

QUARTERLY FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT

INFORMATICS EDUCATION LTD

(Company Registration Number: 198303419G)

Requirement To Perform Quarterly Reporting

Following the amendments to SGX-ST Listing Rules (Mainboard) ("Amended Listing Rules") which has taken effect as of 7 February 2020, the Company will be required to continue to do quarterly reporting of financial statements in view of the material uncertainty relating to going concern issued by the Company's statutory auditor in its latest annual report. The quarterly reporting announcement is mandatory, made pursuant to the SGX-ST's requirements, as required under Listing Rule 705(2C).

The Company can cease to do quarterly reporting if it is able to resolve the issues raised by the statutory auditors in the next annual report and obtain an unqualified opinion without any material uncertainty relating to going concern.

**The Board of Directors of Informatics Education Ltd is pleased to announce the
unaudited consolidated results for fourth quarter and twelve-month period ended 31 March 2020 :-**

(The financial year end of the Company has been changed from 31 March to 30 June as announced by the Company on 3 December 2019)

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

Consolidated Statement of Profit and Loss

	Group			Group		
	Q4 FY2020 S\$'000	Q4 FY2019 S\$'000	Change %	12M FY2020 S\$'000	12M FY2019 S\$'000	Change %
Revenue	2,474	1,557	59%	9,324	7,617	22%
Other operating income	9	3	N/M	17	87	-80%
Staff costs	(1,237)	(1,245)	-1%	(5,010)	(5,299)	-5%
Depreciation of property, plant and equipment	(249)	(31)	N/M	(997)	(110)	N/M
Other operating expenses	(923)	(1,321)	-30%	(4,381)	(5,778)	-24%
Profit / (loss) before taxation	74	(1,037)	N/M	(1,047)	(3,483)	-70%
Taxation	-	(85)	-100%	(3)	(91)	-97%
Profit / (loss) for the period	74	(1,122)	N/M	(1,050)	(3,574)	-71%
Profit / (loss) attributable to :						
Equity holders of the Company	74	(1,122)	N/M	(1,050)	(3,574)	-71%

Consolidated Statement of Comprehensive Income

	Group			Group		
	Q4 FY2020 S\$'000	Q4 FY2019 S\$'000	Change %	12M FY2020 S\$'000	12M FY2019 S\$'000	Change %
Profit / (loss) for the period	74	(1,122)	N/M	(1,050)	(3,574)	-71%
Other comprehensive income :						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(212)	31	N/M	(281)	(16)	N/M
Other comprehensive income for the financial period, net of tax	(212)	31	N/M	(281)	(16)	N/M
Total comprehensive income for the financial period	(138)	(1,091)	-87%	(1,331)	(3,590)	-63%
Total comprehensive income attributable to :						
Equity holders of the Company	(138)	(1,091)	-87%	(1,331)	(3,590)	-63%

N/M : Not meaningful

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

Group			Group		
Q4 FY2020	Q4 FY2019	Change	12M FY2020	12M FY2019	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%

(a)(i) Notes to income statement

Profit / (loss) for the period is stated after charging / (crediting) :

Allowance for expected credit loss on receivables	65	31	N/M	102	80	28%
Write-off of bad debts	16	10	60%	20	59	-66%
Amortisation of intangible assets	1	6	-83%	13	25	-48%
Property, plant and equipment written-off	-	-	N/M	-	7	-100%
Intangible assets written-off	-	-	N/M	7	-	N/M
Net gain on disposal of property, plant and equipment	-	-	N/M	-	(2)	-100%
Foreign exchange (gain) / loss, net	(322)	13	N/M	(352)	(95)	N/M
Operating lease expenses	15	262	-94%	61	1,286	-95%
Finance costs (including interest expense on lease liabilities)	23	12	94%	109	12	N/M
Interest income	(8)	-	N/M	(16)	(1)	N/M
Under provision of tax in respect of prior years	-	86	-100%	-	86	-100%

(a)(ii) Other operating income for 12M FY2020 decreased by 80% as the Group had received PIC cash payouts amounting to \$0.1 million for 12M FY2019.

(a)(iii) Staff costs decreased by \$0.3 million (5%) from \$5.3 million for 12M FY2019 to \$5.0 million for 12M FY2020. For Singapore operations, lower staff costs for 12M FY2020 was due to the reduction in staff headcount. As for United Kingdom operations, there was consolidation of roles and outsourcing of certain functions to contractors leading to the reduction in staff costs for 12M FY2020.

(a)(iv) Depreciation of property, plant and equipment increased to \$0.2 million in Q4 FY2020 and increased to \$1.0 million for 12M FY2020, mainly due to adoption of the new financial reporting standards SFRS(I) 16 Leases. The depreciation relating to the right-of-use assets were recorded within depreciation of property, plant and equipment.

(a)(v) Other operating expenses decreased by \$1.4 million (24%) from \$5.8 million for 12M FY2019 to \$4.4 million for 12M FY2020 mainly due to lower operating lease expenses (explained in 1(a)(viii)), increase in exchange gain (explained in 1(a)(vii)) and partially offset by an increase of finance cost as explained in 1(a)(ix). Other operating expenses decreased by \$0.4 million (30%) from \$1.3 million in Q4 FY2019 to \$0.9 million in Q4 FY2020 mainly due to lower operating lease expenses (explained in 1(a)(viii)) and general and administrative expenses as a result of implementation of cost saving measures since FY2019, and increase in foreign exchange gain as explained in 1(a)(vii), partially offset by an higher costs relating to examinations in line with the higher revenue during Q4 FY2020.

(a)(vi) For 12M FY2020, the allowance for expected credit loss made on the Group's trade receivables was mainly relating to the United Kingdom operations while the bad debts written off was relating to the Singapore operations. As for 12M FY2019, the allowance for expected credit loss was mainly for Singapore operations and the bad debts written off was relating to the United Kingdom operations.

(a)(vii) The Group recorded an increase in foreign exchange gain of \$0.3 million for 12M FY2020 as well as in Q4 FY2020. The exchange gains recorded were mainly attributable to favorable foreign exchange rate movements for overseas subsidiaries' operations.

(a)(viii) Operating lease expenses decreased by \$1.2 million or 95% from \$1.3 million for 12M FY2019 to \$0.1 million for 12M FY2020 mainly due to consolidation of the corporate office with the campus in Singapore in the previous year, and the adoption of SFRS(I) 16 Leases. Operating lease expenses decreased by \$0.3 million (94%) in Q4 FY2020 due to the adoption of SFRS(I) 16 Leases. As a result of the adoption of SFRS(I) 16 Leases, right-of-use assets were recognised in the balance sheet with a corresponding depreciation charge recorded in the period, instead of the operating lease expense.

(a)(ix) Finance costs are related to interest expense incurred on the bank loan, and the amounts owing to a director and an indirect controlling shareholder, and interest expense on the Group's lease liabilities. For 12M FY2020, finance cost was higher as compared to 12M FY2019 due to increase in interest expense on bank loan and lease liabilities, partially offset by the decrease in interest expense incurred on the amount owing to a director and amount owing to an indirect controlling shareholder.

(a)(x) For 12M FY2019, the under provision of tax in respect of prior years was relating to Malaysia's operations.

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

Statement of Financial Position

	Group			Company		
	31.03.2020 S\$'000	31.03.2019 S\$'000	Change %	31.03.2020 S\$'000	31.03.2019 S\$'000	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	2,502	99	N/M	-	4	-100%
Intangible assets	22	20	10%	-	-	N/M
Investment in subsidiaries *	-	-	N/M	-	-	N/M
	<u>2,524</u>	<u>119</u>	<u>N/M</u>	<u>-</u>	<u>4</u>	<u>-100%</u>
CURRENT ASSETS						
Prepayments	364	339	7%	79	88	-10%
Trade and other receivables	1,258	1,270	-1%	195	189	3%
Cash and cash equivalents	3,965	1,396	N/M	1,198	200	N/M
	<u>5,587</u>	<u>3,005</u>	<u>86%</u>	<u>1,472</u>	<u>477</u>	<u>N/M</u>
CURRENT LIABILITIES						
Deferred income and fees	2,466	3,240	-24%	249	270	-8%
Trade and other payables	1,503	2,664	-44%	2,637	6,881	-62%
Lease liabilities	950	-	N/M	-	-	N/M
Provision for reinstatement cost	82	82	N/M	-	-	N/M
Interest-bearing borrowings	1,000	-	N/M	1,000	-	N/M
	<u>6,001</u>	<u>5,986</u>	<u>0%</u>	<u>3,886</u>	<u>7,151</u>	<u>-46%</u>
NET CURRENT LIABILITIES	(414)	(2,981)	-86%	(2,414)	(6,674)	-64%
NON-CURRENT LIABILITIES						
Lease liabilities	1,542	-	N/M	-	-	N/M
TOTAL NET ASSETS / (LIABILITIES)	<u>568</u>	<u>(2,862)</u>	<u>N/M</u>	<u>(2,414)</u>	<u>(6,670)</u>	<u>-64%</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	34,669	29,908	16%	34,669	29,908	16%
Reserves	(34,101)	(32,770)	4%	(37,083)	(36,578)	1%
TOTAL EQUITY	<u>568</u>	<u>(2,862)</u>	<u>N/M</u>	<u>(2,414)</u>	<u>(6,670)</u>	<u>-64%</u>

* The investment in subsidiaries were fully impaired as at 31 March 2019 and 31 March 2020.

N/M : Not meaningful

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

	As at 31.03.2020		As at 31.03.2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Amount repayable in one year or less, or on demand	1,000	-	-	-
Non-current				
Amount repayable after one year	-	-	-	-

Details of any collaterals:

The Group's borrowings are secured by the Company's fixed deposit placed with the bank amounting to \$1.0 million.

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

Consolidated Statement of Cash Flows

	Group		Group	
	Q4 FY2020	Q4 FY2019	12M FY2020	12M FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities				
Profit / (loss) before taxation	74	(1,037)	(1,047)	(3,483)
Adjustments for :				
Depreciation of property, plant and equipment	249	31	997	110
Amortisation of intangible assets	1	6	13	25
Net gain on disposal of property, plant and equipment	-	-	-	(2)
Property, plant and equipment written-off	-	-	-	7
Intangible assets written-off	-	-	7	-
Allowance for expected credit loss on receivables	65	31	102	80
Write-off of bad debts	16	10	20	59
Finance costs	23	12	109	12
Interest income	(8)	-	(16)	(1)
Unrealised exchange gain	(223)	(5)	(274)	(23)
Operating cash flows before working capital changes	197	(952)	(89)	(3,216)
Decrease in restricted cash at bank	-	-	-	138
Increase in prepayments, trade and other receivables	(307)	(473)	(134)	-
(Decrease) / increase in deferred income and fees	(124)	966	(774)	959
Decrease in trade and other payables and provision for reinstatement cost	(87)	(346)	(243)	(404)
Net cash flows used in operating activities	(321)	(805)	(1,240)	(2,523)
Interest received	8	-	15	1
Interest paid	(6)	-	(8)	-
Tax paid	-	(85)	(3)	(91)
Net cash flows used in operating activities	(319)	(890)	(1,236)	(2,613)
Cash flow from investing activities				
Purchase of property, plant and equipment	(4)	(5)	(13)	(35)
Expenditure on intangible assets	(21)	-	(21)	-
Proceeds from disposal of property, plant and equipment	-	-	2	6
Net cash flows used in investing activities	(25)	(5)	(32)	(29)
Cash flow from financing activities				
Amount due to indirect controlling shareholder	-	418	-	418
Amount due to director	-	500	-	500
Repayment of lease liabilities	(251)	-	(970)	-
Proceeds from issuance of shares	-	-	5,256	-
Expenses for rights issue paid	-	-	(495)	-
Repayment of amount due to indirect controlling shareholder	-	-	(418)	-
Repayment of amount due to director	-	-	(500)	-
Interest paid	-	-	(44)	-
Proceeds from interest bearing borrowings	-	-	1,000	-
Fixed deposit pledged as security for borrowings	-	-	(1,000)	-
Net cash flows (used in) / from financing activities	(251)	918	2,829	918
Net (decrease) / increase in cash and cash equivalents	(595)	23	1,561	(1,724)
Cash and cash equivalents at the beginning of the financial period	3,544	1,366	1,396	3,137
Effects of exchange rate changes on opening cash and cash equivalents	16	7	8	(17)
Cash and cash equivalents at end of the financial period #	2,965	1,396	2,965	1,396
 # Cash and cash equivalents as at balance sheet date are as follows:				
Cash at bank and on hand	951	1,396	951	1,396
Short term deposits	3,014	-	3,014	-
	3,965	1,396	3,965	1,396
 For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:				
Cash at bank and on hand	951	1,396	951	1,396
Short term deposits	3,014	-	3,014	-
(-) Fixed deposit pledged as security for borrowings	(1,000)	-	(1,000)	-
	2,965	1,396	2,965	1,396

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

Statement of Changes in Equity

Group

At 1 April 2019

Loss for the financial period
Other comprehensive income for the financial period
Total comprehensive income for the financial period
Shares issued pursuant to rights issue
Rights issue expenses

At 31 December 2019

Profit for the financial period
Other comprehensive income for the financial period
Total comprehensive income for the financial period

At 31 March 2020

At 1 April 2018

Loss for the financial period
Other comprehensive income for the financial period
Total comprehensive income for the financial period

At 31 December 2018

Loss for the financial period
Other comprehensive income for the financial period
Total comprehensive income for the financial period

At 31 March 2019

Attributable to equity holders of the Company				
Share Capital S\$'000	Translation Reserve S\$'000	Accumulated Losses S\$'000	Total Reserves S\$'000	Total Equity S\$'000
29,908	223	(32,993)	(32,770)	(2,862)
-	-	(1,124)	(1,124)	(1,124)
-	(69)	-	(69)	(69)
-	(69)	(1,124)	(1,193)	(1,193)
5,256	-	-	-	5,256
(495)	-	-	-	(495)
34,669	154	(34,117)	(33,963)	706
-	-	74	74	74
-	(212)	-	(212)	(212)
-	(212)	74	(138)	(138)
34,669	(58)	(34,043)	(34,101)	568
29,908	239	(29,419)	(29,180)	728
-	-	(2,452)	(2,452)	(2,452)
-	(47)	-	(47)	(47)
-	(47)	(2,452)	(2,499)	(2,499)
29,908	192	(31,871)	(31,679)	(1,771)
-	-	(1,122)	(1,122)	(1,122)
-	31	-	31	31
-	31	(1,122)	(1,091)	(1,091)
29,908	223	(32,993)	(32,770)	(2,862)

Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
29,908	(36,578)	(6,670)
-	(553)	(553)
5,256	-	5,256
(495)	-	(495)
34,669	(37,131)	(2,462)
-	48	48
34,669	(37,083)	(2,414)
29,908	(35,231)	(5,323)
-	(981)	(981)
29,908	(36,212)	(6,304)
-	(366)	(366)
29,908	(36,578)	(6,670)

Company

At 1 April 2019

Loss for the financial period, representing total comprehensive income for the period
Shares issued pursuant to rights issue
Rights issue expenses

At 31 December 2019

Profit for the financial period, representing total comprehensive income for the period
At 31 March 2020

At 1 April 2018

Loss for the financial period, representing total comprehensive income for the period
At 31 December 2018

Loss for the financial period, representing total comprehensive income for the period

At 31 March 2019

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

As at 31 March 2019, total number of ordinary shares of the Company were 72,215,467 shares.

During the financial period ended 31 March 2020, the Company has undertaken a renounceable non-underwritten rights cum warrants issue (the "Rights Issue") of up to 216,646,401 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of \$0.05 for each Rights Share, with up to 72,215,467 free detachable and transferable warrants (the "Warrants"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("New Share") 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 ordinary share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

On 23 August 2019, the Company announced that pursuant to the Rights Issue, an aggregate of 105,124,182 Rights Shares and 35,041,371 Warrants were allotted and issued by the Company on 22 August 2019. The number of issued Shares in the Company has increased from 72,215,467 to 177,339,649 shares.

	As at end of current financial period ended 31 March 2020	As at end of financial year ended 31 March 2019
At beginning of the financial period	72,215,467	72,215,467
Issuance of new ordinary shares pursuant to Rights Issue	105,124,182	-
At end of the financial period	177,339,649	72,215,467

Details of outstanding Warrants are as follows:

	As at end of current financial period ended 31 March 2020	As at end of financial year ended 31 March 2019
Number of ordinary shares that may be issued on conversion of all outstanding Warrants	35,041,371	-
Exercise price	\$0.05	-
Expiry date	21 August 2024	-

There was no change to the number of ordinary shares since the preceding financial period ended 31 December 2019.

Save as disclosed above, the Company did not have any subsidiary holdings or outstanding share options as at the end of the current financial period and as at the end of the immediate preceding financial year.

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

	As at end of current financial period ended 31 March 2020	As at end of financial year ended 31 March 2019
Total number of ordinary shares issued	177,339,649	72,215,467

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

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

Not Applicable

- 1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not Applicable

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

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

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

Not Applicable

- 3A 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 is relating to material uncertainty relating to going concern.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements as at 31 March 2019, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) (SFRS(I)s) which are effective for the financial year beginning 1 April 2019.

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

The Group has applied the same accounting policies and methods of computation in the presentation of the financial information for the current period as compared with the audited financial statements as at 31 March 2019 except for the adoption of new Singapore Financial Reporting Standards (International) (SFRS(I)s) applicable for the financial year beginning 1 April 2019 as described below.

SFRS(I) 16 Leases

The Group adopted SFRS(I) 16 using the modified retrospective approach, without restating prior years' information. The Group also elected the practical expedients where applicable.

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees - leases of "low value" assets and short term leases. A lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Under SFRS(I) 16, qualifying lease payments were no longer recorded as operating expenses, but will be applied towards reducing the lease liabilities and the associated interest expense. The Group has reported the payment for the interest and principal portion of the lease payments under financing activities for cash flow reporting purposes.

The impact of initial application of SFRS(I) 16 on the balance sheet of the Group as at 1 April 2019 are as follows:

	Group		
	31.03.2019	Effect of SFRS(I) 16	01.04.2019
	S\$'000	S\$'000	S\$'000
Property, plant and equipment	99	3,293	3,392
Lease liabilities	-	(3,293)	(3,293)

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

	Group		Change	Group		Change
	Q4 FY2020	Q4 FY2019	%	12M FY2020	12M FY2019	%
Profit / (loss) attributable to equity holders of the Company (S\$'000)	74	(1,122)	N/M	(1,050)	(3,574)	-71%
Weighted average number of ordinary shares in issue	177,339,649	72,215,467	N/M	136,266,540	72,215,467	89%
Earnings per ordinary share:						
(a) Based on weighted average number of ordinary shares in issue (cents)	0.04	(1.55)	N/M	(0.77)	(4.95)	-84%
(b) On a fully diluted basis (cents)	0.04 #	(1.55)	N/M	(0.77) #	(4.95)	-84%

For the purpose of calculating diluted earnings per share, it is the same as basic earnings per share as the outstanding warrants have not been included in the calculation given that warrants are anti-dilutive.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

Net asset value (NAV)	Group 31.03.2020	Group 31.03.2019	Change %	Company 31.03.2020	Company 31.03.2019	Change %
NAV per ordinary share (cents)	0.32	(3.96)	N/M	(1.36)	(9.24)	-85%

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

- (a)(i) The Group recorded an increase in revenue of \$0.9 million (59%) from \$1.6 million in Q4 FY2019 to \$2.5 million in Q4 FY2020, and an increase in revenue of \$1.7 million (22%) from \$7.6 million for 12M FY2019 to \$9.3 million for 12M FY2020 due to increase in examination fees and accreditation fees income recognised for the United Kingdom operations, increase in course fees income recognised for the Group's corporate training segment in Hong Kong as well as higher course/examination fees recognised for the Singapore operations.
- (a)(ii) The Group recorded a profit before tax of \$0.1 million in Q4 FY2020 while there was loss before tax of \$1.0 million in Q4 FY2019 as a result of higher revenue and lower operating costs (as explained in 1(a)(iii) to 1(a)(ix)) recorded by the Group in Q4 FY2020. For 12M FY2020, loss before tax decreased by \$2.4 million (70%) from \$3.5 million for 12M FY2019 to \$1.1 million for 12M FY2020 as the Group continues its efforts to grow its revenue base, while reducing its operating costs.
- (b)(i) As at 31 March 2020, the Group's property, plant and equipment increased by \$2.4 million as compared to 31 March 2019, due mainly to the recognition of right-of-use assets in accordance with SFRS(I) 16. The right-of-use assets are depreciated over the lease term.
- (b)(ii) The Group's cash and cash equivalents increased by \$2.6 million from \$1.4 million as at 31 March 2019 to \$4.0 million as at 31 March 2020 due mainly to receipt of proceeds from the Company's Rights Issue in August 2019 amounting to \$4.8 million and receipt of proceeds from bank loan amounting to \$1.0 million, partially offset by cash utilisation for operations, repayment of lease liabilities, and repayments of amounts owing to a director and an indirect shareholder.
- (b)(iii) The Group's deferred income and fees decreased by \$0.8 million (24%) from \$3.2 million as at 31 March 2019 to \$2.5 million as at 31 March 2020, due mainly to revenue recognition relating to examination fees during 12M FY2020.
- (b)(iv) The Group's trade and other payables decreased by \$1.2 million (44%) from \$2.7 million as at 31 March 2019 to \$1.5 million as at 31 March 2020, mainly attributed to repayments made to a director and an indirect shareholder of \$0.9 million and decrease in provision for university fees of \$0.1 million due to prompter payments made. The decrease in the Company's trade and other payables from \$6.9 million as at 31 March 2019 to \$2.6 million as at 31 March 2020 was due to repayments made to subsidiaries amounting to \$3.3 million and repayments made to a director and an indirect shareholder amounting to \$0.9 million during 12M FY2020.
- (b)(v) The Group's lease liabilities totalling \$2.5 million as at 31 March 2020 (current lease liabilities: \$1.0 million, non-current lease liabilities: \$1.5 million) were lease liabilities recognised in relation to the Group's operating leases in accordance with SFRS(I) 16.
- (b)(vi) The increase in interest-bearing borrowings was due to a bank loan drawn down by the Company to repay amounts owing to a director and an indirect shareholder which were due for repayment, and with the intention of reducing interest costs for the Group.
- (b)(vii) The Group's and the Company's share capital increased by \$4.8 million mainly due to issuance of new shares pursuant to the Rights Issue (as disclosed in 1(d)(iii)).
- (b)(viii) The Group's net assets position have improved from net liabilities position of \$2.9 million as at 31 March 2019 to net assets position of \$0.6 million as at 31 March 2020, following the completion of the the Company's Rights Issue in August 2019.

(c) **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.

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	Intended use of proceeds allocated as previously announced on 23 August 2019 S\$ million	Intended use of proceeds allocated based on final results of Rights Issue S\$ million	Amount utilised as at the date of this announcement S\$ million	Balance proceeds S\$ million
(a) Support the business expansion	2.35	2.35	-	2.35
(b) Funding new projects to enhance capabilities	0.22	0.22	-	0.22
(c) Capital improvements	0.35	0.35	-	0.35
(d) General corporate and working capital requirements	1.94	1.84	1.03 [#]	0.81
Total	4.86	4.76 [^]	1.03	3.73

[#] Amounts utilised for general working capital includes payments of statutory expenses (such as audit fees and annual general meeting related expenses), payment of listing related expenses, and payments of operational costs/expenses to university partners/external suppliers.

[^] Net proceeds included gross proceeds from Rights Issue amounting to \$5.26 million, net of Rights Issue expenses incurred of \$0.50 million.

The utilisation of the Net Proceeds as disclosed above is in accordance with the intended uses as disclosed in the Offer Information Statement.

As announced previously, pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Board will continue to provide periodic announcements on the utilisation of the balance of the proceeds from the Rights Issue as and when the proceeds are materially disbursed.

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

Not Applicable

- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**
Please refer to our separate announcement released on 12 May 2020, in relation to the quarterly update given pursuant to Rule 1313(2) of the SGX Listing Manual.
- 11 **If a decision regarding dividend has been made :-**
- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**
No
- (b) (i) **Amount per share (cents)** Not Applicable
(ii) **Previous corresponding period (cents)** Not Applicable
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
Not Applicable
- (d) **The date the dividend is payable.**
Not Applicable
- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**
Not Applicable
- 12 **If no dividend has been declared (recommended), a statement to that effect. Provides the reasons for the decision not to declare/recommend any dividend.**
No dividend has been declared or recommended as the Group recorded a net loss for the current financial period and the Board of Directors deemed appropriate to conserve funds for the Group's business activities.
- 13 **If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
No IPT mandate has been obtained and there was no material IPTs during the financial period.
- 14 **Negative Confirmation pursuant to Rule 705 (5).**
The Board hereby confirmed that, to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial results to be false or misleading.
- 15 **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 period.

BY ORDER OF THE BOARD

Yau Su Peng
Executive Director
12 May 2020