Act in reasonable denominations, within ten (10) Market Days after lodgement of any transfer (or such other period as may be approved by any Exchange upon which the shares in the Company may be listed), and when so requested by the transferee at the time of lodgement of registrable transfers of securities of the company to issue certificates in requested denominations, but in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders or (as the case may be) to the Depository Registry shall be sufficient delivery to all such holders, and where a charge is made for certificates, such charge shall not exceed two dollars (S\$2) (or such other sum as may be approved by the Exchange from time to time).</p> |
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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding two dollars (S\$2) (or such other sum as may be approved by the Exchange from time to time) for each such new certificate as the Directors may determine. No shares shall be issued representing shares of more than one class.

#### Share Certificates

12. Every certificate or title to shares shall be issued in accordance with the requirements of the Act and be under the Seal or signed in the manner set out in the Act, and shall bear the autographic or facsimile signatures of at least one Director and the Secretary or some other person appointed by the Directors shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical, electronic or other methods approved by the Directors.

#### New Certificates may be issued

13. (1) Subject to the provisions of the Act, if any share certificates shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if so required by the Directors and on such terms the Directors may prescribe) being given by the Member, transferee, person entitled, purchaser, member of the Exchange or on behalf of its client(s) as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding two dollars (S\$2) as the Directors may from time to time require. In the case of destruction, loss or theft, a Member or person to whom such renewed certificate is given shall also bear the loss and pay to the company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft. In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.

#### New certificate in place of one not surrendered

- (2) When any shares under the powers in this Constitution herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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#### Allotment of Shares

14. Every Member shall be entitled without payment, to receive within ten (10) Market Days (or such other period as may be approved by the Exchange upon which the shares of the Company may be listed) of the closing date of any application for shares or, as the case may be, the date of lodgment of a registrable transfer or on a transmission of shares to one certificate for all of his shares of any one class or several certificates in reasonable numbers or denominations each for a part of the shares so allotted or transferred or included in the transmission or if a Member transfers part only of the shares comprised in a certificate or requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the Member shall pay prior to the issue of the certificates or certificate a fee not exceeding two dollars (S\$2) for each such new certificate as the Directors may determine.

#### VARIATION OF RIGHTS

#### Variation of rights

15. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied, modified, abrogated either with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or proxy or by attorney may demand a poll.

#### Rights of holders of preference shares

16. (1) Notwithstanding anything in this Constitution, the repayment of preference capital (other than redeemable preference capital), or any other alteration of rights of members holding preference shares, may only be made pursuant to a Special Resolution of the members holding the preference shares concerned. Provided Always that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two months of the Meeting, shall be as valid and effectual as a Special Resolution carried at the Meeting.



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**RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY**

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Creation or issue of further shares with special rights

- (2) The special rights attached to any class of shares of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the company in some or all respects *pari passu* therewith but in no respect in priority thereto.

**LIEN**

Company to have a paramount lien

17. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a single person in the Register of Members or the Depository Register (as the case may be) for all monies presently payable by him or his estate to the Company and the lien, if any, on a share shall extend to all dividends payable thereon; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Regulation Provided Always that the lien of the Company on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such money are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member.

Sale of shares subject to lien

18. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

Transfer of forfeited share

19. To give effect to any such sale, the Directors may authorize some person to transfer or effect the transfer of the shares sold to the purchaser thereof. The purchaser shall be registered in the Register of Members or (as the case may be) entered in the Depository Register as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

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| Application of proceeds of such sale | 20. The proceeds of the sale, whether of a share forfeited by the Company or of a share over which the Company has a lien, shall be received by the Company and applied in payment of such part of the unpaid calls and accrued interest and expenses in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person whose shares have been forfeited or his executors, administrators or assignee or as he directs. |
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**CALL ON SHARES**

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| Directors may make calls                | 21. The Directors may, subject to the provisions of this Constitution and the terms of issue of the relevant shares, from time to time make calls upon the Members in respect of any money unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times Provided that each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. |
| When call deemed made                   | 22. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be required to be paid by instalments.  |
| Liability of joint holders              | 23. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments in respect thereof.   |
| Interest on unpaid calls                | 24. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of that interest wholly or in part.   |
| Sums payable on allotment deemed a call | 25. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, shall for the purposes of this Constitution, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.   |
| Power to differentiate                  | 26. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.   |

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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| Calls may be paid in advance of calls | 27. The Directors may, if they think fit, receive from any Member willing to advance all or any part of the moneys uncalled and unpaid upon any shares held by him and such payments in advance of calls shall extinguish (so far as the same may extend) the liability upon the shares in respect of which it is made, and upon all or any part of the money so advanced, the Company may pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) ten per cent per annum as may be agreed between the Directors and the Member paying such sum. Capital paid up in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. |
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#### TRANSFER OF SHARES

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| Form of transfer of shares and Execution | 28. (1) Subject to this Constitution, any Member may transfer all or any of his shares by instrument in writing in the standard form of transfer approved by the Exchange or in such other form in lieu thereof as may be approved by the Exchange or in accordance with the Act.<br><br>(2) The instrument of transfer shall be executed by or on behalf of the transferor and the transferee and be witnessed, Provided that an instrument of the transfer in respect of which the transferee is the Depository shall be effective although not signed by or on behalf of the Depository or witnessed. Notwithstanding the foregoing, the Directors may waive the signing of an instrument of transfer by the transferor in the case of fully paid shares if in their discretion they think proper to do so. The transferor shall be deemed to remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members or in the Depository Register (as the case may be) in respect thereof. |
| Execution                                | 29. The instrument of transfer must be left for registration at the office of the Company together with such fee not exceeding two dollars (S\$2) as the Directors from time to time may require, accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the Company shall subject to the powers vested in the Directors by this Constitution register the transferee as a member and retain the instrument of transfer.  |
| Person under disability                  | 30. No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs but nothing herein contained shall be construed as imposing on the Company and any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.   |

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Directors' power to decline to register transfer of shares which have a lien

31. (1) There shall be no restriction on the transfer of fully paid shares which are quoted or are to be quoted on the Exchange except where required by law, or by rules or bye-laws of the Listing Manual but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid, may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall within ten (10) Market Days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange from time to time) after the date on which the transfer was lodged with the Company, serve to both the transferor and the transferee a notice in writing, stating the facts which are considered to justify the refusal as required by the Act.

Terms of registration of transfers

- (2) The Directors may also decline to register any instrument of transfer unless:-
- (a) the instrument of transfer is duly stamped in accordance with any law for the time being in force relating to stamp duty and such fee, not exceeding two dollars (S\$2) (or such other sum as may be approved by the Exchange from time to time) as the Directors may from time to time require, is paid to the Company in respect thereof;
  - (b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
  - (c) the instrument of transfer is in respect of only one class of shares.

Retention of transfers

32. (1) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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#### Disposal of records

- (2) Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof; all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof; and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof.
- (3) It shall be conclusively presumed in the favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company Provided Always that that:-
  - (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this Regulation; and
  - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### Closing of Register of Members and Depository Members

- 33. The Register of Members and Depository Register may be closed and the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, not exceeding thirty days in any one year Provided that the Company shall give prior notice of such closure as may be required to any Exchange upon which the Company may be listed, stating the period and purpose or purposes for which the closure is made.

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### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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| Indemnity against wrongful transfer | <p>34. Where the company has two or more registers of transfer, securities of the company may be transferred from one register to another without restriction.</p> <p>35. Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.</p> <p>36. Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.</p> |
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#### TRANSMISSION OF SHARES

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| Transmission on death | <p>37. In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him or with other persons. In the case of the death of a Member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and such, executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares but nothing herein contained shall release the estate of a deceased Depositor from any liability in respect of any share which had been jointly held by him or with other persons.</p> |
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### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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| Persons becoming entitled on death or bankruptcy of a Member may be registered | 38. | Any of the following persons (a) any person becoming entitled to a share in consequence of the death or bankruptcy of a Member, (b) any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and (c) any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs, may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy.   |
| Election of person entitled to be registered himself                           | 39. | <p>(1) If the person so becoming entitled elects to be registered himself, he shall, deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions, and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event upon which the transmission took place had not occurred and the notice or transfer were a transfer signed by such Member.</p> <p>(2) The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within 60 days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.</p> |
| Rights of unregistered executors and trustees                                  | 40. | Save as otherwise provided by or in accordance with this Constitution, a person becoming entitled to a share pursuant to a transmission shall, upon the production of such evidence as may from time to time be properly required by the Directors, be entitled to (or discharge) the same dividends and other advantages, and only where such person has been registered as a Member in respect of the shares (except with the authority of the Directors) shall he be entitled to the same rights (whether in relation to receiving notices of or to attend meetings of the Company, or to voting, or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of this Constitution, be deemed to be joint holders of the share.  |

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### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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#### FORFEITURE OF SHARES

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| Directors may require payment of call with interest and expenses | 41. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expense which may have accrued by reason of such non-payment.  |
| Notice to state time and place for payment                       | 42. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is made. It shall also name the place where payment is to be made and shall state that in the event of non-payment at or before the time or place appointed, the shares in respect of which the call was made will be liable to be forfeited.   |
| Forfeiture on non-compliance with notice                         | 43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.  |
| Sale or disposal of forfeited share                              | 44. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some other person to transfer or effect the transfer of a forfeited share to any such person as aforesaid.   |
| Notice of forfeiture to be given                                 | 45. When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or in the Depository Register (as the case may be) opposite to the share; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid. |
| Directors may allow forfeited share to be redeemed               | 46. Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.   |

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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| Rights and liabilities of Members whose shares have been forfeited or surrendered | 47. | A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all moneys which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest at the rate of ten (10) per cent per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of such interest), but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.  |
| Title to shares forfeited or surrendered or sold to satisfy a lien                | 48. | A statutory declaration in writing that the declarant is a Director or the secretary of the Company, and that a share in the Company has been duly forfeited or surrendered or sold to satisfy a lien on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.   |
| Share Certificate surrendered to satisfy title                                    | 49. | Such declaration and the receipt issued by the Company for the consideration (if any) given for the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to the person to whom the share is sold, re- allotted or disposed of (where the person to whom the share is sold, re-allotted or disposed of (or where the person is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute evidence of a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share. |
| When provisions as to forfeiture apply  | 50. | The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the term of issue of a share, becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made or notified.   |

#### ALTERATION OF CAPITAL

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| Power to increase capital | 51. | The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its share capital by the creation of new shares of such amount as may be deemed expedient. |
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| Rights and privileges of new shares  | 52. | Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.  |
| Unissued and new shares to be first offered to Members unless otherwise determined | 53. | <p>(1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Listing Manual, all new shares shall, before issue, be offered to the Members in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may, subject to this Constitution, dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in the manner hereinbefore provided.</p> <p>(1A) Notwithstanding Regulation 53(1) above but subject to the provisions of the Statutes and the provisions of the Listing Manual, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:—</p> <p style="margin-left: 40px;">(a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or</p> <p style="margin-left: 80px;">(ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and</p> |

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- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided that:—

- (a) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;
  - (b) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance is waived by the Exchange) and this Constitution; and
  - (c) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
- (2) Notwithstanding Regulations 53(1) and 53(1A) above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

New shares to be ordinary capital unless otherwise provided

54. Except so far as otherwise provided by the conditions of issue or by this Constitution, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

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| Power to consolidate, cancel and subdivide shares | 55. The Company may from time to time by Ordinary Resolution:- <ul style="list-style-type: none"><li>(a) consolidate and divide all or any of its share capital;</li><li>(b) subdivide its shares or any of them (subject nevertheless, to the provisions of the Act and Listing Manual), provided always that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;</li><li>(c) cancel any shares which at the date of the passing of the Resolution have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of shares so cancelled, or hold the shares in treasury in such manner as may be permitted by, and in accordance with, the Act; and</li><li>(d) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.</li></ul> |
| Power to convert class of shares                  | 56. The Company may by Special Resolution, subject to and in accordance with this Constitution, the Act and the Listing Manual, convert one class of shares into another class of shares.   |
| Power to reduce capital                           | 57. The Company may reduce its share capital or any distributable reserve in any manner authorised and subject to any conditions required by law.   |

**STOCK**

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| Transfer of stock | 58. When any shares have been converted into stock the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any such direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum number of stock units transferable and restrict or forbid the transfer of fractions of that minimum. |
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### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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| Rights of stockholders                              | 59. (1) The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the number of their respective interests in such stock units and such interests shall, in proportion to the number of stock units thereof, confer on the holders thereof respectively the same privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by the number of stock units as would not, if existing in shares, have conferred such privileges or advantages.   |
| Interpretation                                      | (2) All such provisions of this Constitution as are applicable to paid-up shares shall apply to stock and in all such provisions the words “shares” and “shareholders” shall include “stock”, “stock units” and “stockholder”.<br><br>60. (1) The Company may by Special Resolution reduce its share capital in any manner authorised, and subject to any conditions prescribed by law.<br><br>(2) Subject to and in accordance with the provisions of the Act, the Listing Manual, and Statute, the Company may purchase or otherwise acquire its issued shares, options, stocks, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms and in such manner as the Company may from time to time think fit. If so required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire.<br><br>(3) Notwithstanding anything in this Constitution, a treasury share shall be subject to such rights and restrictions as may be prescribed in the Act and may be dealt with by the Company in such manner as may be permitted by, and in accordance with, the Act. For the avoidance of doubt, save as expressly permitted by the Act, the Company shall not be entitled to any rights of a Member under this Constitution. |
| No issue of shares to transfer controlling interest | 61. Notwithstanding anything contained in this Constitution, the Company shall not issue shares to transfer a controlling interest without prior approval of the Company in General Meeting.  |

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### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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| Rights attached to certain shares | 62. | The total number of issued preferences shares shall not exceed the total number of issued ordinary shares at any time. |
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**(b) Rights in respect of Voting**

#### GENERAL MEETINGS

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| Annual General Meeting         | 64. | An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act. Save as otherwise permitted under the Act, the Company shall hold a General Meeting once in every calendar year, at such time and place in Singapore as may be determined by the Directors (subject to the listing rules of the Exchange). The General Meeting shall be held within (4) four months after the end of the Company's financial year end, or such other period as prescribed by the Statutes or the Listing Manual. All General Meetings other than the Annual General Meetings shall be called Extraordinary General Meetings. |
| Extraordinary General Meetings | 65. | Any Director may whenever he thinks fit convene an Extraordinary General Meeting, and Extraordinary General Meetings shall be convened on such requisition or in default may be convened by such requisitions as provided by Section 176 of the Act.  |

#### NOTICE OF GENERAL MEETINGS

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| Notice | 66. | <p>(1) Subject to the provisions of the Act relating to Special Resolutions and the calling of meetings at short notice, any General Meeting at which it is proposed to pass a Special Resolution or a resolution of which special notice has been given to the Company, shall be called by at least twenty-one (21) clear days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) and for any other General Meeting, shall be called by at least fourteen (14) clear days' notice in writing (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given). Notice shall be given to such persons as are entitled to receive such notice from the Company, specifying the place the day and the hour of Meeting and, in case of special business, the general nature of that business and stating the effect of any proposed resolution in respect of such special business. At least fourteen (14) clear days' notice (exclusive of the day on which the notice is served, but inclusive of the day for which notice) if every meeting called to consider special business shall be given by advertisement in the daily press and in writing to each stock exchange upon which the Company is listed.</p> <p>(2) The accidental omission to give any such notice or the non- receipt of such notice by any person entitled thereto shall not invalidate or otherwise affecting the proceedings at any General Meeting.</p> |
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| Contents of Notice                         | 67. (1) Notice of every General Meeting shall be given to such persons as are entitled to receive such notice from the Company (including the Auditors), specifying the place in Singapore (unless prohibited by applicable laws or unless such requirement is waived by the Exchange), the day, and the hour of meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company.   |
| Notice of Annual General Meeting           | (2) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.  |
| Nature of special business to be specified | (3) In the case of any General Meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.<br><br>(4) Notice of every General Meeting shall be given in any manner authorised by this Constitution to: (i) every Member; (ii) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the General Meeting; (iii) the Auditors for the time being of the Company; and (iv) the Exchange. |
| Special Business                           | 68. All business that is transacted at an Extraordinary General Meeting shall be special, and all business that is transacted at an Annual General Meeting, with the exception of determining of the remuneration of the Directors and any increase thereof, declaring a dividend, the consideration of the financial statements, Directors' statement and Auditors' report and other documents required to be annexed to the financial statements, the election of Directors in place of those retiring by rotation or otherwise, and the appointment and fixing of the remuneration of the Directors and Auditors (which shall be ordinary business), shall also be special.  |

#### PROCEEDINGS AT GENERAL MEETING

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| Quorum | 69. No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a quorum of Members is present at the time when the Meeting proceeds to business. Save as herein otherwise provided, two Members present in person shall be a quorum. For the purposes of this Regulation, "Member" includes a person attending as a proxy or as representing a corporation which is a member. Provided that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum. In addition, for the purposes of a quorum, joint holders of any share shall be treated as one Member. |
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| If quorum not present meeting adjourned or dissolved | 70. | If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within half an hour from the time appointed for holding the Meeting, the Meeting shall be dissolved.   |
| Chairman of the Board to preside at all meetings     | 71. | The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company, or if there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for the holding of the Meeting or is unwilling to act, the Members present shall choose some Director to be Chairman of the Meeting, or if all Directors present decline to take the Chair, they shall choose some Member to be Chairman of the Meeting.  |
| Notice of adjournment to be given                    | 72. | The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the Meeting from time to time ( <i>or sine die</i> ) and from place to place as the Meeting shall determine, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. Where a Meeting is adjourned <i>sine die</i> , the time and place for the adjourned meeting shall be fixed by the Directors. When a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting. |
| Method of voting                                     | 73. | <div style="margin-left: 20px;"><p>(1) If required by the listing rules of the Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Exchange).</p><p>(2) Subject to Regulation 73(1), at any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-</p><div style="margin-left: 20px;"><p>(a) by the Chairman;</p><p>(b) by at least five Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) and entitled to vote;</p></div></div>  |

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- (c) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) and representing not less than five per cent. of the total voting rights of all the Members having the right to vote at the Meeting; or
- (d) by a Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than five per cent. of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry has been made to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

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| Poll to be taken as Chairman directs | 74. | If a poll is duly demanded in the manner aforesaid (and the demand is not withdrawn), it shall be taken at such time and place and in such manner (including the use of ballot or voting papers or tickets or electronic means) and either at once or after an interval or adjournment or otherwise as the Chairman directs and the result of the poll shall be the resolution of the Meeting at which the poll was taken, but a poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. The Chairman may (and if so requested or required by the listing rules of the Exchange or if so directed by the Meeting shall) appoint scrutineers whereby, (i) at least one (1) scrutineer shall be appointed for each General Meeting and the appointed scrutineer(s) shall be independent of the persons undertaking the polling process; and (ii) the appointed scrutineer(s) shall (a) ensure that satisfactory procedures of the voting process are in place before the General Meeting; and (b) direct and supervise the count of the votes cast through proxy and in person, and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. |
| Chairman to have casting vote        | 75. | In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member.  |

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| Time for taking a poll                          | 76. A poll required on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the General Meeting) and place as the Chairman of the General Meeting may direct. No notice need be given of a poll not taken immediately. |
| Continuance of business after demand for a poll | 77. The demand for a poll pursuant to Regulation 73(2) shall not prevent the continuance of the Meeting for the transaction of any business other than the question on which the poll has been demanded.  |

#### VOTES OF MEMBERS

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| Voting rights of Members | <p>78. Subject to any rights or restrictions as to voting for the time being attached to any class or classes of shares, at meetings of Members or classes of Members each member entitled to vote may vote in person or by proxy or, in the case of a corporation, by an authorised representative, and on a show of hands, every person present who is a member or a proxy, attorney or authorised representative of a member shall have one vote, and on a poll every member present in person or by proxy or attorney or authorised representative shall have one vote for each share he holds, Provided that:</p> <p>(a) in the case of if a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the Chairman (or by a person authorised by him) shall vote on a show of hands; and</p> <p>(b) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.</p> |
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For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy or proxies may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant General Meeting, as certified and supplied by the Depository to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.

A holder of ordinary shares shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the company have been paid.



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|   | 79. | Where the capital of the company shall consist of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.   |
| Voting rights of joint holders  | 80. | In the case of joint holders of shares, any one of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or in the case of a corporation by a representative as if he were solely entitled thereto but, if more than one such persons is present at a Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof. |
| Voting rights of Member who is mentally disordered and incapable of managing himself or his affairs | 81. | A Member who is mentally disordered and incapable of managing himself or his affairs or in respect of whom an order has been made at any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, curator bonis, or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy, Provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than seventy-two (72) hours before the time appointed for holding the Meeting.  |
| Members indebted to Company not entitled to vote  | 82. | No member shall, unless the Directors otherwise determine, be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.  |
| Objections  | 83. | No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is to be given or tendered, and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.   |
| Votes on a poll   | 84. | On a poll, votes may be given either personally or by proxy or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.  |
| Instrument appointing a proxy   | 85. | (1) An instrument appointing a proxy shall be in any usual or common form or in any other form which the Directors may approve and shall be deemed to confer authority to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto, and to speak at the Meeting.   |

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- (2) The instrument appointing the proxy or representative shall be in writing, and
  - (a) in the case of an individual, shall be signed by the appointor or by his attorney if the instrument of proxy is delivered personally or sent by post or subject always to Regulation 154, authorised by that Member through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
  - (b) in the case of a corporation, shall be either under its common seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing) or signed by its attorney or by a duly authorised officer on behalf of the corporation if the instrument of proxy is delivered personally or sent by post or subject always to Regulation 154, authorised by that Member through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication;

The Directors may, for the purposes of Regulations 85(2)(a) and 85(2)(b), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

- (3) The signature on such instrument need not be witnessed. Where an instrument of proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (if not previously registered with the Company) be lodged with the instrument of proxy pursuant to Regulation 85, failing which the instrument may be treated as invalid.
- (4) Member who has deposited an instrument appointing any number of proxies to vote on his behalf at a General Meeting shall not be precluded from attending and voting in person at that General Meeting. Any such appointment of all the proxies concerned shall be deemed to be revoked upon the attendance of the Member appointing the proxy/proxies at the relevant General Meeting.
- (5) The instrument appointing a proxy shall be in form as to afford members an opportunity of voting for or against a resolution.

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Appointment of proxies

86. (1) Save as otherwise provided in the Act, (i) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting Provided that if the Member shall nominate two proxies then the Member shall specify the proportion of his shares to be represented by each such proxy, failing which the first named proxy shall be treated as representing 100 per cent. of the shareholding and any second named proxy as an alternate to the first name; and (ii) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (2) If the Member is a Depositor the Company shall be entitled and bound:-
- (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register seventy- two (72) hours before the time of the relevant General Meeting certified by the Depository to the Company;
- (b) notwithstanding the proportion of shareholding specified in an instrument of proxy pursuant to Regulation 86(3) below, on a poll as validly cast by a proxy, to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll, a number not more than the number of shares entered against the name of that Depositor in the Depository Register seventy-two (72) hours before the time of the relevant General Meeting, certified by the Depository to the Company, whether that number is greater or smaller than the proportion so specified in any instrument of proxy executed by or on behalf of that Depositor.
- (3) The instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the office at least seventy-two (72) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, otherwise the person so named shall not be entitled to vote in respect thereof.

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- (4) The instrument appointing a proxy shall be valid as well for any adjournment of the Meeting as for the Meeting to which it relates.
  - (5) Subject to these Regulations and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.
  - (6) Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members, or in the case a Depositor, standing to the credit of that Depositor's Securities Account, such proxy may not exercise any of the votes or rights of the shares not registered to the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as at the cut-off time, as the case may be.
  - (7) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
  - (8) A proxy need not be a Member.
- Deposit of proxies                      87.    (1)    The instrument appointing a proxy or the power of attorney or other authority, if any:
- (a)    if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in or by way of note to or in any document accompanying the notice convening the Meeting; or
  - (b)    subject always to Regulation 154, if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the Meeting, and in either case, not less than seventy-two (72) hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates Provided that an instrument of proxy relating to more than one Meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

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The signature on, or authorisation of, an instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of a Member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to this Regulation, failing which the instrument of proxy may be treated as invalid.

- (2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 87(1) (b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 87(1) (a) shall apply.

Intervening death or mental disorder of principal not to revoke proxy

88. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a Power of Attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, Provided that no intimation in writing of such death, mental disorder, revocation, or transfer as aforesaid has been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

Corporations acting by representatives

89. Any corporation which is a Member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this Regulation.

#### (c) Rights in respect of Dividends

##### DIVIDENDS & RESERVES

Payment of dividends and dividends not to bear interest

138. The Company in General Meeting may by Ordinary Resolution declare dividends, but no dividend shall exceed the amount recommended by the Directors and no dividend shall be paid otherwise than out of profits nor shall unpaid dividends bear interest against the Company.

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Payment of preference and interim dividends	139. The Directors may from time to time pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company.
Directors may form reserve fund and invest	140. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
Apportionment of dividends	141. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, and subject to the Act, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Regulation only) no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.
Deduction of debts due to Company	142. The Directors may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Retention of dividends on shares subject to lien	143. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Retention of dividends on shares pending transmission	144. The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.



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| Unclaimed dividends                  | 145. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.  |
| Payment of dividend <i>in specie</i> | 146. Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other Company or in any one or more of such ways and the Directors shall give effect to such Resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may disregard fractions or issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.   |
| Dividends payable by cheque          | 147. Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named in the Register of Members or (as the case may be) the Depository Register or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members or (as the case may be) entered in the Depository Register to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders. Notwithstanding the foregoing provisions of this Regulations, the payment by the company to the Depository of any dividend payable to a Depository shall, to the extent of the payment made to the Depository, discharge the company from any liability to the Depositor in respect of that payment. |

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

#### SCRIP DIVIDEND SCHEME

Scrip Dividend Scheme

148. (1) Subject to the applicable listing rules of the Exchange, whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Directors;
  - (b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of class of relevant shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation 148(1);
  - (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded Provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

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## APPENDIX VII

### RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY

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- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect of which the share election has been duly exercised (the “elected shares”) and in lieu and in satisfaction thereof shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding any provision of the Regulations to the contrary, the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid, including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.
- (2) The shares of the relevant class allotted pursuant to the provisions of Regulation 148(1) shall rank *pari passu* in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

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## **APPENDIX VII**

### **RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY**

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- (3) The Directors may do all acts and things considered necessary or expedient to give effect to Regulation 148(1), with full power to make such provisions as they think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).
- (4) The Directors may, on any occasion when they resolve as provided in Regulation 148(1), determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares the transfer of which is registered after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of Regulation 148(1) shall be read and construed subject to such determination.
- (5) The Directors may, on any occasion when they resolve as provided in Regulation 148(1), further determine that: (i) no allotment of shares or rights of election for shares under Regulation 148(1) shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and (ii) no allotment of shares or rights of election for shares under Regulation 148(1) shall be made available or made to a person, or any persons, if such allotment or rights of election would in the opinion of the Directors cause such person, or such persons, to hold or control voting shares in excess of any shareholding or other limits which may from time to time be prescribed in any statute, without the approval of the applicable regulatory or other authority as may be necessary.

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**APPENDIX VII**  
**RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY**

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- (6) Notwithstanding the foregoing provisions of this Regulation, if at any time after the Directors' resolution to apply the provisions of Regulation 148(1) in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (1) of this Regulation 134A.

**BONUS ISSUE AND CAPITALISATION OF PROFITS AND RESERVES**

Power to issue bonus shares and capitalise profits

149. The Company in General Meeting may upon the recommendation of the Directors pass an Ordinary Resolution (pursuant to Regulation 53(1)) to resolve that it is desirable to:
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:
    - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
    - (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 53(2)) such other date as may be determined by the Directors, in proportion to their then holdings of shares; and/or
  - (b) capitalise any part of the amount for the time being standing to the credit of any of the reserve accounts of the Company or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

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**APPENDIX VII**  
**RELEVANT EXCERPTS FROM THE CONSTITUTION OF THE COMPANY**

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150. (1) The Directors may do all acts and things considered necessary or expedient to give effect and/or capitalisation under Regulation 149, with full powers to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorize any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (2) In addition and without prejudice to the powers provided for by Regulation 149, the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non- cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.



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**APPENDIX VIII**  
**AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2021**

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## **FINANCIAL STATEMENTS**

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### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## DIRECTORS' STATEMENT

(In Singapore Dollars)

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 statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2021.

### Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position 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 30 June 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, as its penultimate holding company has agreed to provide continuing financial support to the Company.

### Directors

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

Dato' Sri Robin Tan Yeong Ching  
Professor Lai Kim Fatt  
Mr Yeap Beng Swee, Philip  
Ms Yau Su Peng

### 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.

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**AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2021**

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## DIRECTORS' STATEMENT

(In Singapore Dollars)

### Directors' interests in shares and debenture

According to the register kept by the Company, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
<b>Dato' Sri Robin Tan Yeong Ching</b>				
<u>Ultimate holding company</u>				
Berjaya Corporation Berhad				
- Ordinary shares	2,289,532	2,381,113	682,112,272	589,476,760
- 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each	2,620,500	2,620,500	66,575,000	59,375,000
- Warrants	2,620,500	2,620,500	87,030,000	85,001,000
<u>Penultimate holding company</u>				
Berjaya Land Berhad				
- Ordinary shares	600,000	600,000	56,600,000	51,100,000
<u>Related corporations</u>				
Berjaya Sports Toto Berhad				
- Ordinary shares	1,007,142	1,017,213	–	–
<u>Berjaya Food Berhad</u>				
- Ordinary shares	2,714,000	2,786,000	–	2,930,900
- Employees' Share Scheme Options	1,224,000	1,224,000	–	–
- Employees' Share Scheme Shares	162,000	90,000	–	–

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

There were no changes in any of the above-mentioned interests in the Company or in related corporations between the end of the financial year and 21 July 2021.

Except as disclosed in this statement, 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 objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

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## APPENDIX VIII

### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## DIRECTORS' STATEMENT

(In Singapore Dollars)

### Share options

During the financial year, there was:

- no options granted by the Company to any person to take up unissued shares in the Company and its subsidiaries; and
- no shares issued by virtue of the exercise of options to take up unissued shares of the Company and its subsidiaries.

At the end of the financial year, there were no unissued shares under option in the Company or its subsidiaries.

### 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 Yeap Beng Swee, Philip (Independent Director)
Members	:	Professor Lai Kim Fatt (Independent Director)
		Dato' Sri Robin Tan Yeong Ching (Non-Executive Director)

The AC is guided by its terms of reference which sets out its responsibilities. The duties of AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle blowing policy and procedures for raising such concerns.

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 Corporate Governance Report.

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## **DIRECTORS' STATEMENT**

(In Singapore Dollars)

### **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

10 December 2021

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## APPENDIX VIII

### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

**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 statements of financial position of the Group and the Company as at 30 June 2021, 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 statement of financial position 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 Singapore Financial Reporting Standards (International) (SFRS(I)s) 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 30 June 2021 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.

### Material uncertainty related to going concern

We draw attention to Note 2 of the financial statements. The Group continued to incur net loss of \$1,539,000 and recorded net cash outflows of \$841,000 from its operating activities for the financial year ended 30 June 2021. As at 30 June 2021, the Group has net current liabilities and net liabilities of \$1,932,000 and \$1,651,000 respectively, while the Company has net current liabilities and net liabilities of \$3,614,000 and \$2,947,000 respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concern. Notwithstanding the above, the financial statements of the Group and the Company are prepared on a going concern basis as the Group received letter of financial support from its penultimate holding company, Berjaya Land Berhad, to provide continuing financial support to the Group to enable it to continue its operations and meet its liabilities as and when they fall due.

If the Group and the Company are unable to continue operational existence for the foreseeable future, the Group and Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situations that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements. Our opinion is not modified in respect of this matter.



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## APPENDIX VIII

### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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

#### 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### ***Allowance for expected credit losses of trade receivables***

As at 30 June 2021, the gross balance of trade receivables amounted to \$1.29 million, against which allowance for expected credit losses ("ECL") of \$0.52 million was made. The collectability of trade receivables are key elements of the Group's working capital management which is managed on an ongoing basis by management.

The Group determines ECL for trade receivables by making debtor-specific assessment for credit-impaired debtors. The Group uses provision matrix method for the remaining group of trade debtors that is based on its historical credit loss experience analysed in accordance to days past due by grouping customers by geographical area, adjusted for forward-looking factors specific to the debtors and the economic environment. In determining the ECL allowance for the Group's trade receivables as at year end, management considered various factors such as the age of the outstanding balances, historical payments and credit loss patterns, as well as facts and circumstances specific to the regions and economic environments where the debtors operate, taking into consideration current market condition and any other available information concerning the creditworthiness of debtors. These assessments required significant management judgement. As a result, we have identified this as a key audit matter.

As part of our audit procedures, we evaluated the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of its debtors, including the process in determining whether a debtor is credit impaired. We considered the age of the debts as well as the trend of collections to identify collection risks. We requested, on a sample basis, trade receivable confirmations and reviewed for collectability by obtaining evidence of receipts from these debtors after the year end. We assessed management's estimates on the historical loss rate through analysis of historical ageing of receivables and assessment of significant overdue individual debtors. We evaluated the provision matrix prepared by management for determining ECL allowance and reviewed the data and information that management has used to make forward-looking adjustments. We checked the arithmetic accuracy of the ECL allowance computation. We also evaluated the adequacy of the Group's disclosures of trade receivables in Note 14 *Trade and other receivables* and the related risks such as liquidity risk and credit risk in Notes 26(b) *Liquidity risk* and 26(d) *Credit risk* to the consolidated financial statements.

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## APPENDIX VIII

### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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

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

#### ***Valuation of intercompany loans by the Company***

As disclosed in Note 13 and Note 14 to the financial statements, the Company entered into a novation agreement with certain wholly-owned subsidiaries and a supplementary loan agreement with a subsidiary.

At the inception of the novation and restructuring of these loans and advance, the Company assessed the fair values of these loans and advance with the difference against the carrying values taken to income statement of the Company or deemed investment cost in one of the subsidiaries. While there is no impact to the consolidated financial statements of the Group, these fair value assessment have an impact to the statement of financial position of the Company.

Management determined the fair valuation of the aforementioned loans using discounted cash flow valuation method which includes unobservable inputs that are categorised within Level 3 of the fair value hierarchy as defined in SFRS(I) 13 *Fair Value Measurements*. Given the materiality of the loans to the Company's financial position and the inherent subjectivity in the valuation process that required management to apply significant judgement, we considered this to be a key audit matter.

As part of our audit procedures, we obtained an understanding of management's process of valuing the loans, the selection of valuation methodologies and the basis of determining the fair value of the loans. We reviewed the Novation Agreement and the respective loan agreements to obtain an understanding of the terms and agreements of these loans. We discussed with management to obtain an understanding of the basis for the key assumptions and inputs used in the valuations, and reviewed the valuation computation performed by management. Our Internal valuation specialists assisted us in assessing the appropriateness of the valuation methodologies used by management and the reasonableness of certain key inputs, such as the discount rate used including performing comparable credit spread research, discount rate, and perform independent valuations of the loans. We assessed the reasonableness of other key inputs used by management in the valuation, such as the expected cash flows and discount rate. We also assessed the Company's disclosures in Note 13 *Investment in subsidiaries* and in Note 14 *Trade and other receivables*.

#### **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.

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## APPENDIX VIII

### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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EDUCATE. INSPIRE. GROW.

## INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

### **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 SFRS(I)s, 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.

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### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

**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 Philip Ng Weng Kwai.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

10 December 2021

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**AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2021**

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## CONSOLIDATED INCOME STATEMENT

For the financial year ended 30 June 2021  
(In Singapore Dollars)

	Note	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
Revenue	5	7,104	10,863
Other operating income	6	204	189
Staff costs	7	(4,614)	(5,899)
Depreciation of property, plant and equipment	11	(324)	(443)
Allowance for expected credit loss on receivables	14	(185)	(29)
Other operating expenses	8	(3,709)	(5,226)
<b>Loss before taxation</b>		(1,524)	(545)
Taxation	9	(15)	(7)
<b>Loss for the year/period</b>		<u>(1,539)</u>	<u>(552)</u>
<b>Loss attributable to:</b>			
Equity holders of the Company		<u>(1,539)</u>	<u>(552)</u>
<b>Loss per share attributable to equity holders of the Company (cents)</b>			
Basic	10	(0.87)	(0.38)
Diluted	10	<u>(0.87)</u>	<u>(0.38)</u>

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

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2021  
(In Singapore Dollars)

	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
<b>Loss for the financial year/period</b>	(1,539)	(552)
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign currency translation	(156)	(70)
Other comprehensive income for the financial year/period	(156)	(70)
<b>Total comprehensive income for the financial year/period</b>	<u>(1,695)</u>	<u>(622)</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	(1,695)	(622)
	<u>(1,695)</u>	<u>(622)</u>

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



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## STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

(In Singapore Dollars)

		Group		Company	
	Note	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	11	70	500	–	–
Intangible assets	12	285	129	–	–
Investment in subsidiaries	13	–	–	557	–
Trade and other receivables	14	–	–	859	–
		355	629	1,416	–
<b>Current assets</b>					
Prepayments		250	228	6	42
Trade and other receivables	14	1,003	1,450	138	141
Cash and bank balances	15	2,039	3,692	1,055	1,212
		3,292	5,370	1,199	1,395
<b>Total assets</b>		3,647	5,999	2,615	1,395
<b>Current liabilities</b>					
Deferred income and fees	5	1,808	2,339	120	201
Trade and other payables	16	2,161	1,494	3,693	3,029
Interest-bearing borrowings	17	1,019	1,000	1,000	1,000
Lease liabilities	18	210	759	–	–
Provision for reinstatement cost	19	26	109	–	–
		5,224	5,701	4,813	4,230
<b>Net current liabilities</b>		(1,932)	(331)	(3,614)	(2,835)
<b>Non-current liabilities</b>					
Trade and other payables	16	–	–	749	–
Interest-bearing borrowings	17	74	86	–	–
Lease liabilities	18	–	168	–	–
		74	254	749	–
<b>Total net (liabilities)/assets</b>		(1,651)	44	(2,947)	(2,835)
<b>Equity attributable to equity holders of the Company</b>					
Share capital	20	34,667	34,667	34,667	34,667
Reserves	21	(36,318)	(34,623)	(37,614)	(37,502)
<b>Total equity</b>		(1,651)	44	(2,947)	(2,835)

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

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## STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2021  
(In Singapore Dollars)

	Attributable to equity holders of the Company				Total equity \$'000
	Share capital \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	
<b>Group</b>					
<b>2021</b>					
At 1 July 2020	34,667	153	(34,776)	(34,623)	44
Loss for the financial year	–	–	(1,539)	(1,539)	(1,539)
Other comprehensive income for the financial year	–	(156)	–	(156)	(156)
Total comprehensive income for the financial year	–	(156)	(1,539)	(1,695)	(1,695)
At 30 June 2021	34,667	(3)	(36,315)	(36,318)	(1,651)
<b>2020</b>					
At 1 April 2019	29,908	223	(32,993)	(32,770)	(2,862)
Effects of adopting SFRS(I) 16	–	–	(1,231)	(1,231)	(1,231)
At 1 April 2019 (restated)	29,908	223	(34,224)	(34,001)	(4,093)
Loss for the financial period	–	–	(552)	(552)	(552)
Other comprehensive income for the financial period	–	(70)	–	(70)	(70)
Total comprehensive income for the financial period	–	(70)	(552)	(622)	(622)
Shares issued pursuant to rights issue	5,256	–	–	–	5,256
Rights issue expenses	(497)	–	–	–	(497)
Transactions with owners, recognised directly in equity	4,759	–	–	–	4,759
At 30 June 2020	34,667	153	(34,776)	(34,623)	44

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

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## STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2021  
(In Singapore Dollars)

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Company</b>			
<b>2021</b>			
At 1 July 2020	34,667	(37,502)	(2,835)
Loss for the financial year, representing total comprehensive income for the financial year	–	(112)	(112)
At 30 June 2021	34,667	(37,614)	(2,947)
<b>2020</b>			
At 1 April 2019	29,908	(36,578)	(6,670)
Loss for the financial period, representing total comprehensive income for the financial period	–	(924)	(924)
Shares issued pursuant to rights issue	5,256	–	5,256
Rights issue expenses	(497)	–	(497)
Transactions with owners, recognised directly in equity	4,759	–	4,759
At 30 June 2020	34,667	(37,502)	(2,835)

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

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## CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2021  
(In Singapore Dollars)

	Note	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
<b>Cash flow from operating activities</b>			
Loss before taxation		(1,524)	(545)
Adjustments for:			
Depreciation of property, plant and equipment	11	324	443
Amortisation of intangible assets	12	32	15
Net gain on disposal of property, plant and equipment	6	(4)	–
Intangible assets written-off		–	7
Impairment of property, plant and equipment	11	155	–
Allowance for expected credit loss on receivables	14	185	29
Write-off of bad debts	8	13	20
Interest expense on lease liabilities	8	12	41
Finance costs	8	13	45
Interest income	6	(8)	(23)
Government grants and subsidies		(53)	(158)
Unrealised exchange gain		(201)	(46)
<b>Operating loss before working capital changes</b>		(1,056)	(172)
Decrease/(increase) in prepayments, trade and other receivables		173	(61)
Decrease in deferred income and fees		(531)	(901)
Increase/(decrease) in trade and other payables		590	(256)
<b>Cash used in operations</b>		(824)	(1,390)
Interest received		11	18
Interest paid		(13)	(12)
Tax paid		(15)	(7)
<b>Net cash flows used in operating activities</b>		(841)	(1,391)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(9)	(14)
Expenditure on intangible assets	12	(174)	(133)
Proceeds from disposal of property, plant and equipment		4	–
<b>Net cash flows used in investing activities</b>		(179)	(147)

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

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EDUCATE. INSPIRE. GROW.

## CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2021

(In Singapore Dollars)

		1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
	Note		
<b>Cash flows from financing activities</b>			
Repayment of amount due to an indirect controlling shareholder		–	(418)
Repayment of amount due to a director		–	(500)
Repayment of lease liabilities (net of government grants and subsidies)	18	(669)	(1,039)
Proceeds from issuance of shares		–	5,256
Expenses for rights issue paid		–	(497)
Interest paid for amount due to an indirect controlling shareholder and amount due to a director (non-trade)		–	(44)
Proceeds from interest-bearing borrowings		–	1,086
Fixed deposit pledged as security for borrowings		(8)	(1,000)
<b>Net cash flows (used in)/generated from financing activities</b>		<u>(677)</u>	<u>2,844</u>
Net (decrease)/increase in cash and cash equivalents		(1,697)	1,306
Cash and cash equivalents at beginning of the financial year/period		2,692	1,396
Effects of exchange rate changes on opening cash and cash equivalents		36	(10)
<b>Cash and cash equivalents at end of the financial year/period</b>	15	<u>1,031</u>	<u>2,692</u>

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

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## APPENDIX VIII

### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021  
(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 Cecil Street, #17-01B, Keck Seng Tower, Singapore 069535.

The Company’s immediate holding company is Berjaya Leisure Capital (Cayman) Limited, incorporated in the Cayman Islands. The penultimate holding company and ultimate holding company are Berjaya Land Berhad and Berjaya Corporation Berhad respectively, which are incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. Subsidiaries of Berjaya Corporation Berhad are related corporations of the Company and its subsidiaries.

The principal activities of the Company are those of investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

In the previous financial period, the Company changed its financial year end from 31 March to 30 June. Accordingly, the comparative period covers a period of 15 months from 1 April 2019 to 30 June 2020.

### 2. Fundamental accounting concept

For the financial year ended 30 June 2021, the Group incurred net loss of \$1,539,000 (2020: \$552,000) and recorded net cash outflows of \$841,000 (2020: \$1,391,000) from its operating activities.

As at 30 June 2021, the Group has net current liabilities and net liabilities of \$1,932,000 (2020: \$331,000) and \$1,651,000 (2020: net assets \$44,000) respectively, while the Company has net current liabilities and net liabilities of \$3,614,000 (2020: \$2,835,000) and \$2,947,000 (2020: \$2,835,000) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group’s and the Company’s ability to continue as going concern.

Notwithstanding the above, the financial statements of the Group and the Company are prepared on a going concern basis as the Group received letter of financial support from its penultimate holding company, Berjaya Land Berhad, to provide continuing financial support to the Group to enable it to continue its operations and meet its liabilities as and when they fall due.

If the Group and Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

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## AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

(In Singapore Dollars)

### 3. Summary of significant accounting policies

#### 3.1 Basis of preparation

The consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards International ("SFRS(I)").

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.

#### 3.2 Changes in accounting policies and disclosures

##### *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial period except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

#### 3.3 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 SFRS(I) 9 <i>Financial Instruments</i> , SFRS(I) 1-39 <i>Financial Instruments: Recognition and Measurement</i> , SFRS(I) 7 <i>Financial Instruments: Disclosures</i> , SFRS(I) 16 <i>Leases: Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to SFRS(I) 16 <i>Covid-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 3 <i>Business Combinations: Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1 -1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The directors expect that the adoption of the standards and interpretation above will have no material impact on the financial statements in the period of initial application.



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## APPENDIX VIII

### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021  
(In Singapore Dollars)

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

#### 3.4 *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:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises 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;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to income statement or retained earnings, as appropriate.

#### 3.5 *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.

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**FINANCIAL YEAR ENDED 30 JUNE 2021**

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## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

(In Singapore Dollars)

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

#### **3.5 Foreign currency (cont'd)**

##### **(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.

#### **3.6 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost, except for recognition of right-of-use assets in accordance with SFRS(I) 16. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

##### *Right-of-use assets*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

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
Right-of-use assets (leasehold premises)	-	Over the lease term

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.

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### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021  
(In Singapore Dollars)

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

#### 3.7 *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.

#### 3.8 *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.

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## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

(In Singapore Dollars)

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

#### **3.9 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.

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.

#### **3.10 Financial instruments**

##### **(a) Financial assets**

###### *Initial recognition and measurement*

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

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

#### 3.10 Financial instruments (cont'd)

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

###### *Subsequent measurement*

###### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

###### *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

###### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

###### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or 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 for debt instruments 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.

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

#### **3.10 Financial instruments (cont'd)**

##### **(b) Financial liabilities (cont'd)**

###### *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 or 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. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

#### **3.11 Impairment of financial assets**

The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **3.12 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.

#### **3.13 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.

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

#### 3.14 *Borrowings costs*

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

#### 3.15 *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) *Retrenchment benefit*

Retrenchment benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises retrenchment benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 and involves the payment of retrenchment benefits.

#### 3.16 *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 statement of financial position 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 "Staff costs" in the profit or loss.

#### 3.17 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time.



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

#### **3.17 Revenue (cont'd)**

The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Course fees*

Course fee is generally recognised as revenue over the duration of the course. Fees received prior to the commencement of the courses are recorded as deferred income and fees in the statement of financial position.

(b) *Examination fees*

Examination fee is recognised as revenue when the Group has delivered or satisfied all its performance obligations stated in the contract with the customer, which is upon release of the examination results to the customers. Examination fees received prior to the completion of the examination are recorded as deferred income and fees in the statement of financial position.

(c) *Franchise fees*

Initial franchise fee is recognised as revenue when the contractual requirements under the franchise agreement are completed. 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.

#### **3.18 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The accounting policies on recognition and subsequent measurement of right-of-use assets is as disclosed in Note 3.6.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 3.9.

The Group's right-of-use assets are presented within property, plant and equipment (Note 11).

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

#### 3.18 Leases (cont'd)

##### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

##### *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 3.17(e). Contingent rents are recognised as revenue in the period in which they are earned.

#### 3.19 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.

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

#### 3.19 Taxes (cont'd)

##### (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.

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.

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

#### 3.19 Taxes (cont'd)

##### (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.

#### 3.20 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.

#### 3.21 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 statement of financial position 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.

### 4. 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.

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

#### 4.1 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.

#### 4.2 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.

##### *Provision for expected credit losses of trade receivables*

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in Note 14.

##### *Fair valuation of restructured and novated intercompany loans*

At the inception of restructuring and novation of intercompany loans, the Company determined the valuation of the intercompany loans using the discounted cash flow valuation with unobservable inputs that are categorised within Level 3 of the fair value hierarchy as defined in SFRS(I) 13 *Fair Value Measurements*. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected cash flows and discount rates. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. The information about the capitalisation of intercompany loans and restructuring of an intercompany loan are disclosed in Note 13 and 14.

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### 5. Revenue

#### a) Disaggregation of revenue

	Course fees		Examination fees		Franchise and license fee income		Total revenue	
	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
Segments								
Primary geographical markets								
Asia	2,598	3,859	1,762	2,677	318	463	4,678	6,999
Europe	–	–	446	650	118	165	564	815
Africa	–	–	1,638	2,730	224	319	1,862	3,049
	<u>2,598</u>	<u>3,859</u>	<u>3,846</u>	<u>6,057</u>	<u>660</u>	<u>947</u>	<u>7,104</u>	<u>10,863</u>
Timing of transfer of goods or services								
At a point in time	–	–	3,846	6,057	562	789	4,408	6,846
Over time	2,598	3,859	–	–	98	158	2,696	4,017
	<u>2,598</u>	<u>3,859</u>	<u>3,846</u>	<u>6,057</u>	<u>660</u>	<u>947</u>	<u>7,104</u>	<u>10,863</u>

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### 5. Revenue (cont'd)

#### b) Contract balances

Information about receivables and deferred income and fees from contracts with customers is disclosed as follows:

	30 June 2021 \$'000	Group 30 June 2020 \$'000	31 March 2019 \$'000
Trade receivables (Note 14)	765	890	938
Deferred income and fees	1,715	2,083	3,240

Deferred income and fees relate primarily to:

- (a) Course fees which the Group had billed and received in advance, and will be recognised as revenue over the duration of the course; and
- (b) Examination fees billed and received in advance, and will be recognised when the Group releases the results to the customer.

As at 30 June 2021, included in the Group's deferred income and fees of \$1,808,000 (2020: \$2,339,000) are deferred grants income amounting to \$93,000 (2020: \$256,000). These arises from government measures announced in the various countries where the Group operates, to cushion the impact of COVID-19 on businesses.

Revenue recognised in relation to deferred income and fees is disclosed as follows:

	Group 1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
Revenue recognised that was included in the deferred income and fees balance at the beginning of the year/period	1,835	2,889



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### 6. Other operating income

	Group	
	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
Government grants and subsidies	157	165
Interest income	8	23
Sundry income	35	1
Net gain on disposal of property, plant and equipment	4	–
	204	189

### 7. Staff costs

	Group	
	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
Staff costs (including key management personnel):		
- Salaries and bonuses	4,332	5,601
- Defined contribution plan contributions	482	625
- Government grants and subsidies	(514)	(327)
- Retrenchment benefit	314	–
	4,614	5,899

Government grants and subsidies of \$514,000 (1 April 2019 to 30 June 2020: \$327,000) was recognised during the financial year. Included within the government grants and subsidies are Job Support Scheme (“JSS”) of \$304,000 (1 April 2019 to 30 June 2020: \$265,000) and grants received from Hong Kong and United Kingdom governments of \$210,000 (1 April 2019 to 30 June 2020: \$62,000). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

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### 8. Other operating expenses

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

		<b>Group</b>	
		<b>1 July 2020 to 30 June 2021</b>	<b>1 April 2019 to 30 June 2020</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
Audit fees to:			
- Auditor of the Company		106	133
- Other auditors		92	119
Non-audit fees to other auditors		14	34
Amortisation of intangible assets	12	32	15
Intangible assets written off	12	–	7
Impairment loss of property, plant and equipment	11	155	–
Interest expense on lease liabilities	18	12	41
Finance costs on:			
- Borrowings		13	12
- Amount due to indirect controlling shareholder and director of the Company		–	33
Write-off of bad debts		13	20
Foreign exchange gain, net		(13)	(188)
Lease expenses	18	74	106
Franchising and licensing, accreditation, registration and assessment fees		1,326	1,912

### 9. Taxation

#### Major components of income tax expense

The major components of income tax for the financial year ended 30 June 2021 and financial period from 1 April 2019 to 30 June 2020 are as follows:

		<b>Group</b>	
		<b>1 July 2020 to 30 June 2021</b>	<b>1 April 2019 to 30 June 2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Consolidated income statement:</b>			
Current income tax:			
- Current year		15	9
- Over provision in respect of prior years		–	(2)
Income tax expense recognised in profit or loss		15	7

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### **9. Taxation (cont'd)**

#### Relationship between tax expense and accounting loss

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rates for the financial year ended 30 June 2021 and financial period from 1 April 2019 to 30 June 2020 are as follows:

	<b>Group</b>	
	<b>1 July 2020 to 30 June 2021 \$'000</b>	<b>1 April 2019 to 30 June 2020 \$'000</b>
Loss before taxation	(1,524)	(545)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(365)	(97)
Adjustments:		
Income not subject to taxation	(55)	(65)
Non-deductible expenses	208	65
Deferred tax benefits not recognised	305	207
Benefits from previously unrecognised capital allowances and tax losses	(89)	(99)
Over provision in respect of prior years	–	(2)
Foreign withholding tax	5	–
Others	6	(2)
Income tax expense recognised in profit or loss	15	7

As at 30 June 2021, the Group has tax losses of approximately \$87,790,000 (2020: \$86,711,000) and other temporary differences of approximately \$6,865,000 (2020: \$7,424,000) 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.

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### 10. Loss per share

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

Diluted loss per share are calculated by dividing the loss for the financial year/period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year/period 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 loss and share data used in the computation of basic and diluted loss per share for the financial year ended 30 June 2021 and financial period from 1 April 2019 to 30 June 2020:

	<b>Group</b>	
	<b>1 July 2020 to 30 June 2021 \$'000</b>	<b>1 April 2019 to 30 June 2020 \$'000</b>
Loss for the financial year/period attributable to equity holders of the Company	(1,539)	(552)
	<b>Number of shares</b>	
	<b>30 June 2021 '000</b>	<b>30 June 2020 '000</b>
Weighted average number of ordinary shares for basic and diluted loss per share computation	177,339	144,445

There are no outstanding share options as at 30 June 2021 and 30 June 2020.

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

The basic loss per share and diluted loss per share are the same. The dilutive potential shares from the warrants are anti-dilutive as the exercise price for the warrants is higher than the average share price during the current financial year.

As at 30 June 2021, no warrants have been exercised.

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### 11. Property, plant and equipment

	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Right-of- use assets - School and office premises \$'000	Total \$'000
<b>Group</b>				
<b>Cost:</b>				
1 April 2019	2,517	578	–	3,095
Recognition of right-of-use assets on initial adoption of SFRS(I) 16	–	–	1,964	1,964
At 1 April 2019 (restated)	2,517	578	1,964	5,059
Additions	14	25	66	105
Disposals/write-off	(14)	–	–	(14)
Exchange differences	(16)	2	6	(8)
At 30 June 2020 and 1 July 2020	2,501	605	2,036	5,142
Additions	9	–	34	43
Disposals/write-off	(688)	(393)	(1,231)	(2,312)
Exchange differences	55	2	18	75
At 30 June 2021	1,877	214	857	2,948
<b>Accumulated depreciation and impairment:</b>				
1 April 2019	2,418	578	–	2,996
Impairment loss on right-of-use assets on initial adoption of SFRS(I) 16	–	–	1,231	1,231
At 1 April 2019 (restated)	2,418	578	1,231	4,227
Charge for the financial period	80	12	351	443
Disposals/write-off	(14)	–	–	(14)
Exchange differences	(16)	1	1	(14)
At 30 June 2020 and 1 July 2020	2,468	591	1,583	4,642
Charge for the financial year	24	10	290	324
Impairment loss	8	–	147	155
Disposals/write-off	(688)	(393)	(1,231)	(2,312)
Exchange differences	55	2	12	69
At 30 June 2021	1,867	210	801	2,878
<b>Net carrying amount:</b>				
At 30 June 2021	10	4	56	70
At 30 June 2020	33	14	453	500

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

#### **Impairment**

A right-of-use asset of a subsidiary was subject to impairment assessment on the initial date of adoption of SFRS(I) 16 on 1 April 2019. The recoverable amount of the right-of-use asset was determined to be nil based on value in use calculation, which was based upon a discounted cash flow model using cash flow projections based on the budgets and forecast approved by management. Accordingly, an impairment loss of \$1,231,000 was recognised in the accumulated losses of the Group as at 1 April 2019. Prior year comparatives have not been restated.

The Group assessed at each reporting date whether there is an indication that property, plant and equipment may be impaired. Where indicators of impairment exist, the recoverable amount of a CGU was determined based on value in use. Cash flow projections used in the value in use calculations were based on financial budgets approved by management.

Following the intention to gradually cease the Group's private education business which is operated through Informatics Academy Pte Ltd in Singapore, the property, plant and equipment related to this business has been fully impaired as at 30 June 2021. Impairment loss recognised on property, plant and equipment for this CGU amounted to \$3,000.

As the Group's higher education business in the United Kingdom which is operated through its subsidiary, NCC Education Limited, was operating at a loss for financial year ended 30 June 2021, the Group has assessed the recoverable amount of the property, plant and equipment of this subsidiary. The recoverable amount of the subsidiary's property, plant and equipment was determined to be nil based on the cash flow projection prepared by management. Accordingly, an impairment loss of \$152,000 has been recognised for the financial year ended 30 June 2021.

Management determined budgeted growth rates, taking into consideration past performances, planned business strategies to be adopted, and its expectations of market developments on future performance. Management has also taken into consideration the possibility of lower recovery rates post-pandemic due to the pro-longed impact of the COVID-19 pandemic on the Group's global higher education business. The pre-tax discount rates applied to the pre-tax cash flow projections relating to the CGU was 8.2% per annum. There was an impairment loss of \$155,000 on property, plant and equipment recognised for the financial year ended 30 June 2021.

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

	Furniture and fittings, office and computer equipment \$'000
<b>Company</b>	
<b>Cost:</b>	
At 1 April 2019	1,230
Disposals	(3)
	<hr/>
At 30 June 2020 and 1 July 2020	1,227
Write-off	(367)
At 30 June 2021	<hr/> 860 <hr/>
<b>Accumulated depreciation:</b>	
At 1 April 2019	1,226
Charge for the financial period	4
Disposals	(3)
	<hr/>
At 30 June 2020 and 1 July 2020	1,227
Write-off	(367)
At 30 June 2021	<hr/> 860 <hr/>
<b>Net carrying amount:</b>	
At 30 June 2021	<hr/> — <hr/>
At 30 June 2020	<hr/> — <hr/>



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### 12. Intangible assets

Group	Software \$'000	Software under development \$'000	Development costs \$'000	Total \$'000
<b>Cost:</b>				
At 1 April 2019	118	151	272	541
Additions	–	92	41	133
Disposals/write-off	–	–	(7)	(7)
Exchange differences	–	(6)	(8)	(14)
At 30 June 2020 and 1 July 2020	118	237	298	653
Additions	49	–	125	174
Transfer	251	(251)	–	–
Exchange differences	7	14	28	49
At 30 June 2021	425	–	451	876
<b>Accumulated amortisation and impairment:</b>				
At 1 April 2019	118	151	252	521
Amortisation	–	–	15	15
Exchange differences	–	(4)	(8)	(12)
At 30 June 2020 and 1 July 2020	118	147	259	524
Amortisation	17	–	15	32
Transfer	158	(158)	–	–
Exchange differences	5	11	19	35
At 30 June 2021	298	–	293	591
<b>Net carrying amount:</b>				
At 30 June 2021	127	–	158	285
At 30 June 2020	–	90	39	129

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

Software under development as of 30 June 2020 have been transferred to software upon completion of the development and implementation of the software during the financial year ended 30 June 2021.

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### 13. Investment in subsidiaries

	Company	
	2021	2020
	\$'000	\$'000
Unquoted equity shares, at cost	60,112	72,591
Impairment losses	(59,555)	(72,591)
Carrying amount	557	–

Movement in impairment losses is as follows:

Balance at beginning of the financial year/period	72,591	72,591
Impairment loss for the financial year/period	1,018	–
Impairment loss written-off due to dissolution of subsidiary	(14,054)	–
Balance at end of the financial year/period	59,555	72,591

Name of company (country of incorporation and place of business)	Principal activities	Proportion of ownership interests	
		2021	2020
		%	%
<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
<sup>(*)</sup> Informatics International Pte Ltd (Singapore)	Dormant	100	100
<sup>(1)</sup> Informatics Global Campus Pte Ltd (Singapore)	Dormant	100	100
<sup>(*)</sup> Informatics Education Malaysia Sdn Bhd (Malaysia) (Note b)	Dissolved	–	100
<sup>(2)</sup> Informatics Computer Education Sdn Bhd (Malaysia)	Dormant	100	100
<sup>(*)</sup> Singapore Informatics Computer Institute (Pvt) Ltd (Sri Lanka)	Dormant	100	100

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

Name of company (country of incorporation and place of business)	Principal activities	Proportion of ownership interests	
		2021 %	2020 %
Held by the Company (cont'd)			
<sup>(3)</sup> Informatics Education (HK) Ltd (Hong Kong)	Computer education and training	100	100
<sup>(#)</sup> Informatics Education UK Ltd (United Kingdom)	Investment holding	100	100
<sup>(4)</sup> NCC Education Limited (United Kingdom) (Note a)	Educational and business management consultancy	51	–
Held by the subsidiaries			
<sup>(4)</sup> NCC Education Limited (United Kingdom) (Note a)	Educational and business management consultancy	49	100
<sup>(5)</sup> NCC Education (M) Sdn Bhd (Malaysia)	Marketing and consultancy	100	100
<sup>(6)</sup> NCC Education (Beijing) Consulting Co., Ltd (The People's Republic of China)	Consultancy	100	100

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore.

<sup>(2)</sup> Audited by SBY Partners PLT (formerly known as Siew Boon Yeong & Associates), Malaysia.

<sup>(3)</sup> Audited by Philip Poon and Partners CPA Limited, Hong Kong.

<sup>(4)</sup> Audited by Ernst & Young LLP, United Kingdom.

<sup>(5)</sup> Audited by Rabin & Associates, Malaysia.

<sup>(6)</sup> Audited by Beijing Zhong Ping Jian Hua Hao Certified Public Accountants, The People's Republic of China.

<sup>(#)</sup> Not required to be audited by the law in the country of incorporation.

<sup>(\*)</sup> The subsidiary was dissolved during the financial year.

<sup>(\*\*)</sup> Under striking off/member's voluntary liquidation.

(a) Investment in NCC Education Limited

On 15 February 2021, the Company entered into a novation agreement ("Novation Agreement") with its wholly-owned subsidiaries, NCC Education Limited ("NCC") and Informatics Academy Pte Ltd ("IAPL"), to transfer the loans owed by NCC to IAPL amounting to \$1,377,000 ("IAPL Loans"), by way of novation, and all of its rights and obligations arising from and in relation to the IAPL Loans to the Company. Following the execution of the Novation Agreement, the Company became the lender of IAPL Loans. The Company subsequently capitalised the IAPL Loans, together with the existing loans due from NCC to the Company of \$778,000 and an advance of GBP50,000 (SGD90,000) made by the Company to NCC through IAPL (collectively "Loans and Advancement") as cost of investment in NCC ("Capitalisation").

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

#### (a) Investment in NCC Education Limited (cont'd)

Management determined the cost of investment to be capitalised based on fair value of the Loans and Advancement using the discounted cash flow approach. Management assessed that the fair value of the loan due from NCC and the IAPL Loans to be \$243,000 (novated loans), \$224,000 (existing loans) and \$90,000 (advance) respectively. The Company recognised an amount of \$557,000 as additional cost of investment in NCC through the Capitalisation. The difference in the fair value between the loan receivable from NCC of \$243,000 and loan payable to IAPL of \$1,261,000 was treated as a contribution from the Company to IAPL and recognised as a deemed investment in IAPL of \$1,018,000. As IAPL has ceased to accept new students and will teach-out its existing students, the deemed investment in IAPL arrived at the difference in the fair value was fully impaired.

Following completion of the Capitalisation, the Company holds 50.7% of the shareholdings in NCC, while Informatics Education UK Ltd holds the remaining 49.3% of the shareholdings in NCC.

#### (b) Dissolution of Informatics Education Malaysia Sdn Bhd

On 28 August 2020, the status of the Company's wholly-owned subsidiary, Informatics Education Malaysia Sdn Bhd, has changed to 'dissolved' in the register of Suruhanjaya Syarikat Malaysia.

### 14. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade receivables	1,288	1,386	19	99
Less: Allowance for expected credit losses	(523)	(496)	–	(2)
	765	890	19	97
Other receivables	61	233	13	25
Goods and services or value-added tax receivable	24	15	9	19
	85	248	22	44
Deposits	153	312	–	–
Amounts due from subsidiaries	–	–	4,397	4,127
Loans due from subsidiaries	–	–	906	2,423
Less: Allowance for expected credit losses	–	–	(4,347)	(6,550)
	–	–	956	–
Total trade and other receivables	1,003	1,450	997	141

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

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current	1,003	1,450	138	141
Non-current	–	–	859	–
Total	1,003	1,450	997	141

Trade 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.

As at 30 June 2021, the Group's other receivables consist mainly of government grants and subsidies amounting to \$58,000 (2020: \$229,000).

#### *Expected credit losses on trade receivables*

Summarised below are the information about the loss allowance and the credit risk exposure on the Group's trade receivables using provision matrix:

	Current and past due less than 30 days	Past due more than 30 days, but less than 90 days	Past due more than 90 days	Total
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2021</b>				
ECL rate	25%	38.74%	42.48%	
Estimated total gross carrying amount at default	84	253	951	1,288
Expected credit losses	21	98	404	523
	Current and past due less than 30 days	Past due more than 30 days, but less than 90 days	Past due more than 90 days	Total
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2020</b>				
ECL rate	80%	28.06%	36.75%	
Estimated total gross carrying amount at default	25	278	1,083	1,386
Expected credit losses	20	78	398	496

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

#### Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Movement in allowance accounts:		
At beginning of the financial year/period	496	728
Charge for the financial year/period	185	29
Written-off against allowance	(197)	(245)
Exchange differences	39	(16)
At end of the financial year/period	523	496

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Movement in allowance accounts:		
At beginning of the financial year/period	2	3
Write-back for the financial year/period	(2)	(1)
At end of the financial year/period	–	2

#### **Amounts due from subsidiaries**

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

#### **Loans due from subsidiaries**

In the previous financial period, the loans due from subsidiaries are unsecured, repayable on demand and are expected to be settled in cash. Loans due from subsidiaries include interest-bearing amounts of \$1,619,000, bearing interest at rates of 3.3% to 4.0% per annum. These amounts have been fully impaired in the previous financial period.

During the financial year, the Company entered into a supplementary loan agreement with its wholly-owned subsidiary, Informatics Education (HK) Ltd ("IEHK"), to restructure the loan owed by IEHK to the Company amounting to \$1,599,000. The repayment plan for the loan has been revised to 25 quarterly payments plan from 31 December 2020 to 31 December 2026. The loan due from IEHK is unsecured and bears an interest rate of 5% (2020: 3.3%) per annum.

The Company has assessed the modification of the loan in accordance with SFRS(I) 9 *Financial Instruments* and concluded that the modification should be accounted for as an extinguishment of the original loan and recognition of a new loan. On initial recognition of the new loan, management assessed the fair value of the loan to be \$1,020,000. The Company recorded a fair value gain on valuation of \$1,020,000 during the financial year.

Following the execution of the Novation Agreement as disclosed in Note 13 in the financial statements, the Company has capitalised the existing loans due from NCC of \$778,000 as additional cost of investment. On the date of capitalisation, management assessed the fair value of the loan to be \$224,000 and recorded a fair value gain of \$224,000 during the financial year.

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

*Expected credit losses on amounts due from subsidiaries and loans due from subsidiaries*

	Company	
	2021 \$'000	2020 \$'000
Amounts due from subsidiaries - nominal amounts	4,397	4,127
Loans due from subsidiaries	906	2,423
Less: Allowance for expected credit losses	(4,347)	(6,550)
	<u>956</u>	<u>-</u>
 Movement in allowance accounts:		
At beginning of the financial year/period	6,550	6,082
Charge for the financial year/period	178	1,021
Written-off against allowance	(2,381)	(553)
At end of the financial year/period	<u>4,347</u>	<u>6,550</u>

### 15. Cash and bank balances

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	1,031	1,683	47	212
Short-term deposits	1,008	2,009	1,008	1,000
Cash and bank balances in the statements of financial position	<u>2,039</u>	<u>3,692</u>	<u>1,055</u>	<u>1,212</u>
Restricted cash – short-term deposits pledged for bank facilities	(1,008)	(1,000)	(1,008)	(1,000)
Cash and cash equivalents in the consolidated cash flow statement	<u>1,031</u>	<u>2,692</u>	<u>47</u>	<u>212</u>

Short-term deposits with financial institutions earn interest of 0.45% to 0.8% (2020: 0.25% to 0.8%) per annum and have maturity of 12 months (2020: 1 month to 12 months), depending on the immediate cash requirements of the Group and the Company.



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### 15. Cash and bank balances (cont'd)

The restricted cash comprise short-term deposits of \$1,008,000 (2020: \$1,000,000) pledged to bank for credit facility granted to the Company (Note 17).

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

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
United States Dollars	12	5	12	5

### 16. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade payables	475	602	–	–
Other payables	104	106	36	33
Accrued operating expenses	1,354	786	180	197
Accrual for retrenchment benefit	228	–	9	–
Amounts due to subsidiaries	–	–	2,929	2,799
Loan due to subsidiary	–	–	1,288	–
Total trade and other payables	2,161	1,494	4,442	3,029
Current	2,161	1,494	3,693	3,029
Non-current	–	–	749	–
Total	2,161	1,494	4,442	3,029

#### **Trade and other payables**

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

#### **Accrual for retrenchment benefit**

The planned cessation of the operation of Informatics Academy Pte Ltd ("IAPL") resulted in the retrenchment of 23 employees at IAPL and the Company. Staff retrenchment costs amounting to \$314,000 was recognised in the financial year ended 30 June 2021 and \$86,000 has been paid during the year.

#### **Amounts due to subsidiaries**

The amounts due to subsidiaries are unsecured, repayable on demand and are expected to be settled in cash. Amounts due to subsidiaries include interest-bearing amounts of \$1,888,000 (2020: \$2,102,000), bearing interest at a rate of 0.3% (2020: 0.3%) per annum. The remaining amounts due to subsidiaries are interest-free.

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

#### *Loan due to subsidiary*

Following the execution of the Novation Agreement as disclosed in Note 13 in the financial statements, the Company became the borrower of loan due to IAPL. The loan is unsecured, bearing interest at a rate of 4% per annum and are expected to be settled in cash. On the date of novation, management assessed that the fair value of the loan due to IAPL to be \$1,261,000 using the discounted cash flow approach.

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Great Britain Pounds	105	146	–	–
Euro	6	–	–	–
United States Dollars	–	3	–	–

### 17. Interest-bearing borrowings

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current liabilities</b>				
Revolving credit loan (secured)	1,000	1,000	1,000	1,000
Bank loan (unsecured)	19	–	–	–
Total current liabilities	1,019	1,000	1,000	1,000
<b>Non-current liabilities</b>				
Bank loan (unsecured)	74	86	–	–
Total	1,093	1,086	1,000	1,000

The revolving credit loan of the Company is denominated in Singapore Dollars and carries a floating interest rate of the Bank's Cost of Funds + 0.75% per annum. The revolving credit loan was drawdown for working capital purpose and is secured by short-term deposits of the Company as disclosed in Note 15. At the end of the reporting period, the revolving credit loan bears an interest of 1.25% (2020: 1.4%) per annum, and interest rate reprices every month. The revolving credit loan is repayable on demand.

The unsecured short-term and long-term bank loan of the Group is denominated in Great Britain Pounds. The loan bears a fixed interest rate of 2.5% per annum. The interest due for the first 12 months from the date on which the loan is drawn will be payable by the government of the United Kingdom. The loan is repayable over 60 monthly instalments where the first and last instalment repayments will be in July 2021 and June 2026 respectively.

In the previous financial period, the cash flows arising from financing activities includes the drawdown for revolving credit loan of \$1,000,000 and long-term bank loan of \$86,000.

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### 18. Lease liabilities

The carrying amounts of lease liabilities and movement during the financial year/period are set out below:

	Group	
	2021	2020
	\$'000	\$'000
As at 1 July 2020/1 April 2019	927	1,964
Additions	34	66
Accretion of interest	12	41
Payments	(771)	(1,149)
Exchange differences	8	5
As at 30 June 2021/30 June 2020	210	927
Current	210	759
Non-current	–	168
Total	210	927

The following are the amounts recognised in profit or loss:

	Group	
	1 July 2020 to 30 June 2021	1 April 2019 to 30 June 2020
	\$'000	\$'000
Rental waivers granted by landlord	(53)	(158)
Depreciation of right-of-use assets	290	351
Impairment of right-of-use assets	147	–
Interest expense on lease liabilities	12	41
Expense relating to unrecognised short-term leases	11	32
Expense relating to unrecognised leases of low-value assets	17	19
Expense relating to variable lease payments not included in the measurement of lease liabilities	46	55
Total amount recognised in profit or loss	470	340

The Group had total cash outflows for leases of approximately \$743,000 (1 April 2019 to 30 June 2020: \$1,145,000) after netting off rental waivers granted by a landlord to a subsidiary of approximately \$106,000 and taking into account payment of \$4,000 of rental in arrear in respect of the previous financial period settled in the current financial year (1 April 2019 to 30 June 2020: after netting off rental waivers granted by a landlord to a subsidiary and a rental to be paid in arrear of approximately \$106,000 and \$4,000 respectively).

The Group's lease contracts include extension options. These options are negotiated by management to provide flexibility in managing the leased-assets and align with the Company's business needs. Management exercises judgement in determining whether the extension options are reasonably certain to be exercised.

The maturity analysis of lease liabilities is disclosed in Note 26(b).

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### 19. Provision for reinstatement cost

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
At beginning of the financial year/period	109	82	–	–
(Utilisation)/addition for the financial year/period	(82)	25	–	–
Interest expenses	1	1	–	–
Exchange differences	(2)	1	–	–
At end of the financial year/period	26	109	–	–

### 20. Share capital

	Group and Company			
	2021		2020	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Issued and fully paid:				
At beginning of the financial year/period	177,339	34,667	72,215	29,908
Issue of shares	–	–	105,124	4,759
At end of the financial year/period	177,339	34,667	177,339	34,667

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.

On 22 August 2019, the Company completed a renounceable non-underwritten rights cum warrants issue and allotted and issued 105,124,182 shares at an issue price of \$0.05 per share and 35,041,371 warrants. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at the exercise price of \$0.05 for each share. Following that, the number of issued and paid up shares in the Company has increased from 72,215,467 to 177,339,649 shares.

### 21. 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.

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### 22. Related party disclosures

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

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year/period:

	Group	
	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
Sales to related corporations	3	2
Interest expense on amounts due to:		
- An indirect controlling shareholder	-	16
- A director of the Company	-	17
	-	33
Expenses charged by related corporations		
- Rental of premises	11	-

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

	Group	
	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
Short-term employee benefits	795	953
Defined contribution plan contributions	57	69
Total compensation paid to key management personnel	852	1,022
Comprise amounts paid/payable to:		
- Directors of the Company	100	125
- Other key management personnel	752	897
	852	1,022

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### 23. Commitments and contingencies

#### (a) *Capital commitments*

Capital expenditure authorised as at the end of the reporting period but not contracted for are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Capital commitments in respect of:				
- Property, plant and equipment	–	68	–	–
- Intangibles assets	–	249	–	–

Capital expenditure authorised and contracted for as at the end of the reporting period but not accounted for are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Capital commitments in respect of:				
- Property, plant and equipment	32	–	–	–

#### (b) *Contingent liabilities*

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

### 24. 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.

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### **24. Segment information (cont'd)**

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

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

#### *Allocation basis*

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

The following table presents information regarding the Group's business segments for the financial year ended 30 June 2021 and financial period from 1 April 2019 to 30 June 2020.

	<b>Higher Education</b>		<b>Corporate Training</b>		<b>Note</b>	<b>Total</b>	
	<b>1 July 2020 to 30 June 2021</b>	<b>1 April 2019 to 30 June 2020</b>	<b>1 July 2020 to 30 June 2021</b>	<b>1 April 2019 to 30 June 2020</b>		<b>1 July 2020 to 30 June 2021</b>	<b>1 April 2019 to 30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue:</b>							
Sales to external customers	5,365	8,880	1,739	1,983		7,104	10,863
<b>Results:</b>							
Sundry income and government grants and subsidies	182	159	10	7		192	166
Interest income	8	23	–	–		8	23
Staff costs	(4,318)	(5,465)	(296)	(434)		(4,614)	(5,899)
Depreciation and amortisation							
- Depreciation	(168)	(237)	(156)	(206)		(324)	(443)
- Amortisation	(32)	(15)	–	–		(32)	(15)
Allowance for expected credit loss on receivables and bad debts written-off	(198)	(49)	–	–		(198)	(49)
Interest expenses on lease liabilities	(8)	(32)	(4)	(9)		(12)	(41)
Finance costs	(13)	(45)	–	–		(13)	(45)
Net gain on disposal of property, plant and equipment	4	–	–	–		4	–
Intangible assets written-off	–	(7)	–	–		–	(7)
Impairment of property, plant and equipment	(155)	–	–	–		(155)	–
Lease expenses	(67)	(98)	(7)	(8)		(74)	(106)
Other non-cash income/(expenses)	237	182	(190)	153	(i)	47	335
<b>Segment (loss)/profit before tax</b>	<b>(1,899)</b>	<b>(1,233)</b>	<b>375</b>	<b>688</b>		<b>(1,524)</b>	<b>(545)</b>



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### 24. Segment information (cont'd)

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

	Higher Education		Corporate Training		Note	Total	
	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000		1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
<b>Assets:</b>							
Capital expenditure	212	203	5	35	(ii)	217	238
Segment assets	3,161	5,552	486	447		3,647	5,999
<b>Total assets</b>	<b>3,161</b>	<b>5,552</b>	<b>486</b>	<b>447</b>		<b>3,647</b>	<b>5,999</b>
<b>Liabilities:</b>							
Segment liabilities	5,073	5,544	225	411		5,298	5,955
<b>Total liabilities</b>	<b>5,073</b>	<b>5,544</b>	<b>225</b>	<b>411</b>		<b>5,298</b>	<b>5,955</b>

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

- (i) Other non-cash expenses and income consist mainly of unrealised foreign exchange gain/loss and non-cash government grants and subsidies.
- (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:

	Asia \$'000	Europe \$'000	Africa \$'000	Total \$'000
<b>1 July 2020 to 30 June 2021</b>				
<b>Revenue:</b>				
Sales to external customers	4,678	564	1,862	7,104
<b>Non-current assets</b>	<b>70</b>	<b>285</b>	<b>–</b>	<b>355</b>
<b>1 April 2019 to 30 June 2020</b>				
<b>Revenue:</b>				
Sales to external customers	6,999	815	3,049	10,863
<b>Non-current assets</b>	<b>235</b>	<b>394</b>	<b>–</b>	<b>629</b>

Non-current assets information presented above consist of property, plant and equipment and intangible assets as presented in the Group's statement of financial position.

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#### 24. Segment information (cont'd)

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

There are no major customers that contribute more than 10% (2020: 10%) of the Group's revenue for the financial year ended 30 June 2021.

#### 25. Fair value of financial instruments

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

##### (a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

##### (b) *Assets and liabilities not measured at fair value, for which fair value is disclosed*

The following table shows an analysis of the Company's loans due from subsidiaries (current and non-current) and loan due to subsidiary (current and non-current) not measured at fair value, for which fair value is disclosed:

	Company 30 June 2021				
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Fair value Total \$'000	Carrying amount \$'000
<b>Assets</b>					
Loans due from subsidiaries	–	–	1,014	1,014	906
<b>Liabilities</b>					
Loan due to subsidiary	–	–	1,277	1,277	1,288

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### 25. Fair value of financial instruments (cont'd)

#### *Fair value of financial assets and liabilities (cont'd)*

##### Determination of fair value

##### *Loans due from subsidiaries and loan due to subsidiary*

The fair values as disclosed in the table above are estimated by discounted expected future cash flows at market incremental lending rate for similar types of lending or borrowing at the end of the reporting period.

Management has also determined that the carrying amount of cash and bank balances, current trade and other receivables, current loans due from/to subsidiaries, current trade and other payables and interest-bearing borrowings are reasonable approximation of their fair values as they are mostly short-term in nature or are repriced to market interest rate.

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 are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><i>Financial assets measured at amortised cost</i></b>				
Trade and other receivables	1,003	1,450	997	141
Cash and bank balances	2,039	3,692	1,055	1,212
	3,042	5,142	2,052	1,353
Less: Goods and services or value-added tax receivable	(24)	(15)	(9)	(19)
	3,018	5,127	2,043	1,334
<b><i>Financial liabilities measured at amortised cost</i></b>				
Trade and other payables	2,161	1,494	4,442	3,029
Interest-bearing borrowings	1,093	1,086	1,000	1,000
Lease liabilities	210	927	–	–
	3,464	3,507	5,442	4,029

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### 26. 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 interest rate risk, liquidity risk, foreign currency risk and credit risk. It is, and has been throughout the current financial year and previous financial period, 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) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate due to changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group's and Company's short-term deposits and interest-bearing borrowings, and the Company's amounts due from/to subsidiaries and loans due from/to subsidiaries.

Since the Group's and the Company's deposits are usually placed on a short-term basis, there is no significant exposure arising from interest rate fluctuation. As the interest rate on the long-term bank loan and interest-bearing balances with subsidiaries is fixed, there is no impact from interest rate fluctuation.

The Group's and the Company's revolving credit loan at floating rate repriced every month from the end of the reporting period.

#### *Sensitivity analysis for interest rate risk*

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in interest rates on the Group's floating rate borrowing, with all other variables held constant.

	Group	
	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
Increase in 50 basis points	(5)	(5)
Decrease in 50 basis points	5	5

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

#### (b) *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 bank balances and liquid financial assets to finance the Group's and Company's operations.

*Analysis of financial instruments by remaining contractual maturities*

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

	30 June 2021			Total \$'000
	One year or less \$'000	One to five years \$'000	Over five years \$'000	
<b>Group</b>				
<b><i>Financial assets</i></b>				
Trade and other receivables (exclude goods and services or value-added tax receivable)	979	–	–	979
Cash and bank balances	2,041	–	–	2,041
Total undiscounted financial assets	3,020	–	–	3,020
<b><i>Financial liabilities</i></b>				
Trade and other payables	2,161	–	–	2,161
Lease liabilities	213	–	–	213
Interest-bearing borrowings	1,021	79	–	1,100
Total undiscounted financial liabilities	3,395	79	–	3,474
Total net undiscounted financial liabilities	(375)	(79)	–	(454)

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

#### (b) Liquidity risk (cont'd)

	30 June 2020			Total \$'000
	One year or less \$'000	One to five years \$'000	Over five years \$'000	
<b>Group</b>				
<b>Financial assets</b>				
Trade and other receivables (exclude goods and services or value-added tax receivable)	1,435	–	–	1,435
Cash and bank balances	3,695	–	–	3,695
Total undiscounted financial assets	5,130	–	–	5,130
<b>Financial liabilities</b>				
Trade and other payables	1,494	–	–	1,494
Lease liabilities	769	169	–	938
Interest-bearing borrowings	1,001	73	18	1,092
Total undiscounted financial liabilities	3,264	242	18	3,524
Total net undiscounted financial assets/(liabilities)	1,866	(242)	(18)	1,606
	30 June 2021			Total \$'000
	One year or less \$'000	One to five years \$'000	Over five years \$'000	
<b>Company</b>				
<b>Financial assets</b>				
Trade and other receivables (exclude goods and services or value-added tax receivable)	302	930	607	1,839
Cash and bank balances	1,057	–	–	1,057
Total undiscounted financial assets	1,359	930	607	2,896
<b>Financial liabilities</b>				
Trade and other payables	3,752	784	–	4,536
Interest-bearing borrowings	1,001	–	–	1,001
Total undiscounted financial liabilities	4,753	784	–	5,537
Total net undiscounted financial (liabilities)/assets	(3,394)	146	607	(2,641)

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

#### (b) Liquidity risk (cont'd)

	30 June 2020			
	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
<b>Company</b>				
<b><i>Financial assets</i></b>				
Trade and other receivables <i>(exclude goods and services or value-added tax receivable)</i>	122	–	–	122
Cash and bank balances	1,215	–	–	1,215
Total undiscounted financial assets	1,337	–	–	1,337
<b><i>Financial liabilities</i></b>				
Trade and other payables	3,035	–	–	3,035
Interest-bearing borrowings	1,001	–	–	1,001
Total undiscounted financial liabilities	4,036	–	–	4,036
Total net undiscounted financial liabilities	(2,699)	–	–	(2,699)

#### (c) 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), Great Britain Pounds (GBP), Malaysian Ringgits (MYR) and South African Rand (ZAR). Approximately 96% (2020: 93%) of the Group's costs are denominated in the respective functional currencies of the Group entities. The Group's trade and other payable balances at the end of the reporting period have similar exposures as disclosed in Note 16.

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

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

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



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

#### (c) **Foreign currency risk**

*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	
	1 July 2020 to 30 June 2021 \$'000	1 April 2019 to 30 June 2020 \$'000
USD - strengthened 5% (2020: 5%)	1	–
- weakened 5% (2020: 5%)	(1)	–
GBP - strengthened 5% (2020: 5%)	(5)	(7)
- weakened 5% (2020: 5%)	5	7

#### (d) **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.

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.

**APPENDIX VIII**  
**AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2021**

100 EDUCATE. INSPIRE. GROW.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021  
(In Singapore Dollars)

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

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

##### *Credit risk concentration profile*

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

	Group			
	2021		2020	
	\$'000	% of total	\$'000	% of total
<b>By region:</b>				
Asia	358	37	724	50
Europe	60	6	30	2
Africa	561	57	681	48
	<u>979</u>	<u>100</u>	<u>1,435</u>	<u>100</u>
<b>By industry sectors:</b>				
Higher Education	933	95	1,378	96
Corporate Training	46	5	57	4
	<u>979</u>	<u>100</u>	<u>1,435</u>	<u>100</u>

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

##### *Expected credit loss on trade receivables*

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on observable ageing buckets. The expected credit losses also incorporate forward looking information such as unemployment rate of Singapore residents and regional inflation rates.

##### *Amounts due from subsidiaries and loans due from subsidiaries*

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and recognised impairment loss allowance for amounts due from subsidiaries and loans due from subsidiaries.

Information regarding the allowance for expected credit losses for the Group's trade receivables and Company's amounts due from subsidiaries and loans due from subsidiaries is disclosed in Note 14.

## APPENDIX VIII

### AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021  
(In Singapore Dollars)

### 27. 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 equity. Net debt is calculated as total liabilities less cash and bank balances. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. There are no external capital requirements imposed on the Group.

	Group	
	2021	2020
	\$'000	\$'000
Deferred income and fees	1,808	2,339
Trade and other payables and provision	2,187	1,603
Interest-bearing borrowings	1,093	1,086
Lease liabilities	210	927
Total liabilities	5,298	5,955
Cash and bank balances (Note 15)	(2,039)	(3,692)
Net debt	3,259	2,263
 Total equity	 (1,651)	 44
 Gearing	 n/m	 51.43

n/m – not meaningful

### 28. Post balance sheet event

The effects of the COVID-19 pandemic continue to be felt in certain geographic locations in which the Group operates. The situation and the impact on the Group's business, economic performance and cash flows remain uncertain. Whilst the Group is unable to provide guidance on the impact of the COVID-19 pandemic on its business, future economic performance and future cash flows, the Group will continue to assess the situation, put in place appropriate measures to manage and minimise the impact to the business, and continue to exercise prudence in ensuring sufficient working capital to continue as a going concern.

### 29. Authorisation of financial statements for issue

The financial statements for the financial year period 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 10 December 2021.

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**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

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**INFORMATICS EDUCATION LTD AND ITS SUBSIDIARIES**  
**COMPANY REGISTRATION NUMBER: 198303419G**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR FINANCIAL YEAR ENDED 30 JUNE 2022**

Pursuant to Rule 705(2C) of the SGX-ST Listing Rules (Mainboard), the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020.

## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Informatics Education Ltd and its subsidiaries

Condensed consolidated income statement for financial year ended 30 June 2022

(In Singapore Dollars)

	Note	FY2022 \$'000	FY2021 (Re-presented) <sup>(1)</sup> \$'000	Change %
<b><u>Continuing operations</u></b>				
Revenue	6.2	6,501	6,224	4%
Other operating income	7	134	83	61%
Staff costs		(3,286)	(3,230)	2%
Depreciation of property, plant and equipment	12	(154)	(321)	-52%
Write-back of/(allowance for) expected credit loss on receivables		42	(173)	N/M
Other operating expenses		(3,336)	(3,289)	1%
<b>Loss before taxation</b>	7	(99)	(706)	-86%
Taxation	8	(6)	(15)	-60%
<b>Loss for the financial year from continuing operations</b>		(105)	(721)	-85%
<b><u>Discontinued operation</u></b>				
<b>Loss for the financial year from discontinued operation</b>		(8)	(818)	-99%
<b>Loss for the financial year</b>		(113)	(1,539)	-93%
<b>Loss attributable to:</b>				
Equity holders of the Company				
Loss from continuing operations		(105)	(721)	-85%
Loss from discontinued operation		(8)	(818)	-99%
		(113)	(1,539)	-93%
<b>Loss per share attributable to equity holders of the Company (cents)</b>				
<b>Basic loss per share</b>				
- From continuing operations		(0.06)	(0.41)	-85%
- From discontinued operation		-	(0.46)	-100%
		(0.06)	(0.87)	-93%
<b>Diluted loss per share</b>				
- From continuing operations		(0.06)	(0.41)	-85%
- From discontinued operation		-	(0.46)	-100%
		(0.06)	(0.87)	-93%

<sup>(1)</sup> Comparative numbers have been re-presented to report separately profit and loss items for continuing and discontinued operations, as explained in Note 5.

N/M: Not meaningful

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**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

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**Informatics Education Ltd and its subsidiaries**

**Condensed consolidated statement of comprehensive income for financial year ended 30 June 2022**

(In Singapore Dollars)

	FY2022 \$'000	FY2021 \$'000	Change %
<b>Loss for the financial year</b>	(113)	(1,539)	-93%
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation	226	(156)	N/M
Other comprehensive income for the financial year	226	(156)	N/M
<b>Total comprehensive income for the financial year</b>	113	(1,695)	N/M
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	113	(1,695)	N/M
	113	(1,695)	N/M

N/M: Not meaningful

**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

**Informatics Education Ltd and its subsidiaries**  
**Condensed statements of financial position as at 30 June 2022**  
(In Singapore Dollars)

		Group			Company		
	Note	30.06.2022	30.06.2021	Change	30.06.2022	30.06.2021	Change
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Non-current assets</b>							
Property, plant and equipment	12	400	70	N/M	-	-	N/M
Intangible assets	13	162	285	-43%	-	-	N/M
Investment in subsidiaries		-	-	N/M	557	557	N/M
Trade and other receivables		-	-	N/M	781	859	-9%
		<u>562</u>	<u>355</u>		<u>1,338</u>	<u>1,416</u>	
<b>Current assets</b>							
Prepayments		177	250	-29%	6	6	N/M
Trade and other receivables		905	1,003	-10%	286	138	N/M
Cash and bank balances		1,101	2,039	-46%	85	1,055	-92%
		<u>2,183</u>	<u>3,292</u>		<u>377</u>	<u>1,199</u>	
<b>Total assets</b>		<u>2,745</u>	<u>3,647</u>		<u>1,715</u>	<u>2,615</u>	
<b>Current liabilities</b>							
Deferred income and fees		1,358	1,808	-25%	172	120	43%
Trade and other payables		2,467	2,161	14%	4,771	3,693	29%
Interest-bearing borrowings	14	17	1,019	-98%	-	1,000	-100%
Lease liabilities		164	210	-22%	-	-	N/M
Provision for reinstatement cost		-	26	-100%	-	-	N/M
		<u>4,006</u>	<u>5,224</u>		<u>4,943</u>	<u>4,813</u>	
<b>Net current liabilities</b>		<u>(1,823)</u>	<u>(1,932)</u>		<u>(4,566)</u>	<u>(3,614)</u>	
<b>Non-current liabilities</b>							
Trade and other payables		-	-	N/M	-	749	-100%
Interest-bearing borrowings	14	51	74	-31%	-	-	N/M
Lease liabilities		199	-	N/M	-	-	N/M
Provision for reinstatement cost		27	-	N/M	-	-	N/M
		<u>277</u>	<u>74</u>		<u>-</u>	<u>749</u>	
<b>Total net liabilities</b>		<u>(1,538)</u>	<u>(1,651)</u>		<u>(3,228)</u>	<u>(2,947)</u>	
<b>Equity attributable to equity holders of the Company</b>							
Share capital	15	34,667	34,667	N/M	34,667	34,667	N/M
Reserves		(36,205)	(36,318)	0%	(37,895)	(37,614)	1%
<b>Total equity</b>		<u>(1,538)</u>	<u>(1,651)</u>		<u>(3,228)</u>	<u>(2,947)</u>	

N/M: Not meaningful



**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

**Informatics Education Ltd and its subsidiaries**

**Condensed consolidated cash flow statement for financial year ended 30 June 2022**

(In Singapore Dollars)

	Note	FY2022 \$'000	FY2021 \$'000
<b>Cash flow from operating activities</b>			
Loss before taxation			
- Continuing operations		(99)	(706)
- Discontinued operation		(8)	(818)
		(107)	(1,524)
Adjustments for:			
Depreciation of property, plant and equipment	12	154	324
Amortisation of intangible assets		104	32
Net gain on disposal of property, plant and equipment		(4)	(4)
Impairment of property, plant and equipment		-	155
(Write-back of)/allowance for expected credit loss on receivables		(37)	185
Write-off of bad debts		10	13
Interest expense on lease liabilities		5	12
Finance costs		13	13
Interest income		(25)	(8)
Government grants and subsidies		-	(53)
Unrealised exchange loss/(gain)		236	(201)
<b>Operating profit/(loss) before working capital changes</b>		349	(1,056)
Decrease in prepayments, trade and other receivables		195	173
Decrease in deferred income and fees		(450)	(531)
(Decrease)/increase in trade and other payables		(279)	590
<b>Cash used in operations</b>		(185)	(824)
Interest received		28	11
Interest paid		(13)	(13)
Tax paid		(8)	(15)
<b>Net cash flows used in operating activities</b>		(178)	(841)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(53)	(9)
Expenditure on intangible assets		-	(174)
Proceeds from disposal of property, plant and equipment		4	4
<b>Net cash flows used in investing activities</b>		(49)	(179)
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities (net of government grants and subsidies)		(281)	(669)
Repayment of interest-bearing borrowings		(1,018)	-
Advances from immediate holding company		600	-
Withdrawal/(placement) of fixed deposit pledged as security for borrowings		1,008	(8)
<b>Net cash flows generated from/(used in) financing activities</b>		309	(677)

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**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

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**Informatics Education Ltd and its subsidiaries**

**Condensed consolidated cash flow statement for financial year ended 30 June 2022 (cont'd)**

(In Singapore Dollars)

	<b>FY2022</b>	<b>FY2021</b>
	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents	82	(1,697)
Cash and cash equivalents at beginning of the financial year	1,031	2,692
Effects of exchange rate changes on opening cash and cash equivalents	(12)	36
<b>Cash and cash equivalents at end of the financial year</b>	<b>1,101</b>	<b>1,031</b>

Note:

Cash and bank balances as at end of financial year are as follow:

Cash and bank balances

- Cash at bank and on hand

- Short term deposits

1,101	1,031
-	1,008
<b>1,101</b>	<b>2,039</b>

For the purpose of the condensed consolidated cash flow statement, cash and cash equivalents comprised:

Total cash and bank balances

(-) Fixed deposit pledged as security for borrowings

1,101	2,039
-	(1,008)
<b>1,101</b>	<b>1,031</b>

# APPENDIX IX

## UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

**Informatics Education Ltd and its subsidiaries**

**Condensed statements of changes in equity for financial year ended 30 June 2022**

(In Singapore Dollars)

Group	Attributable to equity holders of the Company				Total equity \$'000
	Share capital \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	
At 1 July 2021	34,667	(3)	(36,315)	(36,318)	(1,651)
Loss for the financial year	-	-	(113)	(113)	(113)
Other comprehensive income for the financial year	-	226	-	226	226
Total comprehensive income for the financial year	-	226	(113)	113	113
At 30 June 2022	34,667	223	(36,428)	(36,205)	(1,538)
At 1 July 2020	34,667	153	(34,776)	(34,623)	44
Loss for the financial year	-	-	(1,539)	(1,539)	(1,539)
Other comprehensive income for the financial year	-	(156)	-	(156)	(156)
Total comprehensive income for the financial year	-	(156)	(1,539)	(1,695)	(1,695)
At 30 June 2021	34,667	(3)	(36,315)	(36,318)	(1,651)

Company	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 July 2021	34,667	(37,614)	(2,947)
Loss for the financial year, representing total comprehensive income for the financial year	-	(281)	(281)
At 30 June 2022	34,667	(37,895)	(3,228)
At 1 July 2020	34,667	(37,502)	(2,835)
Loss for the financial year, representing total comprehensive income for the financial year	-	(112)	(112)
At 30 June 2021	34,667	(37,614)	(2,947)

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## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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#### **Informatics Education Ltd and its subsidiaries**

#### **Notes to condensed consolidated financial statements**

#### **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 of the Company is located at 7 Temasek Boulevard, #12-07 Suntec Tower One, Singapore 038987.

The Company's immediate holding company is Berjaya Leisure Capital (Cayman) Limited, incorporated in the Cayman Islands. The penultimate holding company and ultimate holding company are Berjaya Land Berhad and Berjaya Corporation Berhad respectively, which are incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. Subsidiaries of Berjaya Corporation Berhad are related corporations of the Company and its subsidiaries.

The condensed consolidated financial statements as at and for full year ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activities of the Group are those relating to investment holding, franchisor and licensor for computer and commercial training centres, provision of computer and business education and training, examination facilitators, and educational and business management consultancy.

#### **2. Going concern assessment**

For the financial year ended 30 June 2022, the Group recorded a net loss after tax of \$113,000 (2021: \$1,539,000) and recorded cash outflow of \$178,000 (2021: \$841,000) from its operating activities.

As at 30 June 2022, the Group has net current liabilities and net liabilities of \$1,823,000 (2021: \$1,932,000) and \$1,538,000 (2021: \$1,651,000) respectively, while the Company has net current liabilities and net liabilities of \$4,566,000 (2021: \$3,614,000) and \$3,228,000 (2021: \$2,947,000) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concern.

Notwithstanding the above, the Board of Directors are of the view that it is appropriate the financial statements of the Group and the Company are prepared on a going concern basis as the Group received letter of financial support from its penultimate holding company, Berjaya Land Berhad, to provide continuing financial support to the Group to enable it to continue its operations and meet its liabilities as and when they fall due.

If the Group and Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

#### **3. Basis of preparation**

The condensed consolidated financial statements for the financial year ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 3.1.

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## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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#### Informatics Education Ltd and its subsidiaries

#### Notes to condensed consolidated financial statements

### 3. Basis of preparation (cont'd)

The condensed consolidated financial statements are presented in Singapore dollar which is the Company's functional currency.

#### 3.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### 3.2 Use of judgements and estimates

In preparing the condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the financial year ended 30 June 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

### 5. Discontinued operation

The results of Informatics Academy Pte Ltd ("IAPL") has been presented as discontinued operation as IAPL represents a major line of business within the Group's Higher Education segment primarily operating from Singapore, and it has completely ceased its operation during the financial year ended 30 June 2022. In the past two quarters ended 31 December 2021 and 31 March 2022, the results of IAPL were presented as discontinued operation as the Group had previously entered into a Share Sale Agreement ("SSA") to dispose of its equity interests in IAPL. However, the SSA has been repudiated on 12 May 2022.

The segment was not previously presented as a discontinued operation or classified as disposal group as at 30 June 2021. Thus, the comparative condensed consolidated income statement has been re-presented to show the discontinued operation separately from continuing operations.

### 6. Segment and revenue information

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.

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, and is measured differently from operating profit or loss in the condensed consolidated financial statements.

**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

**Informatics Education Ltd and its subsidiaries**  
**Notes to condensed consolidated financial statements**

**6. Segment and revenue information (cont'd)**

**6.1 Reportable segments**

	Continuing Operations				Discontinued Operation		
	Higher Education		Corporate Training		FY2022		Total
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
		(Re-presented) <sup>(1)</sup>		(Re-presented) <sup>(1)</sup>			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue:</b>							
Sales to external customers	4,698	4,488	1,803	1,736	201	880	6,702
							7,104
<b>Results:</b>							
Sundry income and government grants and subsidies (excluding non-cash item)	120	66	10	10	1	63	131
Interest income	4	7	-	-	21	1	25
Staff costs	(2,954)	(2,934)	(332)	(296)	(159)	(1,384)	(3,445)
Depreciation and amortisation							(4,614)
- Depreciation	(3)	(165)	(151)	(156)	-	(3)	(154)
- Amortisation	(104)	(32)	-	-	-	-	(104)
Write-back of/(allowance for) expected credit loss on receivables and bad debts	32	(179)	-	-	(5)	(19)	27
Interest expenses on lease liabilities	(2)	(4)	(3)	(4)	-	(4)	(5)
Finance costs	(13)	(12)	-	-	-	(1)	(13)
Net gain on disposal of property, plant and equipment	-	-	-	-	4	4	4
Impairment of property, plant and equipment	-	(152)	-	-	-	(3)	-
Lease expenses	(83)	(67)	(7)	(7)	-	-	(90)
Other non-cash (expenses)/income <sup>(a)</sup>	(188)	192	83	(190)	11	45	(94)
Segment (loss)/profit before tax	(694)	(1,079)	595	373	(8)	(818)	(107)
							(1,524)

<sup>(1)</sup> Comparative numbers have been re-presented to report separately profit and loss items for continuing and discontinued operations, as explained in Note 5.

**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

**Informatics Education Ltd and its subsidiaries**  
**Notes to condensed consolidated financial statements**

**6. Segment and revenue information (cont'd)**

**6.1 Reportable segments (cont'd)**

	Continuing Operations						Discontinued Operation		Total	
	Higher Education		Corporate Training		Sub-total					
	FY2022 \$'000	FY2021 \$'000	FY2022 \$'000	FY2021 \$'000	FY2022 \$'000	FY2021 \$'000	FY2022 \$'000	FY2021 \$'000	FY2022 \$'000	FY2021 \$'000
<b>Assets:</b>										
Capital expenditure <sup>(b)</sup>	37	212	441	5	478	217	-	-	478	217
Segment assets	1,974	3,161	758	486	2,732	3,647	13	-	2,745	3,647
<b>Total assets</b>	<b>1,974</b>	<b>3,161</b>	<b>758</b>	<b>486</b>	<b>2,732</b>	<b>3,647</b>	<b>13</b>	<b>-</b>	<b>2,745</b>	<b>3,647</b>
<b>Liabilities:</b>										
Segment liabilities	3,576	5,073	556	225	4,132	5,298	151	-	4,283	5,298
<b>Total liabilities</b>	<b>3,576</b>	<b>5,073</b>	<b>556</b>	<b>225</b>	<b>4,132</b>	<b>5,298</b>	<b>151</b>	<b>-</b>	<b>4,283</b>	<b>5,298</b>

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

<sup>(a)</sup> Other non-cash expenses and income consist mainly of unrealised foreign exchange gain/loss and non-cash government grants and subsidies.

<sup>(b)</sup> Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets and intangible assets.



**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

**Informatics Education Ltd and its subsidiaries**  
**Notes to condensed consolidated financial statements**

**6. Segment and revenue information (cont'd)**

**6.2 Disaggregation of revenue**

**a) Segments**

	Course fees		Examination fees		Franchise and license fee income		Total revenue	
	FY2022	FY2021 (Re-presented) <sup>(1)</sup>	FY2022	FY2021 (Re-presented) <sup>(1)</sup>	FY2022	FY2021 (Re-presented) <sup>(1)</sup>	FY2022	FY2021 (Re-presented) <sup>(1)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Continuing operations:</b>								
<i>Primary geographical markets</i>								
Asia	1,801	1,735	1,687	1,745	308	318	3,796	3,798
Europe	-	-	456	446	57	118	513	564
Africa	-	-	1,944	1,638	248	224	2,192	1,862
	<b>1,801</b>	<b>1,735</b>	<b>4,087</b>	<b>3,829</b>	<b>613</b>	<b>660</b>	<b>6,501</b>	<b>6,224</b>
<i>Timing of transfer of goods or services</i>								
At a point in time	-	-	4,085	3,829	499	562	4,584	4,391
Over time	1,801	1,735	2	-	114	98	1,917	1,833
	<b>1,801</b>	<b>1,735</b>	<b>4,087</b>	<b>3,829</b>	<b>613</b>	<b>660</b>	<b>6,501</b>	<b>6,224</b>

**b) A breakdown of sales as follow :-**

	FY2022	FY2021 (Re-presented) <sup>(1)</sup>
	\$'000	\$'000
<b>Continuing operations:</b>		
Sales reported for the first half year	3,327	3,009
Operating loss after tax for first half year	(41)	(333)
Sales reported for the second half year	3,174	3,215
Operating loss after tax for second half year	(64)	(388)

<sup>(1)</sup> Comparative numbers have been re-presented to report separately profit and loss items for continuing and discontinued operations, as explained in Note 5.

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## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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**Informatics Education Ltd and its subsidiaries**  
**Notes to condensed consolidated financial statements**

**6. Segment and revenue information (cont'd)**

**6.2 Disaggregation of revenue (cont'd)**

**c) Information about major customers**

There are no major customers that contribute more than 10% (financial year ended 30 June 2021: 10%) of the Group's revenue for the current financial year.

**7. Loss before taxation**

	FY2022	FY2021
	\$'000	(Re-presented) <sup>(1)</sup> \$'000
<b>Continuing operations:</b>		
<b>Other operating income</b>		
Government grants and subsidies	29	44
Interest income	4	7
Sundry income	101	32
	<u>134</u>	<u>83</u>

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

Amortisation of intangible assets	104	32
Impairment loss of property, plant and equipment	-	152
Interest expense on lease liabilities	5	8
Finance costs	13	12
Write-off of bad debts	10	6
Foreign exchange loss/(gain), net	98	(25)
Lease expenses	<u>90</u>	<u>74</u>

<sup>(1)</sup> Comparative numbers have been re-presented to report separately profit and loss items for continuing and discontinued operations, as explained in Note 5.

**8. Taxation**

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated income statement are as follows:

	FY2022	FY2021
	\$'000	\$'000
Current income tax:		
- current year	6	15
Income tax expense recognised in profit or loss	<u>6</u>	<u>15</u>

# APPENDIX IX

## UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

### Informatics Education Ltd and its subsidiaries Notes to condensed consolidated financial statements

#### 9. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed consolidated financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	FY2022 \$'000	FY2021 \$'000
Sales to related corporations	15	3
Expenses charged by a related company - rental of premises	25	11

#### 10. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2022 and 30 June 2021:

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
<b><i>Financial assets measured at amortised cost</i></b>				
Trade and other receivables	905	1,003	1,067	997
Cash and bank balances	1,101	2,039	85	1,055
	2,006	3,042	1,152	2,052
Less: Goods and services/value added	(30)	(24)	(3)	(9)
	1,976	3,018	1,149	2,043
<b><i>Financial liabilities measured at amortised cost</i></b>				
Trade and other payables	2,467	2,161	4,771	4,442
Interest-bearing borrowings	68	1,093	-	1,000
Lease liabilities	363	210	-	-
	2,898	3,464	4,771	5,442

#### 11. Net asset value

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	cents	cents	cents	cents
Net asset value per ordinary share	(0.87)	(0.93)	(1.82)	(1.66)

**APPENDIX IX**  
**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE**  
**FINANCIAL YEAR ENDED 30 JUNE 2022**

**Informatics Education Ltd and its subsidiaries**  
**Notes to condensed consolidated financial statements**

**12. Property, plant and equipment**

	<b>Furniture and fittings, office and computer equipment</b>	<b>Improvement to premises</b>	<b>Right-of-use assets - School and office premises</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
<b>Cost:</b>				
At 1 July 2020	2,501	605	2,036	5,142
Additions	9	-	34	43
Disposals/write-off	(688)	(393)	(1,231)	(2,312)
Exchange differences	55	2	18	75
At 30 June 2021 and 1 July 2021	1,877	214	857	2,948
Additions	53	-	425	478
Disposals/write-off	(111)	(3)	(34)	(148)
Exchange differences	(70)	(6)	(19)	(95)
At 30 June 2022	1,749	205	1,229	3,183
<b>Accumulated depreciation and impairment:</b>				
At 1 July 2020	2,468	591	1,583	4,642
Charge for the financial year	24	10	290	324
Impairment loss	8	-	147	155
Disposals/write-off	(688)	(393)	(1,231)	(2,312)
Exchange differences	55	2	12	69
At 30 June 2021 and 1 July 2021	1,867	210	801	2,878
Charge for the financial year	16	4	134	154
Disposals/write-off	(111)	(3)	(34)	(148)
Exchange differences	(70)	(7)	(24)	(101)
At 30 June 2022	1,702	204	877	2,783
<b>Net carrying amount:</b>				
At 30 June 2022	47	1	352	400
At 30 June 2021	10	4	56	70

During the financial year, the increase in right-of-use assets is attributable to renewal of office lease for the Group's overseas operations.

Except for the above, there are no significant acquisitions or disposals of property, plant and equipment for the Group and the Company during the financial year.

**13. Intangible assets**

During the financial year, the Group has no significant acquisition or disposal of intangible assets.

## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### Informatics Education Ltd and its subsidiaries Notes to condensed consolidated financial statements

#### 14. Interest-bearing borrowings

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or on demand				
- Secured	-	1,000	-	1,000
- Unsecured	17	19	-	-
	<u>17</u>	<u>1,019</u>	<u>-</u>	<u>1,000</u>
Amount repayable after one year				
- Unsecured	<u>51</u>	<u>74</u>	<u>-</u>	<u>-</u>

In the previous financial year, the Group's borrowings were secured by the Company's fixed deposit placed with the bank amounting to \$1.008 million.

#### 15. Share capital

	Group and Company			
	30.06.2022		30.06.2021	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Issued and fully paid:				
At beginning and end of the financial year	<u>177,339</u>	<u>34,667</u>	<u>177,339</u>	<u>34,667</u>

The Company did not hold any treasury shares as at 30 June 2022 and 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 30 June 2021.

On 22 August 2019, the Company completed a renounceable non-underwritten rights cum warrants issue and allotted and issued 105,124,182 shares at an issue price of \$0.05 per share and 35,041,371 warrants. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at the exercise price of \$0.05 for each share. The warrants expire on 21 August 2024. Following that, the number of issued and paid up shares in the Company has increased from 72,215,467 to 177,339,649 shares. The number of ordinary shares that may be issued on conversion of all outstanding warrants are 35,041,371 shares as at 30 June 2022 and 30 June 2021.

#### 16. Subsequent events

On 28 June 2022, the Company has received a notification of delisting from the Singapore Exchange Securities Trading Limited ("SGX-ST"). Following that, the Company is currently making preparations to submit the exit offer proposal to SGX-ST for the delisting of the Company from SGX-ST. This is not expected to have a financial impact on this set of condensed consolidated financial statements.

There are no other known subsequent events which have led to adjustments to this set of condensed consolidated financial statements.

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## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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#### Other Information Required by Listing Rule (Appendix 7.2)

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

The condensed consolidated statement of financial position of Informatics Education Ltd and its subsidiaries as at 30 June 2022 and the related condensed consolidated income statement and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended 30 June 2022 and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

**Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) updates on the efforts taken to resolve each outstanding audit issue, and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. (This is not required for any audit issue that is a material uncertainty relating to going concern).**

Not applicable since the qualification in the Company's latest financial statements, for the financial year ended 30 June 2021 is relating to material uncertainty relating to going concern.

**2. Review of performance of the Group**

Glossary:

Financial year ended 30 June 2022 (i.e. from 1 July 2021 to 30 June 2022): **FY2022**

Financial year ended 30 June 2021 (i.e. from 1 July 2020 to 30 June 2021): **FY2021**

- (a) The Group's revenue from continuing operations increased from \$6.2 million for FY2021 to \$6.5 million for FY2022. The increase in revenue from continuing operations was mainly contributed by the Africa region as customers in this region which were affected by the COVID-19 pandemic in the prior year have resumed normal delivery of their programmes in the current financial year. Meanwhile, revenue from the Asia market, which is a significant geographical market for the Group, has remained fairly stable with the increase in revenue from the Group's corporate training segment in Hong Kong being partially offset by a decrease in examination fees revenue from the Asia region.
- (b) The increase in other operating income was mainly attributable to income from forfeiture of deposit received for the sale of shares in IAPL amounting to \$0.1 million, partially offset by lower government grants and subsidies received and lower write-back of accruals in the current financial year.
- (c) While staff costs were expected to increase in the current financial year due to less government grants and subsidies received during the current financial year, the increase was only 2% due mainly to lower staff headcount for this financial year as compared to the previous financial year.
- (d) The decrease in depreciation of property, plant and equipment of 52% for FY2022 was due to more assets becoming fully depreciated/impaired in the previous financial year.
- (e) The net write-back of allowance for expected credit loss for FY2022 was mainly attributable to improvement in collections on receivables for the United Kingdom's operation, while allowances for expected credit loss were made for the United Kingdom's operation for FY2021.
- (f) Other operating expenses have remained relatively stable across both FY2022 and FY2021 as overall business costs have remained stable despite the slight increase in revenue recorded for FY2022. The Group recorded an exchange loss of \$0.1 million for FY2022, as opposed to a small exchange gain of \$25,000 for FY2021. In addition, the Group recorded an impairment loss on property, plant and equipment of \$0.2 million in FY2021, while there was no impairment loss recorded in FY2022.

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## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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#### Other Information Required by Listing Rule (Appendix 7.2) (cont'd)

#### **2. Review of performance of the Group (cont'd)**

- (g) The Group's loss before taxation from continuing operations decreased from \$0.7 million for FY2021 to \$0.1 million for FY2022. The decrease was mainly contributed by the increase in revenue from continuing operations as the Group's businesses gradually recover from the COVID-19 pandemic while improvement in collections on receivables for the United Kingdom's operation has led to a write-back of allowance for expected credit loss on receivables in FY2022.

The results of Informatics Academy Pte Ltd ("IAPL") has been disclosed as discontinued operation in the consolidated income statement, with previous comparatives re-presented (refer note 5 of the condensed consolidated financial statements for financial year ended 30 June 2022 for more details). The decrease in loss from discontinued operation for FY2022 as compared to FY2021 was due to the restructuring exercise undertaken by IAPL in the previous financial year, while teach-out by IAPL was completed in FY2022.

- (h) As at 30 June 2022, the Group's property, plant and equipment increased by \$0.3 million as compared to 30 June 2021, due mainly to recognition of right-of-use assets for renewal of an office lease in Hong Kong, partially offset by depreciation charge for FY2022.
- (i) The Group's intangible assets decreased by 43% due mainly to amortisation of intangible assets for the Group's operation in the United Kingdom.
- (j) The Group's prepayments decreased by 29% mainly due to amortisation of prepaid expenses to profit or loss during FY2022, coupled with lower prepaid expenses during FY2022.
- (k) The decrease in the Group's trade and other receivables was primarily due to refund of deposit of \$0.1 million as a result of the termination of the lease for the operation in Singapore. The Company's total trade and other receivables increased by \$0.1 million from \$1.0 million (non-current assets: \$0.9 million, current assets: \$0.1 million) as at 30 June 2021 to \$1.1 million (non-current assets: \$0.8 million, current assets: \$0.3 million) as at 30 June 2022 due mainly to slower repayment for receivables from customers for FY2022, partially offset by repayments received from the Company's subsidiary in Hong Kong.
- (l) The Group's cash and bank balances decreased by \$0.9 million from \$2.0 million as at 30 June 2021 to \$1.1 million as at 30 June 2022, due mainly to repayment of bank loan amounting to \$1.0 million, utilisation of cash for operations (\$0.2 million) and payments of lease liabilities (\$0.3 million), partially offset by advances received from immediate holding company of \$0.6 million. The Company's cash and bank balances has decreased by \$1.0 million mainly due to utilisation of the fixed deposit (previously pledged with the bank) to repay of the Company's working capital bank loan.
- (m) The decrease in the Group's deferred income and fees was mainly due to release of deferred income to profit or loss for continuing operations, while deferred income of IAPL has been reduced to nil following completion of its teach-out obligations to students. The increase in the Company's deferred income and fees was due to higher franchise fees and examination fees billed to a customer in Africa and deferred licensing fees recognised for a new strategic partnership during FY2022.
- (n) The Group's trade and other payables increased from \$2.2 million as at 30 June 2021 to \$2.5 million as at 30 June 2022 due mainly to receipt of advances from immediate holding company, partially offset by payments made to third party creditors. The Company's trade and other payables increased from \$4.4 million (non-current liabilities: \$0.7 million, current liabilities: \$3.7 million) as at 30 June 2021 to \$4.8 million as at 30 June 2022 mainly due to receipt of advances from immediate holding company of \$0.6 million during FY2022, partially offset by payments made to third party creditors and a subsidiary.
- (o) The Group's lease liabilities totalled \$0.4 million (non-current liabilities: \$0.2 million, current liabilities: \$0.2 million) as at 30 June 2022, an increase from \$0.2 million as at 30 June 2021, due mainly to renewal of an office lease in Hong Kong, partially offset by lease repayments made during FY2022.



## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### Other Information Required by Listing Rule (Appendix 7.2) (cont'd)

#### **2. Review of performance of the Group (cont'd)**

- (p) The provision for reinstatement costs relating to the lease in Hong Kong has been reclassified from current liabilities to non-current liabilities following renewal of the lease in FY2022.
- (q) The decrease in the Group's total outstanding interest-bearing borrowings was due to repayments made during FY2022. The Company's outstanding working capital bank loan as at 30 June 2021 has been repaid using the Company's fixed deposit during the last quarter of the financial year.

#### **(r) Use of proceeds from Rights Issue**

The Board of Directors refers to its announcements made by the Company on 14 March 2019, 14 May 2019, 24 June 2019, 18 July 2019, 23 August 2019, circular to shareholders dated 3 July 2019 and Offer Information Statement dated 18 July 2019, relating to the renounceable non-underwritten rights cum warrants issue of up to 216,646,401 Rights Shares in the capital of the Company at an issue price of \$0.05 for each Rights Share, with up to 72,215,467 free detachable and transferable Warrants, each Warrant carrying the right to subscribe for one (1) New Share in the capital of the Company at the exercise price of \$0.05 for each New Share, on the basis of three (3) Rights Shares with one (1) Warrant for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

On 11 September 2020 and 9 February 2021, the Group announced that it has reallocated a total of \$1.0 million of the net proceeds from the Rights Issue, originally allocated to support the Group's business expansion to general corporate and working capital requirements to weather through the COVID-19 pandemic. Further to the Group announcing the restructuring of operation for its subsidiary, Informatics Academy Pte Ltd ("IAPL") on 1 April 2021, the Group has on 27 August 2021, reallocated a further \$0.3 million of the net proceeds from the Rights Issue originally allocated to support the Group's business expansion to general corporate and working capital (the "Re-allocation") to fund the operating cash flows for IAPL up to the full cessation of operation.

Consequent to the Re-allocation, the use of the net proceeds raised from the Rights Issue is as follows:

Use of proceeds	Intended use of proceeds allocated as previously announced on 23 August 2019 \$ million	Intended use of proceeds allocated based on final results of Rights Issue \$ million	Amount reallocated following Re-allocation \$ million	Revised amount allocated \$ million
(i) Support the business expansion	2.35	2.35	(1.30)	1.05
(ii) Funding new projects to enhance capabilities	0.22	0.22	-	0.22
(iii) Capital improvements	0.35	0.35	-	0.35
(iv) General corporate and working capital requirements	1.94	1.84	1.30	3.14
<b>Total</b>	<b>4.86</b>	<b>4.76<sup>(a)</sup></b>	<b>0.00</b>	<b>4.76</b>

<sup>(a)</sup> Net proceeds included gross proceeds from Rights Issue amounting to \$5.26 million, net of Rights Issue expenses incurred of \$0.50 million.

## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### Other Information Required by Listing Rule (Appendix 7.2) (cont'd)

#### **2. Review of performance of the Group (cont'd)**

##### (r) Use of proceeds from Rights Issue (cont'd)

After the Re-allocation, the Board wishes to provide an update on the usage of the Rights Issue proceeds of approximately \$4.8 million for the Rights Issue completed on 23 August 2019 as follows:

Use of proceeds	Revised amount allocated	Amount utilised as at the date of this announcement	Balance proceeds
	\$ million	\$ million	\$ million
(i) Support the business expansion <sup>(b)</sup>	1.05	1.05	0.00
(ii) Funding new projects to enhance capabilities <sup>(c)</sup>	0.22	0.22	0.00
(iii) Capital improvements <sup>(d)</sup>	0.35	0.35	0.00
(iv) General corporate and working capital requirements <sup>(e)</sup>	3.14	3.14	0.00
<b>Total</b>	<b>4.76</b>	<b>4.76</b>	<b>0.00</b>

<sup>(b)</sup> Remaining amounts designated to support business expansion of \$0.96 million (as announced in the FY2022 Q3 results announcement) had been utilised to repay the Company's working capital loan in Q4 FY2022.

<sup>(c)</sup> Amounts designated to fund new projects to enhance capabilities included payment of professional fees to independent valuer and redundancy payments made to employees of \$0.07 million in Q3 FY2022 and repayment of the Company's working capital loan of \$0.04 million in Q4 FY2022.

<sup>(d)</sup> Amounts designated for capital improvements had been utilised for restructuring of operation (including redundancy payments to employees, and costs incurred for reinstatement/vacation of premises) for the Group's Singapore operation, amounting to \$0.31 million.

<sup>(e)</sup> Breakdown for the amounts utilised for general working capital is summarised as follows:

<u>Description</u>	<u>\$ million</u>
Payments to university partners, contractors and agents	0.72
Payments for staff costs	1.21
Payments for facility-related expenses	0.51
Payments for selling, general and administrative expenses	0.70
<b>Total</b>	<b>3.14</b>

Except as disclosed above, the utilisation of the net proceeds is in accordance with the intended uses as disclosed in the Offer Information Statement.

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

Not applicable.

#### **4. 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.**

Please refer to our separate announcement released on 23 August 2022, in relation to the quarterly update given pursuant to Rule 1313(2) of the SGX Listing Manual.

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## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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#### Other Information Required by Listing Rule (Appendix 7.2) (cont'd)

##### **5. Dividend information**

###### **5a. Current Financial Period Reported on**

Any dividend recommended for the current financial period reported on? No

###### **5b. Corresponding Period of the Immediate Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

###### **5c. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended as the Board of Directors deemed appropriate to conserve funds for the Group's business activities.

##### **6. Interested person transaction**

No IPT mandate has been obtained and except as disclosed in Note 9 of the condensed consolidated financial statements, there was no other material IPTs during the financial year.

##### **7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1)**

The Board hereby confirmed that undertakings from all directors and executive officers have been procured for the financial year.

##### **8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

###### Higher Education Business Segment

The Higher Education business revenue increased by \$0.2 million from \$4.5 million for FY2021 to \$4.7 million for FY2022. The increase was due mainly to higher examination fees and franchise/licensing fees earned from the Africa region as a result of recovery from the COVID-19 pandemic during FY2022.

The Higher Education business recorded a decrease in segment losses before tax of \$0.4 million from \$1.1 million for FY2021 to \$0.7 million for FY2022. The decrease was partially contributed by an increase in revenue of \$0.2 million and a decrease in depreciation and impairment loss on property, plant and equipment of \$0.3 million. In addition, this business segment recorded a write-back of allowance for expected credit loss on receivables for FY2022 against an allowance for expected credit loss on receivables of \$0.2 million for FY2021, and an exchange loss of \$0.2 million for FY2022 as opposed to an exchange gain of \$0.2 million for FY2021.

###### Corporate Training Business Segment

Corporate Training business revenue increased from \$1.7 million for FY2021 to \$1.8 million for FY2022, as student enrolments gradually increased due to recovery from the COVID-19 pandemic.

The Corporate Training segment recorded an increase in segment profit from \$0.4 million for FY2021 to \$0.6 million for FY2022. This was the result of higher revenue recorded for FY2022, and also due to an exchange gain recorded for FY2022 of \$0.1 million as opposed to an exchange loss of \$0.2 million for FY2021.

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## APPENDIX IX

### UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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#### Other Information Required by Listing Rule (Appendix 7.2) (cont'd)

8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments. (cont'd)

##### Discontinued operation

The Group's discontinued operation relate to the business operated through IAPL, which had ceased its business operation during the financial year. The decline in revenue was due to the teaching out of the students who were enrolled for courses run by IAPL in the previous financial year.

The decrease in loss from discontinued operation for FY2022 as compared to FY2021 was due to the restructuring exercise undertaken by IAPL (including retrenchment of staff) in the previous financial year. Consequently, there was a significant decrease in staff costs for the discontinued operation from \$1.4 million for FY2021 to \$0.2 million for FY2022.

##### Geographical analysis

In terms of the primary geographical markets, there was an increase in revenue from the Africa regions as customers in this region which were affected by the COVID-19 pandemic in the prior year have resumed normal delivery of their programmes in the current financial year.

Revenue from the Asia market, which is a significant geographical market for the Group, has remained fairly stable with the increase in revenue from the Group's corporate training segment in Hong Kong being partially offset by a decrease in examination fees revenue from the Asia region.

There was a drop in revenue from the Europe region primarily due to a decrease in franchise and license fees earned from this region during FY2022.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such person, the issuer must make an appropriate negative statement.

Not applicable.

#### **BY ORDER OF THE BOARD**

Yau Su Peng  
Executive Chairman  
23 August 2022