

FULL YEAR FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT

INFORMATICS EDUCATION LTD

(Company Registration number: 198303419G)

The Board of Directors of Informatics Education Ltd is pleased to announce the
unaudited consolidated results for the financial year ended 31 March 2017 :-

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

	Group S\$'000		%
	FY2017	FY2016	Change
Revenue	10,800	13,016	-17%
Other operating income	212	589	-64%
Employee benefits expense	(7,862)	(8,527)	-8%
Depreciation of property, plant and equipment	(200)	(544)	-63%
Other operating expenses	(8,559)	(9,895)	-14%
Interest income	110	230	-52%
Loss before taxation	<u>(5,499)</u>	<u>(5,131)</u>	7%
Taxation	(7)	28	N/M
Loss after tax	<u>(5,506)</u>	<u>(5,103)</u>	8%
Loss attributable to :			
Equity holders of the Company	<u>(5,506)</u>	<u>(5,103)</u>	8%
	<u>(5,506)</u>	<u>(5,103)</u>	8%

Consolidated Statement of Comprehensive income

	Group S\$'000		%
	FY2017	FY2016	Change
Loss after tax	(5,506)	(5,103)	8%
Other comprehensive income :			
Foreign currency translation	56	408	-86%
Other comprehensive income for the financial year, net of tax	56	408	-86%
Total comprehensive income for the financial year	<u>(5,450)</u>	<u>(4,695)</u>	16%
Total comprehensive income attributable to :			
Equity holders of the Company	<u>(5,450)</u>	<u>(4,695)</u>	16%
	<u>(5,450)</u>	<u>(4,695)</u>	16%

Group S\$'000		%
FY2017	FY2016	Change

1 (a)(i) Notes to income statement

Loss is stated after charging / (crediting) :

(Write-back) / allowance for doubtful receivables	(38)	128	N/M
Bad debts written-off	2	197	-99%
Impairment loss of property, plant and equipment	119	197	-40%
Net gain on disposal of property, plant and equipment	(4)	(1)	N/M
Loss on liquidation of a subsidiary	12	-	N/M
Foreign exchange loss, net	38	423	-91%
Operating lease expenses	2,184	2,409	-9%

- (a)(ii) Other operating income mainly consist Productivity and Innovation Credits (PIC) received by subsidiaries in Singapore in the current year. The \$0.4 million or 64% decrease is mainly due to a non recurring write-back of provision in prior year.
- (a)(iii) Employee benefits expense decreased by \$0.7 million or 8% to \$7.9 million, mainly due to headcount reduction for United Kingdom operations, as compared to prior year.
- (a)(iv) Depreciation of property, plant and equipment decreased by \$0.3 million or 63% to \$0.2 million, mainly due to fully depreciated property, plant and equipment.
- (a)(v) Other operating expenses decreased by \$1.3 million or 14% to \$8.6 million as compared with prior year. The decrease can mainly be attributed to a write-back for doubtful receivables, lower bad debts, impairment loss of property, plant and equipment, foreign exchange loss, operating lease expenses, repair and maintenance expenses, advertising and promotion expenses in the current year.
- (a)(vi) Interest income decreased by \$0.1 million or 52% to \$0.1 million due to a lower fixed deposit balance, as compared to prior year.
- (a)(vii) Bad and doubtful receivables decreased by \$0.4 million as compared to prior year, due to recovery of doubtful receivables and timely debt collection during the current year.

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

	Group S\$'000 31.03.17	Group S\$'000 31.03.16	Change %	Company S\$'000 31.03.17	Company S\$'000 31.03.16	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	482	293	65%	135	77	75%
Intangible assets	63	10	N/M	-	-	-
Investment in subsidiaries	-	-	-	12,401	15,791	-21%
	545	303	80%	12,536	15,868	-21%
CURRENT ASSETS						
Prepayments	585	486	20%	137	154	-11%
Trade and other receivables	2,358	2,131	11%	2,371	686	N/M
Restricted cash at bank	138	138	-	-	-	-
Cash and fixed deposits	8,403	15,286	-45%	258	245	5%
	11,484	18,041	-36%	2,766	1,085	N/M
CURRENT LIABILITIES						
Deferred income and fees	565	1,453	-61%	42	93	-55%
Trade and other payables	3,618	3,593	1%	6,664	2,954	N/M
Provision	230	230	-	148	148	-
Accruals for withholding tax	-	2	-100%	-	-	-
Income tax payable	1	1	-	-	-	-
	4,414	5,279	-16%	6,854	3,195	N/M
NET CURRENT ASSETS / (LIABILITY)	7,070	12,762	-45%	(4,088)	(2,110)	94%
TOTAL NET ASSETS	<u>7,615</u>	<u>13,065</u>	-42%	<u>8,448</u>	<u>13,758</u>	-39%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,908	29,908	-	29,908	29,908	-
Reserves	(22,293)	(16,843)	32%	(21,460)	(16,150)	33%
TOTAL EQUITY	<u>7,615</u>	<u>13,065</u>	-42%	<u>8,448</u>	<u>13,758</u>	-39%

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

NIL

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

	Group	
	S\$'000	S\$'000
	FY2017	FY2016
Cash flow from operating activities		
Loss before taxation	(5,499)	(5,131)
Adjustments for :		
Depreciation of property, plant and equipment	200	544
Amortisation of intangible assets	19	15
Net gain on disposal of property, plant and equipment	(4)	(1)
Impairment loss of property, plant and equipment	119	197
(Write-back) / allowance for doubtful receivables	(38)	128
Bad debts written-off	2	197
Loss on liquidation of a subsidiary	12	-
Interest income	(110)	(230)
Unrealised exchange loss	123	458
Operating loss before working capital changes	(5,176)	(3,823)
(Increase) / decrease in prepayments, trade and other receivables	(410)	635
Decrease in deferred income and fees	(888)	(2,256)
Increase / (decrease) in trade and other payables and accruals for withholding tax	23	(1,153)
Cash used in operations	(6,451)	(6,597)
Interest received	230	235
Tax paid	(7)	(24)
Net cash used in operating activities	(6,228)	(6,386)
Cash flow from investing activities		
Purchase of property, plant and equipment	(519)	(483)
Expenditure on intangible assets	(75)	-
Proceeds from disposal of property, plant and equipment	5	1
Withdrawal of fixed deposits	10,000	7,127
Net cash generated from investing activities	9,411	6,645
Net increase in cash and cash equivalents	3,183	259
Cash and cash equivalents at the beginning of the financial year	5,286	5,071
Effects of exchange rate changes on opening cash and cash equivalents	(66)	(44)
Cash and cash equivalents at the end of the financial year	8,403	5,286
Short-term deposits	-	2,000
Cash and cash equivalents	8,403	3,286
Cash and fixed deposits	8,403	5,286

Notes to Cash Flow Statement

* Cash and cash equivalents exclude \$138,107 (FY2016: \$138,107) held in trust for international students of a subsidiary in Singapore, which is required under Student Fee Protection Scheme.

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

Statement of Changes in Equity

Attributable to equity holders of the Company					
Share Capital	Accumulated Losses	Employee Share Option Reserve	Translation Reserve	Total Reserves	Total Equity
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group					
Balance at 01.04.16	29,908	(15,367)	-	(1,476)	13,065
Loss for the financial year	-	(5,506)	-	(5,506)	(5,506)
Other comprehensive income for the financial year	-	-	56	56	56
Total comprehensive income for the financial year	-	(5,506)	-	(5,450)	(5,450)
Balance at 31.03.17	29,908	(20,873)	-	(1,420)	7,615
Balance at 01.04.15	29,908	(10,317)	53	(1,884)	17,760
Loss for the financial year	-	(5,103)	-	(5,103)	(5,103)
Other comprehensive income for the financial year	-	-	408	408	408
Total comprehensive income for the financial year	-	(5,103)	-	(4,695)	(4,695)
Expiry of employee share options	-	53	(53)	-	-
Balance at 31.03.16	29,908	(15,367)	-	(1,476)	13,065

1 (d)(i)

Share Capital	Accumulated Losses	Employee Share Option Reserve	Total Reserves	Total Equity
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company				
Balance at 01.04.16	29,908	(16,150)	-	13,758
Loss for the financial year	-	(5,310)	-	(5,310)
Other comprehensive income for the financial year	-	-	-	-
Total comprehensive income for the financial year	-	(5,310)	-	(5,310)
Balance at 31.03.17	29,908	(21,460)	-	8,448
Balance at 01.04.15	29,908	(13,270)	53	16,691
Loss for the financial year	-	(2,933)	-	(2,933)
Other comprehensive income for the financial year	-	-	-	-
Total comprehensive income for the financial year	-	(2,933)	-	(2,933)
Expiry of employee share options	-	53	(53)	-
Balance at 31.03.16	29,908	(16,150)	-	13,758

- (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.**

There was no change to the number of ordinary shares since the preceding financial year ended 31 March 2016.

The Company did not have any subsidiary holdings or outstanding share options as at the end of the current financial year and as at the end of the immediate preceding year.

- (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 year ended 31 March 2017	As at end of financial year ended 31 March 2016
Total number of ordinary shares issued	72,215,467	72,215,467

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

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

Not Applicable

- (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

- 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 year as compared with the audited financial statements as at 31 March 2016, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2016.

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

The Group has adopted the new and revised FRS, which are effective for its financial year beginning 1 April 2016. The adoption of the new and revised FRS did not result in any material impact on the Group's financial statements.

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

	Group		Change
	FY2017	FY2016	%
Earnings per ordinary share			
(a) Based on weighted average number of ordinary shares on issue (cents)	(7.62)	(7.07)	8%
(b) On a fully diluted basis (cents)	(7.62)	(7.07)	8%

Earnings per share for the financial year ended 31 March 2017 was calculated based on weighted average number of 72,215,467 (31 March 2016: 72,215,467) ordinary shares.

Earnings per share for the financial year ended 31 March 2017 computed on a fully dilutive basis is calculated based on the weighted average number of 72,215,467 (31 March 2016: 72,215,467) ordinary shares adjusted for the dilutive effect of share options.

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

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

	Group			Company		
	31.03.17	31.03.16	Change %	31.03.17	31.03.16	Change %
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial year	10.54	18.09	-42%	11.70	19.05	-39%

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

- (a)(i) The Group recorded a revenue of \$10.8 million, a decrease of \$2.2 million or 17% as compared with \$13.0 million in prior year, mainly due to lower number of students enrolled in Singapore and lower contribution from United Kingdom operations, due to a depreciated GBP.
- (a)(ii) The Group recorded a loss before tax of \$5.5 million, which is \$0.4 million or 7% higher than prior year. This was mainly due to lower revenue, other operating and interest income. This was offset by lower employee benefits expense, depreciation expense and other operating expenses (explained in a(v)).
- (b)(i) The Group's property, plant and equipment increased by \$0.2 million or 65% to \$0.5 million as at 31 March 2017. This was mainly due to additions for the Company and Singapore Operations during the year, partially offset by depreciation and impairment losses.
- (b)(ii) The Company's investment in subsidiaries declined by \$3.4 million or 21% to \$12.4 million as at 31 March 2017. This was due to an impairment loss recognised to reduce the investment to its recoverable amount.
- (b)(iii) The Group's prepayments increased by \$0.1 million or 20% to \$0.6 million as at 31 March 2017, mainly due to increase in prepaid University Fees.
- (b)(iv) The Group's trade and other receivables increased by \$0.2 million or 11% to \$2.4 million as at 31 March 2017, due to increased billings in the last quarter, as compared to prior year. The Company's trade and other receivables increased by \$1.7 million to \$2.4 million. This was mainly due to a loan made to a subsidiary.
- (b)(v) The Group's cash and fixed deposits declined by \$6.9 million or 45% to \$8.4 million as at 31 March 2017. The decline was mainly due to cash utilisation for operations.
- (b)(vi) The Group's and Company's deferred income and fees decreased by \$0.9 million or 61% and \$51,000 or 55% to \$0.6 million and \$42,000 respectively, as at 31 March 2017. This was mainly attributed to recognition of deferred revenue from prior year and also lower collection.
- (b)(vii) The Company's trade and other payables increased by \$3.7 million to \$6.7 million as at 31 March 2017 and this was mainly due to intercompany transactions.
- (b)(viii) The Company's net current liability position stands at \$4.1 million as at 31 March 2017. During the year, the Company had reduced income from its services to various clients due to a slowdown in their businesses, resulting in the deficit.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**
Not Applicable
- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**
The Group is capitalising on its renewed 4 year Edutrust status to strengthen its recruitment and marketing capabilities to increase its student numbers. In addition, the Group has made headway in collaborating with government-linked professional bodies in the corporate training segment.
- 11 **If a decision regarding dividend has been made :-**
- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**
No
- (b) (i) **Amount per share (cents)** Not Applicable
(ii) **Previous corresponding period (cents)** Not Applicable
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
Not Applicable
- (d) **The date the dividend is payable.**
Not Applicable
- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**
Not Applicable
- 12 **If no dividend has been declared (recommended), a statement to that effect.**
No dividend has been declared or recommended.
- 13 **If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(i). 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 year.
- 14 **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.

Part II Additional Information Required for Full Year Announcement

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segmental Results

- (a) **Business segments**

	Higher Education \$'000		Corporate Training \$'000		Total \$'000	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
Revenue :						
Sales to external customers	9,484	12,001	1,316	1,015	10,800	13,016
Results :						
Other operating income	212	589	-	-	212	589
Interest income	110	230	-	-	110	230
Employee benefits expense	(7,504)	(8,226)	(358)	(301)	(7,862)	(8,527)
Depreciation and amortisation	(215)	(534)	(4)	(25)	(219)	(559)
Impairment loss of property, plant and equipment	(119)	(197)	-	-	(119)	(197)
Net gain on disposal of property, plant and equipment	4	1	-	-	4	1
Write-back / (allowance) for doubtful receivables and bad debt written-off	36	(325)	-	-	36	(325)
Operating lease expenses	(2,028)	(2,272)	(156)	(137)	(2,184)	(2,409)
Other non-cash (expenses) / income	(230)	(254)	131	(74)	(99)	(328)
Segment (loss) / profit before tax	(5,822)	(5,123)	323	(8)	(5,499)	(5,131)
Assets :						
Additions to non-current assets	592	560	2	5	594	565
Segment assets	11,792	18,205	237	139	12,029	18,344
Total assets					12,029	18,344
Liabilities :						
Segment liabilities	4,259	5,181	154	97	4,413	5,278
Income tax payable					1	1
Total liabilities					4,414	5,279

(b) **Geographical information**

	Revenue				Non-current assets		
	FY2017 \$'000	FY2016 \$'000	Change %		FY2017 \$'000	FY2016 \$'000	Change %
Singapore	3,357	5,397	-38%	(2,040)	390	158	N/M
United Kingdom	5,441	5,755	-5%	(314)	152	139	9%
Asia Pacific and others ("APAC")	2,002	1,864	7%	138	3	6	-50%
	10,800	13,016	-17%		545	303	80%

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

(c) **Information about major customers**

There are no major customers that contribute more than 10% (FY2016 : 10%) of the Group's revenue for the financial year ended 31 March 2017.

16 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

- (a) Higher Education business revenue decreased by \$2.5 million to \$9.5 million. The decline was mainly due to lower students enrollment for E-learning, UK and Singapore school operations.

The Corporate Training business revenue increased by \$0.3 million mainly due to higher enrollment for Hong Kong operations and additional revenue contributed by the newly launched Informatics Executive Education in Singapore.

- (b) Geographically, APAC's revenue increased by 7% mainly due higher revenue from the Corporate Training segment. Despite an increase in United Kingdom's revenue, the contribution to the group declined by 5% due to a depreciated GBP in the current year. Singapore's revenue declined by 38% mainly due to lower student enrollment.

Non-current assets for Singapore increased by \$0.2 million mainly due to the additions of property, plant and equipment for the Singapore operations. Non-current assets for United Kingdom increased by 9% mainly due to the additions of property, plant and equipment and intangible asset. APAC's non-current assets however, declined by 50%, mainly due to depreciation during the year.

17 **A breakdown of sales as follow :-**

	Group		
	FY2017 \$'000	FY2016 \$'000	Change %
Sales reported for first half year	4,834	5,883	-18%
Operating loss after tax before deducting non-controlling interests reported for first half year	(3,647)	(3,995)	-9%
Sales reported for second half year	5,966	7,133	-16%
Operating loss after tax before deducting non-controlling interests reported for second half year	(1,859)	(1,108)	68%

18 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follow :-**

	FY2017 \$'000	FY2016 \$'000
Ordinary	NIL	NIL
Preference	NIL	NIL
Total	NIL	NIL

19 **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.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Informatics Education Ltd. (the "Company") wishes to inform that there are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company, except the following:

Name	Age	Family relationship with any current director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dato' Sri Robin Tan Yeong Ching	43	Son of Tan Sri Dato' Seri Vincent Tan Chee YOUNG	Non-executive Chairman - Year 2011	N/a

BY ORDER OF THE BOARD

Yau Su Peng
Executive Director

25th May 2017
SINGAPORE