

## INFORMATICS EDUCATION LTD.

(Company Registration Number: 198303419G)  
(Incorporated in Singapore)

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### RESPONSE TO SGX QUERIES RELATING TO QUARTER RESULTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2020

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The board of directors (the “Board”) of Informatics Education Ltd. (the “Company”) refers to the Company’s second quarter and half year results for financial period ended 31 December 2020, which was released on 9 February 2021.

The Board would like to provide the Company’s response to the queries raised by SGX-ST on 15 February 2021.

#### **Query 1:**

The Group reported revenue of S\$1.2 million, a decrease of 48% for Q2 ended 31 December 2020 mainly attributed to decline in students’ enrolments for courses, programmes and assessments due to the COVID-19 pandemic and the closure of borders. Please provide a geographical and segment breakdown of the revenue for both current and preceding reporting periods.

#### **Company’s response:**

The breakdown of the Group’s revenue by primary geographical markets and business segments for Q2 ended 31 December 2020 (“Q2FY2021”) and Q3 ended 31 December 2019 (“Q3FY2020”) is as follows:

	<b><u>Q2FY2021</u></b>	<b><u>Q3FY2020</u></b>	<b><u>Variance</u></b>	
	S\$’000	S\$’000	S\$’000	%
<b>Primary geographical markets</b>				
Asia	907	1,660	(753)	(45)
Europe	42	118	(76)	(64)
Africa	251	523	(272)	(52)
	<u>1,200</u>	<u>2,301</u>	(1,101)	(48)
<b>Business segments</b>				
Higher Education	846	1,848	(1,002)	(54)
Corporate Training	354	453	(99)	(22)
	<u>1,200</u>	<u>2,301</u>	(1,101)	(48)

**Query 2:**

Please provide a breakdown and elaboration of the intangible assets amounting to S\$236k which has increased by 83% over a 6 month period.

**Company's response:**

The table below shows the net carrying amount of the intangible assets as at 30 June 2020 and 31 December 2020:

	<b>Group</b>		<b>Variance</b>	
	<b>As at 31.12.2020</b>	<b>As at 30.06.2020</b>	<b>S\$'000</b>	<b>%</b>
	S\$'000	S\$'000		
<b>Net carrying amount:</b>				
Software under development	127	90	37	41
Development costs	109	39	70	> 100
	<u>236</u>	<u>129</u>	107	83

Software under development comprised software and manpower costs capitalised in relation to the development of an enhanced and integrated customer management system for the Group's subsidiary in the United Kingdom.

Development costs comprised mainly the cost incurred and capitalised on courseware products developed by the Group, and the increase over the six-month period was mainly attributable to costs capitalised for development of a portfolio of new short courses and the development of a virtual learning environment platform to enable online delivery of courses by the Group's subsidiary in the United Kingdom.

**Query 3:**

Please elaborate whether the reallocation of net proceeds from Rights Issue away from business expansion will result in any delay of the Group's business expansion plans and how does the Group intend to obtain financing for these plans in the future.

**Company's response:**

The events of the COVID-19 pandemic has delayed some of the Group's business expansion plans, while the Group has prioritised certain expansion plans including *inter alia* digitalisation initiatives and development of programmes which are able to generate short-term to medium-term returns using available internal resources, wherever possible. In addition, some of the Group's resources are being re-directed to ensure continuity and sustainability of the Group's businesses and operations. With deferral of some of the Group's expansion plans due to changing business circumstances both during and post COVID-19 pandemic, along with very specific cost savings and cash management measures consequently initiated, the Group continues to strive to critically conserve its cash for its existing businesses and operations. When business conditions allow and should the market conditions improve to those foreseen prior to the COVID-19 pandemic, the Group intends to fund its business expansion plans using internal resources and/or exploring all alternative and available funding options.

**BY ORDER OF THE BOARD**

Yau Su Peng  
Executive Director  
17 February 2021