

ANNUAL  
REPORT  
2018

tech4all



## CONTENTS

### VISION

To be a global leader in providing quality education and training services.

### MISSION

To educate and train global citizens to make them effective and competent contributors to society.

Corporate Profile	2
Corporate Structure	3
Chairman's Message	4
Board of Directors	6
Operations Review	8
Corporate Information	11
Corporate Governance Report	12
Financial Statements	26
Analysis of Shareholdings	85
Substantial Shareholders	86
Notice of Annual General Meeting	87
Proxy Form	

# OUR VALUES



## PEOPLE

We empower our people to be professionals demonstrating the highest standards of ethics and integrity.

## STUDENT-CENTRIC

We focus on understanding our students and putting them first in everything we do.

## INNOVATIVE CULTURE

We manifest creativity and innovation in our development, delivery of programmes and services.



## SOCIAL RESPONSIBILITY

We strive to be responsible corporate citizens in every society that we operate.



## RESULTS

We endeavour to provide sustainable returns to our stakeholders.



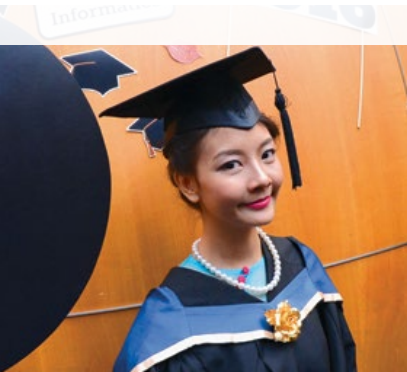
# CORPORATE PROFILE



Informatics Education was founded in 1983 in response to the demands for skilled Information Technology (IT) manpower and knowledge-based workers arising from Asia's rapid economic growth. In May 1993, it became the first private lifelong learning company to obtain a listing on SGX Mainboard.

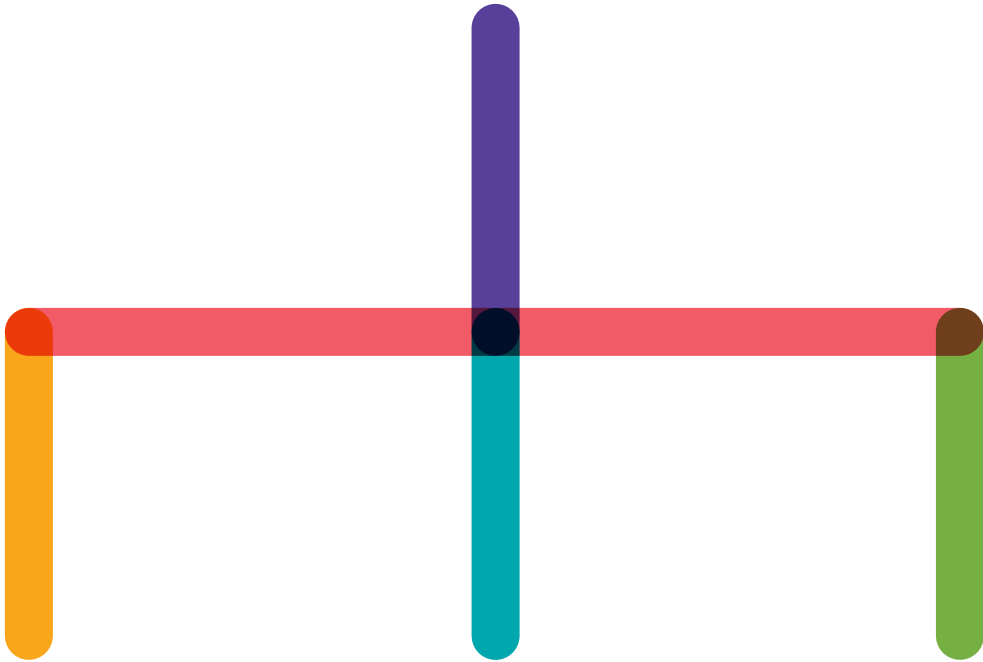
Over the last 34 years, it has evolved with the global education landscape and built a strong track record as a quality global education provider laying the foundation and boosting the careers of over 1,000,000 students worldwide. It currently operates in more than 50 countries through its flagship school Informatics Academy, Singapore; its training solutions provider, Informatics Education Hong Kong and its globally recognised awarding institution, NCC Education UK that licences its British qualifications to over 160 accredited partner centres worldwide.

IT courses are offered at foundation, diploma, undergraduate and postgraduate levels to students from as young as pre-school age to mature learners. Besides IT courses, Business Management courses are offered at higher education levels with pathways to university degree and masters qualification. To accommodate the varied lifestyles and needs of individuals, institutions and corporations, courses are offered via diverse learning modes from traditional classroom to e-learning.



# CORPORATE STRUCTURE

## INFORMATICS EDUCATION



### CAMPUS

- ▶ **Informatics Academy**  
Singapore
- ▶ **Informatics Education**  
Hong Kong

### INTERNATIONAL CENTRES

- ▶ **NCC Education**
  - United Kingdom (Head Office)
  - South Africa (Regional Office)
  - South East Asia (Regional Office)
  - East Asia (Regional Office)
- ▶ **Informatics International**

### e-CAMPUS

- ▶ **Informatics Global Campus**



## CHAIRMAN'S MESSAGE

THIS HIGHER LEVEL OF COLLABORATION HAS ENABLED THE LICENSING OF INCREASED NUMBERS OF PROGRAMMES GLOBALLY, PROVIDED WIDER ONLINE OFFERINGS AND MADE CONSISTENT THE QUALITY OF PRODUCT DEVELOPMENT THROUGHOUT OUR DISTRIBUTION NETWORK, WHILST MAINTAINING THE KEY FINANCIAL METRICS.

Dear Shareholders,

In the financial year ended 31 March 2018 ("FY2018") the Group consolidated its business units and continued efforts to improve operational efficiency. For FY2018, the Group recorded total revenue of \$8.8 million, representing an 18% decline from \$10.8 million in the financial year ended 31 March 2017 ("FY2017"). The Group reported a loss before tax of \$5.8 million which represents a 5.5% increase compared to the loss of \$5.5 million in FY2017. Much of the losses were incurred in the first half of FY2018, prior to the realisation of efficiency gains in the second half of FY2018.

The Group continued to make progress in streamlining its processes and leveraging on technology to realise greater cost efficiencies. We made significant reductions to headcount in July 2017 and the leaner management structure has resulted in the reduction of staffing costs by 13% and another 10%

from other operating expenses, which in turn reduced \$1.8 million in total expenses to represent an 11% improvement over the previous year.

### RENEWED BUSINESS FOCUS

The business entities in Singapore and UK of Informatics Academy and NCC Education continued rationalisation efforts, throughout the financial year which resulted in greater efficiencies from shared manpower and teaching content.

This higher level of collaboration has enabled the licensing of increased numbers of programmes globally, provided wider online offerings and made consistent the quality of product development throughout our distribution network, whilst maintaining the key financial metrics.



The sustainability of Informatics Academy as a private education provider in Singapore was further validated when it had its Enhanced Registration Framework (ERF) License renewed for four years in May 2018. Throughout 2017, the impending ERF license expiry in May 2018 had proven to be a burden in the recruitment of students for degree pathways exceeding one year, which in turn, had impacted revenue.

A rationalisation of office leases during FY2018 also resulted in \$0.5m worth of cost savings.

The Committee for Private Education (CPE) has become more exacting in its expectation of high standards of governance and compliance upon private schools in Singapore. In spite of this, we renewed the EduTrust certification (awarded by the CPE in December 2016) for four years and that has placed our Singapore business on solid ground to recover.

In the UK, The Office of Qualifications and Examinations Regulation (Ofqual), similarly continued to maintain its high regulatory

standards and against that backdrop, NCC Education has maintained its annual Ofqual certification.

It was the decision to only focus on profitable programmes that led to the closure of our e-Campus, Informatics Global Campus in FY2018. We remain committed to online delivery of our programmes for both Informatics Academy and NCC Education programmes, but only where there is sustainable student demand.

NCC Education continued to gain traction with additional teaching sites for the Digi Qualifications programme series. Digi provides a comprehensive primary and secondary level computing curriculum and it was developed by NCC Education in accordance with the revised English National Curriculum for Computing, for students ages 5 to 16 years. Digi is now being delivered into private schools in Africa, Asia and the UK, with plans to expand the reach of the programme into other markets and to develop an online digital interactive format by the second half of FY2019.

Recently, a new Diploma and Advanced Diploma in esports was developed in partnership with (Singapore) Cybersport & Online Gaming Association (SCOGA) and launched in May 2018. The Group will be one of the first to offer an esports programme in Singapore and Southeast Asia. The Diploma programme, which has been approved by CPE, will be taught in Singapore through Informatics Academy in FY2019, and thereafter, will be offered globally under license by NCC Education to meet the demand in this new and exciting industry.

Once again, on behalf of the Group, I would like to record my appreciation to the directors, staff, partners, students and shareholders for their continued support. I am confident that we will continue to steer the progress of the Group to a better performance in the new financial year and beyond.

**Dato' Sri Robin Tan Yeong Ching**  
Non-Executive Chairman

1



2



3



4



## BOARD OF DIRECTORS

5



### 1 DATO' SRI ROBIN TAN YEONG CHING *Non-Executive Chairman*

Dato' Sri Robin Tan graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton in the United Kingdom in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997. He joined the Board as Chairman in June 2011.

Currently, he is the Chief Executive Officer of Berjaya Corporation Berhad, Chairman of Berjaya Media Berhad, Chairman of Sun Media Corporation Sdn Bhd and Executive Director of Sports Toto Malaysia Sdn Bhd.

Dato' Sri Robin Tan is also a Director of Atlan Holdings Bhd, KDE Recreation Berhad, Berjaya Golf Resort Berhad as well as several other private limited companies in the Berjaya Corporation group of companies.



## 2 MS YAU SU PENG

*Executive Director*

Ms Yau Su Peng currently holds the position of Director, Retail and Innovation at Berjaya Corporation Berhad and oversees businesses in the sectors of education, digital transformation and innovation.

Ms Yau has a wealth of experience in retail, financial payments, law, marketing and communications from both the government and private sectors. She served as Alternate Director to Dato' Sri Robin Tan Yeong Ching from 25 April 2012 to 23 November 2012 and was appointed to the Board in November 2012 as a Non-Executive Director. She was re-designated as Executive Director in October 2014 and is also a member of the Banking Committee.

She joined the Berjaya group from MasterCard Worldwide, where she was Vice President of Marketing and Sales.

She qualified as a lawyer from the University of Melbourne, and originally practiced law in both Melbourne and Kuala Lumpur. In the 1990s, while completing her Masters of Laws degree, Ms Yau worked with the Government of Victoria on attracting international trade and investment into the state. In 1997, she returned to Malaysia and held several roles within the banking industry in change management, corporate affairs and branding. Subsequently, she became the Senior General Manager of Strategic Communications for Alliance Bank, building the brand from a merger of 7 Malaysian banks in 2000.

## 3 MS MAE HO SEOK KHEN

*Non-Executive,  
Non-Independent Director*

Ms Mae Ho is the Executive Director/Chief Executive Officer of Berjaya Higher Education Sdn Bhd, Director of Berjaya College Sdn Bhd and Berjaya Global Professional Development Sdn Bhd. She joined the Board in October 2010 as a Non-Executive Director and currently is a member of the Audit and Risk Management, Nominating and Remuneration and Strategic Human Resource Committees.

She graduated with an MA in Education Management (Bath), UK. She was also

awarded the Fellow of the Institute of Hospitality, UK. Mae has been in the hospitality and tourism education and professional sectors for more than three decades.

She started her career in the hospitality industry as a lecturer and then as Dean, School of Hotel & Catering Management at Kolej Damansara Utama, Petaling Jaya. Subsequently, she was appointed Director of School at Sunway University College. Her other credentials include Honorary Professor and Honorary President of Taishan Polytechnic (Shandong, China).

Mae brings with her a wealth of experience in setting up hospitality education. She sits on the panel of judges for the Hospitality Asia Platinum Award (HAPA) and is also a Conseiller Gastronomique and Archivist of the National Council of the Confrerie de la Chaine des Rotisseurs Bailliage de Malaisie, an international gastronomic association. She was invited to join Malaysia Tatler on the judging panel for Best Restaurants in 2016.

Since 2016, she has been appointed as a member on the Board of Advisors Asia Pacific Centre for Events Management (APCEM).

## 4 MR UNG GIM SEI

*Independent Director*

Mr Ung Gim Sei joined the Board in July 2004 as an Independent Director and he currently chairs the Audit and Risk Management and Nominating Committees and is a member of the Remuneration and Strategic Human Resource Committee. Mr Ung is a director of a U.S.-Singapore joint venture law firm, Duane Morris and Selvam LLP in Singapore, specialising in the practice of Intellectual Property, and also lectures part-time in law. Prior to practising law, Mr Ung was holding key positions in leading newspaper companies in Singapore, Hong Kong and Shenzhen, China.

Mr Ung is currently the Vice President of the Singapore China Friendship Association, where he is involved in organising and promoting cultural and educational exchanges between Singapore and China. He is a committee member of the China Aw Boon Haw Foundation, and a legal advisor to the Tan Kah Kee Foundation and

the Singapore China Business Association. He is an independent director of public listed companies, EMS Energy Ltd and Chip Eng Seng Corporation Ltd. He also serves as legal advisor to a few social and charitable organisations.

Mr Ung holds a Bachelor of Arts in Economics degree from the National University of Singapore, a Common Professional Examination Qualification in Law from the UK, a Graduate Diploma in Singapore Law from the National University of Singapore and a Master of Law from the City University of Hong Kong.

## 5 PROFESSOR CHEW SOON BENG

*Independent Director*

Professor Chew Soon Beng is the Professor of Economics and Industrial Relations in the Economics Programme at the Nanyang Technological University (NTU) and over the years, he has been involved in the development of the university's economics division. Professor Chew joined the Board in March 2006 as an Independent Director and he currently chairs the Remuneration and Strategic Human Resource Committee and is a member of the Audit and Risk Management, Nominating and Banking Committees.

He was the Founding Director of the Asia Commerce and Economics Studies (ACES) Center in the Nanyang Business School in 1993, as well as the Founding Director of the Master of Science programme in Managerial Economics at NTU, also known as the Mayor's Class programme. He is currently the Founding Programme Director of the Master's Programme in Applied Economics at NTU.

From 2004 to 2005, Professor Chew was a consultant to the Omani Ministry of Higher Education. He received his Ph.D in Economics from the University of Western Ontario, Canada, after obtaining a Master of Social Science in Economics from the former University of Singapore and a Bachelor of Commerce from the former Nanyang University.

# OPERATIONS REVIEW

## INFORMATICS ACADEMY



**1** Informatics Academy Pte Ltd (IAPL) is a wholly-owned subsidiary of Informatics Education Ltd. It is registered with the Committee for Private Education (CPE) under the Enhanced Registration Framework (ERF) and has attained the EduTrust certification since 2010.

Since 1989, IAPL has offered a wide range of diploma and degree courses that provide higher education opportunities for adult learners. Its success in offering quality and affordable education has kindled keen interest from investors around the world, eventually leading to Informatics venturing into the education franchise and licensing business. To date, Informatics' international awards have benefitted more than 58,000 individuals, many of whom are active contributors in their respective fields.

Over the years, IAPL has continued to evolve and adapt to the changing business landscape. This includes implementing effective strategies to capitalise on new opportunities while mitigating risk, and partnering with prestigious UK institutions to offer degree pathways that cater to the emerging needs of learners. One of our advantages is that the academy always strives to provide a safe and nurturing environment that is conducive for learning. This is reflected in the academy's quality and

prestigious campus location on Level 13 of the National Library Building, Victoria Street Singapore and high levels of student satisfaction. Easily accessible by public transport, this modern building is fully equipped with equally modern facilities for optimum learning outcomes.

The high level of regulation and scrutiny causes a very challenging landscape for Singapore private education institutions (PEI) and the sector witnessed a further decline in student enrolment over the past year. Informatics Academy was not immune to this but through solid combined effort and academic rigour, has not only maintained its EduTrust status (valid from December 2016 to December 2020) but this year, successfully obtained a renewal of its Enhanced Registration Framework (ERF) License with an extension granted until May 2022.

The previous license expiry of May 2018 proved to be a burden when recruiting students for up to a full degree pathway, and this impacted revenue accordingly. The renewal gives students and stakeholders greater confidence and secures a solid foundation for IAPL to market to students looking for a good diploma and degree qualification with our partners, NCC Education and Oxford Brookes University. Despite the challenging business situation,

IAPL has persevered and focused on building upon the initiatives and momentum created in the preceding years.

FY2018 was a year of consolidation for Informatics Academy, which involved some hard decisions around a philosophy of revenue growth, profitability and cashflow. This required some rationalisation of manpower, and also reduction in surplus office space – whilst maintaining the quality campus facility for students at the National Library Building. Informatics Academy's commitment to Corporate Social Responsibility remains unchanged, with initiatives around sustainability expanded. Our valued partnerships with Global Compact Network Singapore (GCNS) and SG Enable in Singapore are stronger a year on.

New partnerships were forged in FY2018, including with (Singapore) Cybersport & Online Gaming Association (SCOGA). The alliance with SCOGA has enabled the development of an Esports Diploma programme, which is approved by CPE and is one of the first in Singapore and Southeast Asia. Esports, an evolution in sports and gaming, is expanding exponentially around the world, and the Group is one of the first to offer a formal esports qualification and programme. The Diploma programme will commence teaching in Singapore through Informatics Academy, and thereafter will be sold under license globally to meet the demand in this new and exciting industry.



We have also partnered with Junior Achievement (JA) Singapore on a career jumpstart programme to equip our students with the tools and skills required to earn and keep a job in high-growth career industries.

In FY2019, Informatics Academy will be in a strong position to further introduce the NCC Education series of Foundation, L3, L4, L5 and L7 Diploma programmes, with emphasis on the Computing and Business Computing pathways. Additionally, Informatics programmes will be introduced to the NCC partner centre network globally through licensing – offering formal qualifications and, following global trends, vocational based programmes preparing our graduates with job-ready skills.

### INFORMATICS GLOBAL CAMPUS



**2** Informatics Global Campus Pte Ltd (IGC) is a wholly-owned subsidiary of Informatics Education Ltd that offered diploma and degree courses through online platforms. IGC

caters to individuals who wish to pursue further education with the flexibility of place and time. Facilitators and students located in different time zones interact with one another via the online learning platform.

During FY2018, due to declining enrolments and the resulting adverse profitability and growth, IGC decided to cease further enrolments and will teach out all existing programmes to completion. The final students are expected to complete their respective programmes during the coming financial year, FY2019.

The group remains committed to online delivery, for both Informatics Academy and NCC Education programmes, where student demand and operational efficiency exist.

### INFORMATICS EDUCATION (HK) LTD



**3** A wholly-owned subsidiary of Informatics Education Ltd, 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 since 1992.

IEHK focuses on professional training for executives at all stages of their careers. Over the last 12 months, IEHK continued to be the leader in providing Project Management Professional (PMP)<sup>®</sup> training. Being the Global Registered Education Provider (GREP) of the Project Management Institute (PMI)<sup>®</sup>, IEHK has since trained more than 5500 PMP<sup>®</sup> students which constitutes the majority of the Project Management Professionals in the Hong Kong market, and consistently maintained a commendable track record with an over 90% examination pass rate. To strengthen IEHK's leader role in Hong Kong market, IEHK's newly launched series of Project Management programmes, included Project Management Institute Agile Certified Practitioner<sup>®</sup> (PMI-ACP), which steadily expanded and continued to boost positive growth.

In the coming year, IEHK will strive to further design executive programmes in SME and Corporation Business Strategies Development, Big Data Analytics, Talent Management and Cyber Security. These training programmes will combine the best conceptual theories and industry expertise to meet various corporation's business needs. Additionally, IEHK will look to undertake more of the NCC Education programmes and qualifications.

### INFORMATICS INTERNATIONAL



**4** Informatics International Pte Ltd (IIPL) is the franchising and licensing unit of Informatics Education Ltd. It liaises with offshore centres on matters related to admissions, assessment and issuance of awards to deserving students. IIPL ensures that centres have access to the latest curriculum and that they are compliant with latest academic regulations and standards.

IIPL manages school operations in Asia and Africa which includes countries such as Nigeria, Philippines, Brunei and Nepal. It works very closely with Informatics Academy (IAPL) and NCC Education to offer attractive pathway opportunities for offshore students.

During FY2018, in order to achieve greater operational efficiency, all new franchise operations was undertaken through Informatics Academy, and the few remaining and existing commitments contracted under IIPL, to be executed by this same Informatics Academy team.



# OPERATIONS REVIEW

## NCC EDUCATION



**5** A subsidiary of Informatics Education Ltd, NCC Education, is an awarding body that works in partnership with over 180 Accredited Partner Centres and universities in more than 45 countries to offer flexible and cost-effective ways for individuals to join and exit study programmes with an appropriate British qualification as an outcome, from Foundation Level 3 to Masters Level 7.

This is achieved by sustaining differentiation in the marketplace through the provision of IT and Business access pathways to British Higher Education for those who choose to study in their home country, or have a desire to complete university programmes on campus, particularly in the UK.

In line with its mission of enhancing the student experience and widening opportunities for career progression, NCC Education continues to recognise the full potential of students and to open up pathways for rewarding employment or further study according to their aspirations by extending the range of university articulations and progression routes in the UK and overseas.

In addition to in-country and on-campus options for students, NCC Education continues its partnerships for online completion of the final year of degree studies with the University of Worcester for the 3rd year of the BA (Hons) in Business Administration, and the University of Central Lancashire (UCLAN) for the final year of the Business Computing and Information Systems degree. NCC Education has

commenced expanding the student recruitment base by marketing these programmes beyond the traditional centre partner network, and this strategy has been showing encouraging signs of growth as a result. The BSc (Hons) in Business Information Technology programme by the University of Greenwich offers students a final year degree option and has seen an increase in recent registrations compared to prior years. Now, this partnership will be expanded, where accredited, to new countries and partner centres.

During the year, NCC Education continued to seek and secure new university partnerships and collaborations, to further enhance the progression and marketability of its Foundation and Diploma programmes, as well as develop new Master Diploma programmes, with globally recognised regulation from The Office of Qualifications and Examination Regulation (Ofqual). In FY2018, this included a new partnership with Cambridge Education Group (CEG), the NCC Education International Foundation Year (IFY) programme being an entry point to the CEG suite of programmes and university partnerships in the UK and US. In addition, Physics, Biology and Chemistry electives were added to the IFY programme, thus providing further pathway opportunities for students.

NCC Education will continue its focus on providing more guaranteed progression routes to non-UK universities, particularly in Australia. To meet the growing demand, in FY2019 NCC Education will introduce new Level 6 Diploma programmes in both Computing and Business, giving broader

options for students, particularly those who do not have the capacity to undertake a full degree qualification or where local regulations do not permit. While expanding to new countries, NCC Education will always remain true and proud of its UK education origins.

Digi, which provides a comprehensive primary and secondary level computing curriculum, developed in accordance with the revised English National Curriculum for Computing, is now being delivered in private schools in Africa, Asia and the UK – with plans to expand the programme to a greater market and provide a digital online interactive format by the second half of 2019. The Digi programmes serve to meet the skill needs of the younger student segment, and can be run either as standalone programmes or inserted into any existing school curriculum, with a Level 2 regulated key stage for upper secondary students providing a seamless lead into the Computing Diploma and Degree pathways offered by both NCC Education and Informatics Academy.

New market opportunities exist for development and marketing of vocational or skills-based programmes, to enable students to be job-ready and meet the competitive demands of employers. NCC Education is well placed to exploit this globally growing education trend with its existing proven programmes and examination processes.

NCC Education continues to face challenges within its global and regulated markets, and, as such, will work closely with existing regulators including Ofqual. Ofqual maintains rigorous monitoring of standards. NCC Education continues to meet these high standards with its Ofqual status intact. This places NCC Education in a strong position to further grow its revenue base and channels to market and it remains committed to the strategies and the need to return the business to sustainable growth and profitability.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Dato' Sri Robin Tan Yeong Ching  
*Non-Executive Chairman*

Ms Yau Su Peng  
*Executive Director*

Ms Mae Ho Seok Khen  
*Non-Executive,  
Non-Independent Director*

Mr Ung Gim Sei  
*Independent Director*

Professor Chew Soon Beng  
@ Teo Soon Beng  
*Independent Director*

## AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Ung Gim Sei  
*Chairman*

Professor Chew Soon Beng  
@ Teo Soon Beng

Ms Mae Ho Seok Khen

## REMUNERATION AND STRATEGIC HUMAN RESOURCE COMMITTEE

Professor Chew Soon Beng  
@ Teo Soon Beng  
*Chairman*

Mr Ung Gim Sei

Ms Mae Ho Seok Khen

## NOMINATING COMMITTEE

Mr Ung Gim Sei  
*Chairman*

Professor Chew Soon Beng  
@ Teo Soon Beng

Ms Mae Ho Seok Khen

## BANKING COMMITTEE

Professor Chew Soon Beng  
@ Teo Soon Beng  
*Chairman*

Ms Yau Su Peng

Ms Mae Ho Seok Khen

## COMPANY SECRETARY

Ms Lo Swee Oi

## REGISTERED OFFICE

133 Middle Road #05-01  
BOC Plaza  
Singapore 188974

T: (65) 6580 4555

F: (65) 6565 1371

[www.informaticseducation.com](http://www.informaticseducation.com)

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

M & C Services Private Limited  
112 Robinson Road #05-01  
Singapore 068902

T: (65) 6227 6660

F: (65) 6225 1452

## AUDITORS

Ernst & Young LLP  
Public Accountants and  
Certified Public Accountants

One Raffles Quay  
North Tower Level 18  
Singapore 048583

## Partner in charge:

Mr Andrew Tan Chwee Peng  
(Appointed since financial year  
ended 31 March 2015)

## BANKER

DBS Bank Ltd  
12 Marina Boulevard  
Marina Bay Financial Centre Tower 3  
Singapore 018982

## INVESTOR RELATIONS

For enquiry, please email to:  
[enquiry@informatics.edu.sg](mailto:enquiry@informatics.edu.sg)

# CORPORATE GOVERNANCE REPORT

The Board of Directors of Informatics Education Ltd. (the "Company") is committed to maintaining a good standard of corporate governance and business practices and has adopted processes and systems to enhance and safeguard the interests of its shareholders.

This report describes the measures and the corporate governance policies and practices of the Company that are currently in place and used throughout the financial year ended 31 March 2018 (the "Year"), which incorporate policies and practices in line with the principles of the Code of Corporate Governance 2012 (the "Code") for listed companies in Singapore issued by the Monetary Authority of Singapore on 2 May 2012.

The Company has complied with all principles and guidelines set out in the Code of Corporate Governance except for the following where the deviations and explanations have been provided in the relevant sections:

Guideline 2.2 One Half Board Independence  
Guideline 3.3 Lead Independent Director  
Guideline 3.4 Independent Directors' Meeting  
Guideline 15.1 Investor Relations Policy  
Guideline 15.5 Dividend Policy

## **BOARD OF DIRECTORS**

### **Board's Conduct of Affairs**

**Principle 1: Every company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.**

The Board's role is to:

- Set the overall business direction and objectives of the Company;
- Review and decide on major transactions, business plans, annual budgets and operating results of the Company;
- Review the Group's financial performance and authorises announcements issued by the Company;
- Review Management's performance;
- Provide entrepreneurial leadership;
- Ensure the necessary financial and human resources are in place for the Company to meet its objectives;
- Review the process for evaluating risks policies, including the adequacy and effectiveness of internal controls and establishment of risk management;
- Identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- Set the Company's values and standards (including ethical standards), and ensure obligations to shareholders and other stakeholders are understood and met; and
- Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Matters reserved for full Board's decision includes corporate or financial restructuring, major acquisition or disposal, issuance of shares and other equity or debt instruments, payment of dividends and other distribution to shareholders.

Four Board Committees, namely the Audit and Risk Management Committee (the "AC"), the Nominating Committee (the "NC"), the Remuneration and Strategic Human Resource Committee (the "RC") and the Banking Committee (the "BC") have been constituted with written terms of references to assist the Board in discharging its responsibilities.

## CORPORATE GOVERNANCE REPORT

The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

Board and Board Committee meetings are held quarterly. Ad-hoc meetings are convened as the circumstances require. The Company's Constitution allows the holding of Board meetings by way of telephone conferencing or video-conferencing. Should the Board have informal discussions on matters requiring urgent attention, such discussions and decisions would then be formally confirmed and approved by resolutions circularised in accordance with the Constitution. Minutes of the Board Committee meetings are available to all Board members. The Board and Board Committees may also make decisions through circular resolutions.

The attendance of the Directors, who held office during the Year at the Board and Board Committees meetings are as follows: -

	Board of Directors	Nominating Committee ("NC")	Remuneration & Strategic Human Resource Committee ("RC")	Audit & Risk Management Committee ("AC")
No. of Meetings held	5	4	4	4
<b>No. of meetings attended by respective Directors</b>				
Dato' Sri Robin Tan Yeong Ching	3	N.A.	N.A.	N.A.
Ms Mae Ho Seok Khen	5	4	4	4
Mr Ung Gim Sei	5	4	4	4
Professor Chew Soon Beng @ Teo Soon Beng	5	4	3	3
Ms Yau Su Peng	5	N.A.	N.A.	N.A.

Notes:

1. N.A.: Not Applicable
2. During the Year, the Banking Committee ("BC") approved five matters by circularised resolution. There was no meeting of the BC.

During the Board and Board Committee meetings, the Non-Executive Directors constructively challenged and helped develop the Group's short-term and long-term business strategies and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. Where necessary, the Non-Executive Directors meet and discuss on need-to basis on the Group's affairs without the presence of Management.

All Directors must objectively make decisions in the interests of the Company. Upon the appointment of a new Director, the Company will issue a letter of appointment setting out the duties and obligations of a Director. Appropriate training and orientation (including his or her duties as a Director and how to discharge those duties) are given upon appointment to ensure that the incoming Directors are familiar with the Company's business and governance practices. The newly appointed Director will be briefed by Management on the Group's business activities, operations, strategic direction and policies. Orientation programmes and familiarisation visits are also organised, if necessary, to facilitate a better understanding of the Group's operations. The Company is responsible for arranging and funding the training of Directors, when and where required.

The Company worked closely with its Company Secretary and professionals to provide its Directors with regular updates on relevant legal, regulatory and technical developments. Changes to regulations and accounting standards are monitored closely by Management. The Directors are provided with updates released by regulatory authorities on Directors' duties and responsibilities, corporate governance, changes in financial reporting standards in Singapore, changes in Companies Act (Chapter 50) and Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules, so as to update and refresh them on matters that may affect or enhance their performance as Board or Board Committee members. Appropriate external trainings will be arranged where necessary for Directors to receive further training relating to relevant new/updates to laws and regulations as well as changing business risks, practices and cultures.

# CORPORATE GOVERNANCE REPORT

## Board Composition and Guidance

**Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.**

The Board comprises five Directors of whom two are Non-Executive Directors, one Executive Director and two Independent Directors. Their profiles are in the section on Board of Directors of this Annual Report. Membership of the Board Committees are as follows:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Re-election	Audit & Risk Management Committee ("AC")	Nominating Committee ("NC")	Remuneration & Strategic Human Resource Committee ("RC")	Banking Committee ("BC")
Dato' Sri Robin Tan Yeong Ching	Non-executive Chairman	22 June 2011	27 July 2017	-	-	-	-
Ms Mae Ho Seok Khen	Non-executive, Non-independent Director	27 October 2010	27 July 2017	Member	Member	Member	Member
Mr Ung Gim Sei	Non-executive, Independent Director	13 July 2004	19 July 2016	Chairman	Chairman	Member	-
Professor Chew Soon Beng @ Teo Soon Beng	Non-executive, Independent Director	1 March 2006	19 July 2016	Member	Member	Chairman	Chairman
Ms Yau Su Peng	Executive Director	23 November 2012	28 July 2015	-	-	-	Member

The Board adopted the definition of the Code of what constitutes "independent" in its review of the independence or otherwise of each Director ("Independent Director").

The independence of each Director is assessed and reviewed annually by the NC. In its deliberation as to the independence of a Director, the NC took into account examples of relationships as set out in the Code, considered whether a Director had business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgements. Each Independent Director is required to complete a Director's Independence Form annually to confirm his/her independence based on the guidelines as set out in the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

The Board is aware of the Guideline 2.2 of the Code that Independent Directors should constitute at least half of the Board where the Chairman is not an Independent Director. Currently, matters requiring the Board's approval are discussed and deliberated with participation of each Director and decisions are made collectively without any individual or small group of individuals influencing or dominating the decision-making process. Therefore, the Board is of the view that while the current composition of the Board does not meet the requirement of the guideline, it is sufficient for it to exercise objective and balanced judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined. Nevertheless, the Board is reviewing the composition of Independent Directors will make up at least half of the Board by 31 March 2019.

The Board has no dissenting view on the Chairman's Statement to the shareholders for the financial year under review.



## CORPORATE GOVERNANCE REPORT

Currently, Mr Ung Gim Sei and Professor Chew Soon Beng @ Teo Soon Beng have both served on the Board for more than nine years from the date of their first appointments. The Board has subjected their independence to a particularly rigorous review.

The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis on the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgment in engaging and challenging Management in the best interests of the Group as he performs his duties in good faith, are more critical measures in ascertaining his independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the Independent Directors. However, the Board and NC will exercise due and careful review, taking into consideration other factors, in assessing the independence of a Director. These factors include, inter alia, if the Directors has any interest, business, relationship and/or any other material contractual relationships with the Group which could reasonably be perceived to compromise his independence and interfere with the exercise of his independent business judgment with a view to the best interest of the Group.

After due and careful rigorous review, the Board (with Mr Ung and Professor Chew abstaining from discussion and deliberation) is of the view that Mr Ung and Professor Chew are independent in character and judgment and that there are no relationships or circumstances which affect or are likely to affect their independent judgment and ability to discharge their responsibilities as Independent Directors. The Board has therefore considered and deemed Mr Ung and Professor Chew to be independent notwithstanding that they have served more than nine years as Independent Directors.

The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board comprises Directors who as a group, provide an appropriate balance and diversity of skills, experience and knowledge of the Group. The Board also collectively have the necessary mix of experience and core competencies such as accounting and finance, legal expertise, business and management experience, industry knowledge, strategic planning experience to contribute to the effective strategic leadership of the Group. In recognition of the importance and value of gender diversity in the composition of the Board, out of the five Directors, two are female Directors.

### Chairman and Chief Executive Officer

**Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.**

There is a clear division of responsibilities between the Chairman and Executive Director, which ensures a balance of power and authority at the top of the Company.

The Chairman, Dato' Sri Robin Tan Yeong Ching, is a Non-Executive Chairman who oversees the business of the Board. He leads the Board discussions and ensures that Board meetings are convened when necessary. He approves the agendas for the Board meeting and ensures the quality, quantity and timeliness of the flow of information and encourages constructive relations between the Board and Key Management Personnel to facilitate efficient decision making.

The Executive Director, Ms Yau Su Peng, takes a leading role in developing the business of the Group and manages the operations of the Group with the assistance of the General Manager, Mr Allan Maxwell Norton. She also oversees the execution of the Group's business and corporate strategy decisions made by the Board.

The Chairman of the Board and the Executive Director are not related to each other.

Guideline 3.3 of the Code requires the appointment of a Lead Independent Director where the Chairman is not an Independent Director, and to act as an alternative channel for shareholders when normal communication with the Chairman, CEO or CFO are ineffective.

The Lead Independent Director may be appointed by the Board to serve in a lead capacity to coordinate the activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

## CORPORATE GOVERNANCE REPORT

Considering the Company's current business operations and a board size of five members with two being Independent Directors, the Board is of the view that the appointment a Lead Independent Director is not necessary. The Directors are accessible to the Company's shareholders, and the Company has always responded to queries raised by the shareholders. The absence of a Lead Independent Director has not impacted and is unlikely to impact such accessibility or the Company's response to shareholders' queries. Nevertheless, the Board will annually examine the need for the appointment of a Lead Independent Director.

Although no Lead Independent Director has been appointed, the Company's Independent Directors conferred among themselves when the need arose without the presence of the other Directors, and the Independent Director will provide feedback to the Chairman if it is necessary.

### Board Membership

**Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.**

#### Nominating Committee ("NC")

The Board has established a NC comprising three Non-Executive Directors, the majority of whom, including the NC Chairman, are Independent:

NC Chairman:	Mr Ung Gim Sei (Independent Director)
Members:	Professor Chew Soon Beng @ Teo Soon Beng (Independent Director) Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director)

The NC's main task is to make recommendations to the Board on all Board appointments, the appointment of the Board Committee members and the appointment of the Chief Executive Officer and any other officer(s) by whatever name called who has responsibilities and functions similar to an Executive Director.

The duties and responsibilities of the NC include the following:

- reviewing the size and composition of the Board annually to ensure that it has an appropriate balance of expertise, skills, attributes and abilities;
- identifying and recommending suitable candidates for appointment to the Board, taking into account the Company's objectives and the requirements of the Board;
- reviewing and nominating/re-nominating, re-election/re-appointment of Board members;
- reviewing the independence of each Independent Director and ensuring that at least one-third of the Board members are Independent Directors;
- assisting the Board in setting out procedures and criteria for assessing the effective performance of the Board and Board Committees as a whole and the contribution of each Director;
- reviewing the nomination and appointment of Executive Director(s) and any other officer(s) by whatever name called who has responsibilities and functions similar to that of an Executive Director;
- reviewing the orientation, training and education programmes for members of the Board with respect to the Company's business and its management, as is necessary;
- reviewing the multiple board representations of each Director individually (if any) to ensure that sufficient time and attention is given to the affairs of the Company; and
- reviewing the succession plans for Directors.

The NC is also required to review whether there is a right mix of expertise, experience and skills in the Board and Board Committees. More importantly, the NC would pay particular attention to the efficient and effective operation of the Board in guiding Management. Issues such as whether the Board has spent appropriate amount of time deliberating on the long term strategy and performance of Management, and the assistance to Management in setting clear and well understood policies and action plans were reviewed. Brainstorming sessions were also organised for the Board members and Management to discuss the overall business

## CORPORATE GOVERNANCE REPORT

directions and planning and to focus on common objectives.

The NC evaluates the Board, Board Committees and each Director using criteria such as each Director's attendance record, skills, preparedness, participation, candour and contribution to the effectiveness of the Board and Board Committees. It also considers whether the Board Committees have fulfilled their roles and discharged tasks delegated by the Board.

The NC had reviewed the multiple board representations held by the Directors and their confirmations that they are able to devote sufficient time and attention to the matters of the Group and noted the Directors attendance in relation to the Board and Board Committee meetings held during the year. The NC is satisfied that the Directors have been able to devote sufficient time and resources to the affairs of the Group. As such, the Board does not think that it is necessary to set a maximum number of listed board representations that any Director may hold.

Individual Director's feedbacks on the Board and Board Committees are also considered.

The NC is charged with the responsibility of recommending to the Board the re-election of Director(s) having regard to their past contribution and performance. The NC reviews annually the Directors due for retirement under the Constitution of the Company.

Under Article 71 of the Company's Constitution, all Directors are subject to retirement by rotation once at least every three years and they are eligible for re-election at the Annual General Meeting (the "AGM"). The Directors who have been longest in office since their last re-election shall retire first. The NC has nominated Ms Yau Su Peng retiring under Article 71 of the Constitution, and who has given her consent, for re-election at the forthcoming AGM.

The profiles of the Directors are set out on pages 6 to 7 of this Annual Report. The shareholdings of the individual Directors of the Company are set out on page 28 of this Annual Report. None of the Directors hold shares in the related corporations of the Company.

The initial appointment date and the date of last re-election of the Directors in office at the date of this report are shown under Principle 2 "**Board Composition and Guidance**".

As at 31 March 2018, there is no alternate Director on the Board.

### **Board Performance**

#### **Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.**

When the need to appoint a new Director arises, the NC reviews the range of expertise, skills and attributes of the Board members, and identifies the Board's need and shortlists candidates with the appropriate profile. Where necessary, the NC may seek advice from external consultants. New Directors are appointed by way of a Board resolution after the NC has reviewed and recommended the appointment of these new Directors. Article 75 of the Company's Constitution requires that new Directors appointed by the Board shall hold office until the next AGM and shall be eligible for re-election at that AGM.

The NC undertakes annual evaluation process of the performance and effectiveness of the Board as a whole and the Board Committees as well as the contribution of individual Directors to the effectiveness of the entire Board. The criteria taken into consideration by the NC include contribution and performance factors such as attendance, preparedness and participation. These criteria will be changed when it is deemed necessary and approved by the Board. The NC is satisfied that the Board as a whole and Board Committees had met the performance objectives in FY2018 and each Director has contributed effective functioning of the Board and sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations and other principal commitments.

No external facilitator was engaged in the Year in the evaluation of the Board as a whole, its Board Committees and the individual Directors.

# CORPORATE GOVERNANCE REPORT

## Access to Information

**Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.**

Directors are provided with complete, adequate and timely information prior to board meetings and on on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. As a general rule, detailed Board and Board Committees papers prepared for each meeting are normally circulated in advance of each meeting. These includes copies of disclosure documents, budgets, forecasts and internal financial statements. In respect of budgets, any material variance between the projections and actual results are also disclosed and explained.

The Company Secretary, to whom the Directors have independent access, keeps the Board informed of relevant laws, regulations and changes thereto. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Directors, either individually or as a group, have the authority to seek independent professional advice, if necessary, at the Company's expense.

Directors are given access to quarterly financial reports. The Board is also given separate and independent access to Management. Prior to each Board and Board Committee meeting, the Board and Board Committee members are provided with complete, adequate and timely information required for them to fulfill their responsibilities.

## **REMUNERATION MATTERS**

### **Procedures for Developing Remuneration Policies**

**Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.**

### **Level and Mix of Remuneration**

**Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) Key Management Personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.**

### **Disclosure on Remuneration**

**Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and Key Management Personnel and performance.**

### **Remuneration and Strategic Human Resource Committee ("RC")**

The Board has established the RC to deal with remuneration matters. The RC comprises three Non-Executive Directors, the majority of whom, including the RC Chairman, are independent:

RC Chairman : Professor Chew Soon Beng @ Teo Soon Beng (Independent Director)  
Members : Mr Ung Gim Sei (Independent Director)  
Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director)

The RC reviews and makes recommendations and assists in attracting, retaining and rewarding well-qualified people to serve the Company as Key Management Personnel by pegging remuneration and benefits at competitive market rates. The duties and responsibilities of the RC include the following:

- reviewing and advising the Board on the terms of appointment and remuneration of its members and Key Management Personnel;

## CORPORATE GOVERNANCE REPORT

- reviewing with Management the terms of the employment so as to develop consistent group-wide employment practices subject to regional differences;
- reviewing the working environment and succession planning for Management; and
- disclosing performance measures and targets for Key Management Personnel's performance bonuses.

It is the Company's policy to ensure that the level of remuneration should be appropriate to attract, retain and motivate the personnel needed to run the Group successfully. The remuneration of Key Management Personnel is structured so as to link rewards to corporate and individual performance. The Company's risk policies are also taken into account. From time to time, remuneration packages of employees are reviewed to ensure that they are sufficiently competitive. A compensation system is in place to reward employees based on merit and performance through annual merit service increments and bonuses. In view of the challenging market and business conditions, the Company was not profitable in FY2018. Hence, Executive Director and Key Management Personnel were not entitled to performance bonuses.

The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised.

In line with the Code, the RC will submit its recommendation on the remuneration packages (including Directors' fee, salaries, allowance, bonuses, options and/or benefits in kind) for each Director for endorsement by the Board. No Directors are involved in deciding his or her own remuneration. If a member of the RC has an interest in a matter being reviewed or considered by the RC, he or she will abstain from voting on that matter. The RC is also involved in the review of the remuneration scheme for Management. Directors' fees are recommended by the Board for approval by the shareholders at the Company's AGM. The RC reviews the fairness and reasonableness of the remuneration package of the Executive Directors and Key Management Personnel to ensure that there is no overly onerous or generous termination clause.

Service agreement for the Executive Director was entered with the Company on 20 October 2014 with no fixed appointment period and do not contain onerous termination provisions. The Non-Executive Directors and Independent Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors.

The Company had in place an employee share option scheme which, however, had expired on 15 February 2016. The Company does not have any other incentive scheme for its Directors and Key Management Personnel. The Company does not have any scheme which encourages its Executive Director and Key Management Personnel to hold shares in the Company.

The RC has access to expert advice on human resource matters whenever there is a need to consult externally. The RC determined that there was no need to seek such expert advice for the financial year ended 31 March 2018.

There are no contractual provisions for the Company to reclaim incentive components of remuneration from Executive Director and Key Management Personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company. The RC is of the view such claw back provision are not necessary as the variable components of their remuneration package are moderate.

## CORPORATE GOVERNANCE REPORT

Details of remuneration of the Directors of the Company for FY2018 is as follows:

Name of Director	Total Remuneration S\$'000	Salary %	Performance Bonuses %	Director's Fees* %
<b><u>Non-Executive Directors</u></b>				
Dato' Sri Robin Tan Yeong Ching	-	-	-	-
Ms Mae Ho Seok Khen	-	-	-	-
Mr Ung Gim Sei	25	-	-	100%
Professor Chew Soon Beng @ Teo Soon Beng	22.5	-	-	100%
<b><u>Executive Director</u></b>				
Ms Yau Su Peng	60	100%	-	-
<b>Total</b>	<b>107.5</b>	<b>55.8%</b>	<b>-</b>	<b>44.2%</b>

\* These fees are subject to shareholders' approval as a lump sum at the Annual General Meeting for FY2018

Details of remuneration for the top five Key Management Personnel (who are not Directors of the Company and in office during the year) for the financial year ended 31 March 2018 are set out below:

Top 5 Key Management Personnel (Non-Directors of the Company)	Salary %	Performance Bonuses %	Allowance and Other Benefits %
<b><u>Below S\$250,000</u></b>			
Dr Ling Poon Teck <sup>(1)</sup> Chief Operating Officer	90%	-	10%
Mr Tan Cheng Kang Kendrick <sup>(2)</sup> Group General Manager	100%	-	-
Ms Melina Yong Mei Lin Vice President, Corporate Services	100%	-	-
Ms Emma Sarah Dawkins <sup>(3)</sup> Director of Qualifications and Academic Delivery	100%	-	-
Mr Allan Maxwell Norton <sup>(4)</sup> General Manager	100%	-	-

<sup>(1)</sup> Relinquished appointment on 21 November 2017

<sup>(2)</sup> Relinquished appointment on 18 August 2017

<sup>(3)</sup> Relinquished appointment on 23 February 2018

<sup>(4)</sup> Appointed on 17 August 2017

The aggregate amount of the total remuneration paid to the top five Key Management Personnel (who are not Directors or CEO) is S\$690,000. The remuneration of individual Key Management Personnel is not fully disclosed but in bands of S\$250,000 as the Company believes that disclosure may be prejudicial to its business interest given the highly competitive environment it is operating in.

There is no employee who is related to a Director or the Executive Director whose remuneration exceeds S\$50,000 in the Group's employment for the financial year ended 31 March 2018.

### **ACCOUNTABILITY AND AUDIT**

#### **Accountability**

**Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.**

## CORPORATE GOVERNANCE REPORT

The Board is accountable to shareholders and always aim to provide shareholders with a balanced and understandable analysis, explanation and assessment of the Group's financial position and prospects on a timely basis.

The Board with the assistance of Management and professional advisors, ensures compliance with the disclosure requirements under the Listing Rules. In this regard, the Group releases its financial results on a quarterly basis and other information via SGXNET so as to provide shareholders with balanced and accurate assessment of the Group's performance, financial positions and prospects.

Quarterly and full year financial statements are presented by Management to the AC for its review before it is recommended for adoption by the Board. Upon the Board's approval, the financial results announcements will be released via SGXNET to the public.

Management provides the Board with detailed management accounts and such explanation and information relating to the Group's performance on a regular basis and as the Board may require from time to time to assist the Board in understanding and in making a balanced and informed assessment of the Group's performance, financial position and prospects.

The Board review legislative and regulatory compliance reports with Management to ensure that the Group complies with the relevant regulatory requirements.

In line with the Listing Rules, the Board provides a negative assurance statement to shareholders in its quarterly financial statement announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

All Directors and Executive Officers of the Group also signed a letter of undertaking pursuant to the amended Rule 720(1) of the Listing Rules.

### **Risk Management and Internal Controls**

**Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of significant risks which the Board is willing to take in achieving its strategic objectives.**

The Board ensures that Management maintains a sound system of internal controls and risk management to safeguard the shareholders' interests and the Company's assets.

All business units have a primary responsibility for managing their specific risk exposures based on the Group's guidelines. The Company has established an Enterprise Risk Management Framework ("ERM framework") for the purpose of addressing the operational, compliance, financial and information technology risks of the holding Company and its Singapore subsidiaries and will continue improving on the framework.

The AC is tasked to oversee the implementation of an effective system of internal controls as well as putting in place an ERM framework to continually identify, evaluate and manage significant business risks of the Group. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being due to the current size of the Group's operations.

The Board will continue to review and ensure that there are adequate controls in the Group. Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, the Board with the concurrence of the AC, are of the opinion that the Group's internal controls, and risk management systems maintained to address financial, operational, compliance and information technology risks were adequate and effective during the Year to address the risks which the Group considers relevant and material. The Internal Auditors will continue to monitor the enforcement of controls in these areas.

The Board has received assurance from the General Manager and the Financial Controller that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) regarding the effectiveness of the Company's risk management and internal control systems.

## CORPORATE GOVERNANCE REPORT

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

To achieve a good standard of corporate governance for the operations of the Group, employees must maintain a high level of integrity and professionalism in their conduct and ensure compliance with all laws and regulations in their dealings with all stakeholders. Accordingly, the Board has put in place the Employee Code of Ethics and Policy for Reporting Improper Action and Protecting Employees Against Retaliation (“Whistle Blower”) in year 2004. The Whistle Blower policy is liberally construed in favour of protecting the Group’s interest through full disclosure of any conflict of interest and promoting ethical standards of conduct for all employees. The Whistle Blower policy is administered by the Internal Audit function and is included in the staff orientation programme.

Any person may file with the Head of Internal Audit who reports to the AC Chairman, a complaint alleging violation of the policy, together with all available supporting documents or other evidence to demonstrate a reason for believing that a violation had occurred. The Head of Internal Audit or his designate shall conduct a preliminary investigation. Thereafter, the Head of Internal Audit shall refer the complaint to the AC Chairman for appropriate follow-up action to be taken. For FY2018 there have been no incidents pertaining to whistle-blowing reported.

**Principle 12: The Board should establish an Audit Committee (“AC”) with written terms of reference which clearly set out its authority and duties.**

### **Audit and Risk Management Committee (“AC”)**

The AC carries out the functions set out in the Code and the Companies Act. The AC comprises three Directors, the majority of whom, including the AC Chairman, are independent:

AC Chairman: Mr Ung Gim Sei (Independent Director)  
Members: Professor Chew Soon Beng @ Teo Soon Beng (Independent Director)  
Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director)

The duties and responsibilities of the AC include the review of the following:

- financial statements, internal and external audit scope and results;
- significant financial reporting issues and judgments and any announcements relating to the Company’s financial performance;
- adequacy and effectiveness of the Company’s internal controls;
- consistency of and significant changes to accounting policies and practices;
- adequacy of internal audit resources;
- effectiveness of the Company’s internal audit function;
- proposal of appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- risk management structure and oversight of risk management process;
- independence and objectivity of external auditor; and
- interested person transactions.

During the financial year 2018, AC has performed its duties as guided by the terms of reference which stipulate its principal functions. The principal responsibility of the AC is to assist the Board in maintaining a good standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting process and internal control systems of the Company, the review



## CORPORATE GOVERNANCE REPORT

of the significant financial reporting issues and the integrity of the financial statements of the Company for any formal announcements. The AC governs and approves key financial policies and has the power to conduct or authorise investigations into any matters within its scope of responsibility.

In addition, the AC reviewed the audit plans, evaluated the risk management framework and discussed regulatory compliance matters and accounting implications of any major transactions including significant financial reporting issues. It also assessed the internal audit functions to ensure that an effective system of control is maintained in the Group.

The AC is empowered to make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors. For the Year, the AC have discussed with the external auditors and reviewed the volume and nature of all non-audit services provided by them to the Group. The AC is satisfied that the financial, professional and business relationships between the Group and the external auditors will not affect their independence and objectivity. The fee payable to auditors is set out on page 56 of this annual report. The AC has recommended to the Board the nomination of Ernst & Young LLP for re-appointment by shareholders as external auditors of the Company at the forthcoming Annual General Meeting ("AGM").

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual. In accordance with the requirements of Rule 716 thereof, the AC and the Board are satisfied that the appointment of auditors for some of its foreign subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

The Board considers the members of the AC to be appropriately qualified to discharge their responsibilities. Members of the AC have independent access to both the external auditors and the internal auditors. During the Year, the AC had meetings with the external and internal auditors without the presence of the Management. The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or Executive Officer of the Company to attend its meetings.

To keep abreast of the changes in financial reporting standards and related issues which have a direct impact on financial statements, discussions are held with the external auditors where applicable when they attend the AC meetings.

No former partner or Director of the Company's existing auditing firm or audit corporation is a member of the AC.

### Internal Audit

**Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.**

The AC ensures that the Internal Audit function is staffed with persons with relevant qualifications and experience and reviews the adequacy and effectiveness of the function at least annually.

The Head of Internal Audit reports to the AC and assists the Board in monitoring and managing business risks and system of internal controls. The Internal Audit function has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The scope of work of the Internal Auditors covers the audit of all units and operations including the Company's overseas offices, subsidiaries, associates and franchisees. To further enhance the internal controls of the Group, the AC may engage an external audit firm to perform internal audit tasks from time to time.

The AC has a duty to review and approve the Company's internal audit plan. The results of the audit findings by Internal Auditors will also be submitted to the AC for review on the internal controls of the Group. It believes that the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems maintained by the Company were adequate and effective during the Year to address the risks which the Group considers relevant and material. The internal auditors carry out their function in accordance to the standards set by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

# CORPORATE GOVERNANCE REPORT

## Banking Committee (“BC”)

The BC comprises the members of which are as follows:

BC Chairman:	Professor Chew Soon Beng @ Teo Soon Beng (Independent Director)
Members:	Ms Yau Su Peng (Executive Director)
	Ms Mae Ho Seok Khen (Non-Executive, Non-Independent Director)

The duties and responsibilities of the BC are as follows:

- Reviewing and approving any change in authorised signatories and signing conditions for operating the banking accounts; and
- Ensuring that proper approval procedures are in place for the operation of the Company’s bank accounts.

During the Year, the BC approved five matters by circularised resolution. There was no meeting of the BC.

## SHAREHOLDER RIGHTS AND RESPONSIBILITIES

### Shareholder Rights

**Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders’ rights, and continually review and update such governance arrangements.**

### Communication with Shareholders

**Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.**

### Conduct of Shareholder Meetings

**Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholder the opportunity to communicate their views on various matters affecting the Company.**

Although the Company has not adopted a formal Investor Relations Policy to regularly convey pertinent information to the shareholders, the Board recognises the need to furnish timely information to shareholders and ensure full disclosure of material information to comply with statutory requirements and the Listing Manual of the SGX-ST is made.

The Company does not practice selective disclosure. Any price sensitive information is first publicly released through SGXNET, before the Company announced to any group of investors or analysts. Announcements of results and information on new initiatives are published through the SGXNET. Financial results and Annual Reports are announced or issued within the mandatory period. Shareholders can also access information on the Group via the website [www.informaticseducation.com](http://www.informaticseducation.com). To keep all stakeholders of the Company updated on the latest announcements, press releases of the Company, the Company has made available other channels such as the Company’s website (<http://www.informaticseducation.com/investor-media-centre/investor-relations-contact/>) and hotline at +65 6580 4555 for shareholders to submit their feedback and queries.

In addition, the Company will ensure that shareholders have equal opportunity to participate effectively in and vote at general meeting and brief shareholders on the rules, including voting procedures that govern general meeting. All shareholders of the Company receive the Annual Report and Notice of AGM. The Notice is advertised in a daily newspaper. The Board regards the AGM as the principal communication channel with shareholders, where shareholders are given the opportunity to communicate their views and are encouraged to raise pertinent questions to the Board members and to vote at shareholders’ meetings. Directors, including the chairpersons of the Board and Board Committees are present at the annual general meetings to address relevant questions raised by the shareholders. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders.

The Company’s Constitution allows a member of the Company to appoint one or two proxies to attend and vote on behalf of the member. To better reflect shareholders’ shareholding interest and ensure greater transparency, since 2013, all resolutions tabled at the AGM are voted by poll. From 2015, the Company has

## CORPORATE GOVERNANCE REPORT

conducted the voting of all its resolutions by employing electronic poll voting for all its resolutions passed at its AGM. There are separate resolutions tabled on each substantially separate issue. The detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET. The Company's Constitution allow any shareholder to appoint proxies during his absence, to attend and vote on his behalf at the general meetings. The Company does not permit voting in absentia by mail, facsimile or email due to the difficulty in verifying and ensuring authenticity of the vote.

Minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management are prepared and made available to shareholders upon their request.

The Company does not have a fixed dividend policy. The frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow and general business condition, development plans and other factors as the Directors may deem appropriate.

The Board does not recommend any payment of dividends for FY2018 as the business conditions is expected to remain challenging with increased global competition, with the Group continuing to pursue new and profitable revenue streams and generate cash flow growth, and streamline its processes and leveraging technology to achieve a learner cost structure.

### **Interested Person Transactions**

There was no interested person transaction during the Year which falls under Rule 907 of the SGX-ST Listing Manual.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual.

### **Material Contracts** **Rule 1207(8) of the Listing Manual**

Save for the service agreement between the Company and the Executive Director, there were no material contracts of the Company and its subsidiaries involving the interests of the Directors, Chief Executive Officer or the controlling shareholders and his/her associates that have subsisted during the Year or have been entered into since the end of the Year.

"Associate" in relation to a Director, Chief Executive Officer or controlling shareholder means:

- his/her immediate family;
- the trustees of any trust of which he/her or his/her immediate family member is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- any company in which he/her and his/her immediate family together (directly or indirectly) have an interest of 30% or more.

### **Dealings in Securities** **Rule 1207(19) of the Listing Manual**

In compliance with Listing Rule 1207(19) of the SGX-ST Listing Manual, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Company during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full year results, and ending on the date of such announcements. Directors, officers and employees are also reminded not to trade in listed securities of the Company at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Company's securities on short-term considerations.

In addition, the Directors and officers of the Company and Group are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

# FINANCIAL STATEMENTS

Directors' Statement	<b>27</b>
Independent Auditor's Report	<b>30</b>
Consolidated Income Statement	<b>34</b>
Consolidated Statement of Comprehensive Income	<b>35</b>
Balance Sheets	<b>36</b>
Statements of Changes in Equity	<b>37</b>
Consolidated Cash Flow Statement	<b>38</b>
Notes to the Financial Statements	<b>39</b>

## **Informatics Education Ltd and its Subsidiaries**

### **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 balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2018.

### **Opinion of the directors**

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet 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 31 March 2018 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, with the there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

### **Directors**

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

Dato' Sri Robin Tan Yeong Ching  
Professor Chew Soon Beng @ Teo Soon Beng  
Ms Mae Ho Seok Khen  
Mr Ung Gim Sei  
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.

### **Directors' interests in shares and debenture**

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

**Informatics Education Ltd and its Subsidiaries****Directors' statement**

(In Singapore Dollars)

**Directors' interests in shares and debenture (cont'd)**

Name of director	Direct interest			Deemed interest		
	At the beginning of the financial year	At the end of the financial year	As at 30.4.2018	At the beginning of the financial year	At the end of the financial year	As at 30.4.2018
<b>The Company</b>						
<b>Ordinary shares</b>						
Mr Ung Gim Sei	156,470	156,470	156,470	50,000	50,000	50,000
Professor Chew Soon Beng @ Teo Soon Beng	152,500	152,500	152,500	50,000	50,000	50,000

Mr Ung Gim Sei and Professor Chew Soon Beng @ Teo Soon Beng are deemed to be interested in the shares of the Company held by their spouses, respectively.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

**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 any exercise of options to take up unissued shares of the Company and its subsidiaries.

As at the end of the financial year, there was 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 Ung Gim Sei (Independent Director)  
Members : Professor Chew Soon Beng @ Teo Soon Beng (Independent Director)  
Ms Mae Ho Seok Khen (Non-Executive Director)

The AC carries out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50. The principal functions of the AC are to:

- Review the annual audit plans of the internal and external auditors of the Group and the Company, and review the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors

**Informatics Education Ltd and its Subsidiaries****Directors' statement**

---

(In Singapore Dollars)

**Audit and Risk Management Committee (cont'd)**

- Review the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Review effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Meet with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Review the cost effectiveness and the independence and objectivity of the external auditor
- Review the nature and extent of non-audit services provided by the external auditor
- Recommend to the board of directors the external auditor to be nominated, approve the compensation of the external auditor, and review the scope and results of the audit
- Report actions and minutes of the AC to the board of directors with such recommendations as the AC consider appropriate
- Review interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

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 Report on Corporate Governance.

**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

19 June 2018

## **Informatics Education Ltd and its Subsidiaries**

### **Independent auditor's report For the financial year ended 31 March 2018**

#### **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 balance sheets of the Group and the Company as at 31 March 2018, 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 balance sheet 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 Financial Reporting Standards in Singapore (FRSs) 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 31 March 2018 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 incurred net loss of \$5,826,000 and recorded cash outflow of \$5,037,000 from its operating activities for the financial year ended 31 March 2018 and as at that date, the Company is in a net current liabilities and net liabilities position of \$5,288,000 and \$5,263,000 respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concern. The ability of the Group and Company to continue as a going concern is dependent on an indirect shareholder to provide financial support up to \$5,000,000 until 30 June 2019 to meet the Group's and the Company's operating expenditure, working capital and capital expenditure requirements.

If the Group and Company is unable to continue operational existence for the foreseeable future, the Group and 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 balance sheet. 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.



**Informatics Education Ltd and its Subsidiaries****Independent auditor's report  
For the financial year ended 31 March 2018****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.

***Allowances for impairment in trade receivables***

As at 31 March 2018, the gross balance of trade receivables amounted to \$1,534,000, against which allowance for doubtful debts of \$746,000 was made. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The assessment of the impairment of trade receivables requires significant management judgment in assessing the trade debtors' ability to pay, as well as the use of estimates to determine the recoverable amount. As a result, we have identified this as a key audit matter.

We evaluated the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of its customers. Our audit procedures also included, amongst others, requesting trade receivable confirmations and obtaining evidence of receipts from the trade receivables after the year end. We also evaluated management's assumptions used to determine the trade receivables impairment amount through analyses of ageing of the receivables and review of material overdue individual trade receivables. We tested aged balances where no provision was recognised to check that there were no indicators of impairment. This included verifying if payments had been received subsequent to the year end and reviewing historical payment patterns. We reviewed the adequacy of the Group's disclosures on the trade receivables in Note 15 and the related risks such as liquidity risk and credit risk in Notes 25(a) and 25(c) to the consolidated financial statements.

**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.

## **Informatics Education Ltd and its Subsidiaries**

### **Independent auditor's report For the financial year ended 31 March 2018**

#### **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 FRSs, 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.

**Informatics Education Ltd and its Subsidiaries****Independent auditor's report  
For the financial year ended 31 March 2018****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 Andrew Tan Chwee Peng.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

19 June 2018

**Informatics Education Ltd and its Subsidiaries****Consolidated income statement  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

	<b>Note</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Revenue	5	8,832	10,800
Other operating income		132	212
Staff costs	6	(6,879)	(7,862)
Depreciation of property, plant and equipment	11	(236)	(200)
Other operating expenses	7	(7,677)	(8,559)
Interest income	8	7	110
<b>Loss before taxation</b>		<u>(5,821)</u>	<u>(5,499)</u>
Taxation	9	(5)	(7)
<b>Loss for the year</b>		<u>(5,826)</u>	<u>(5,506)</u>
<b>Loss attributable to:</b>			
Equity holders of the Company		<u>(5,826)</u>	<u>(5,506)</u>
<b>Earnings per share attributable to equity holders of the Company (cents)</b>	<b>10</b>		
Basic		(8.07)	(7.62)
Diluted		<u>(8.07)</u>	<u>(7.62)</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Informatics Education Ltd and its Subsidiaries****Consolidated statement of comprehensive income  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

	<b>2018</b> \$'000	<b>2017</b> \$'000
<b>Loss for the financial year</b>	(5,826)	(5,506)
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign currency translation	300	56
Other comprehensive income for the financial year	300	56
<b>Total comprehensive income for the financial year</b>	(5,526)	(5,450)
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	(5,526)	(5,450)
	(5,526)	(5,450)

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Informatics Education Ltd and its Subsidiaries****Balance sheets  
As at 31 March 2018**

(In Singapore Dollars)

	Note	Group		Company	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	11	184	364	25	135
Intangible assets	12	38	181	–	–
Investment in subsidiaries	13	–	–	–	4,820
Other investments	14	–	–	–	–
		222	545	25	4,955
<b>Current assets</b>					
Prepayments		344	585	126	137
Trade and other receivables	15	1,400	2,358	238	2,371
Restricted cash at bank	16	138	138	–	–
Cash and cash equivalents	16	3,137	8,403	334	258
		5,019	11,484	698	2,766
<b>Current liabilities</b>					
Deferred income and fees		400	565	24	42
Trade and other payables	17	2,581	3,618	5,873	6,664
Provision for reinstatement cost	18	171	230	89	148
Income tax payable		–	1	–	–
		3,152	4,414	5,986	6,854
<b>Net current assets/(liabilities)</b>		1,867	7,070	(5,288)	(4,088)
<b>Total net assets/(liabilities)</b>		2,089	7,615	(5,263)	867
<b>Equity attributable to equity holders of the Company</b>					
Share capital	19	29,908	29,908	29,908	29,908
Reserves	20	(27,819)	(22,293)	(35,171)	(29,041)
<b>Total equity</b>		2,089	7,615	(5,263)	867

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Informatics Education Ltd and its Subsidiaries****Statements of changes in equity  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

	Attributable to equity holders of the Company				
	Share capital \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<b>Group</b>					
<b>2018</b>					
At 1 April 2017	29,908	(1,420)	(20,873)	(22,293)	7,615
Loss for the financial year	–	–	(5,826)	(5,826)	(5,826)
Other comprehensive income for the financial year	–	300	–	300	300
Total comprehensive income for the financial year	–	300	(5,826)	(5,526)	(5,526)
At 31 March 2018	29,908	(1,120)	(26,699)	(27,819)	2,089
<b>2017</b>					
At 1 April 2016	29,908	(1,476)	(15,367)	(16,843)	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	–	56	(5,506)	(5,450)	(5,450)
At 31 March 2017	29,908	(1,420)	(20,873)	(22,293)	7,615
<b>Company</b>					
<b>2018</b>					
At 1 April 2017			29,908	(29,041)	867
Loss for the financial year, representing total comprehensive income for the financial year			–	(6,130)	(6,130)
At 31 March 2018			29,908	(35,171)	(5,263)
<b>2017</b>					
At 1 April 2016			29,908	(16,150)	13,758
Loss for the financial year, representing total comprehensive income for the financial year			–	(12,891)	(12,891)
At 31 March 2017			29,908	(29,041)	867

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Informatics Education Ltd and its Subsidiaries****Consolidated cash flow statement  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

	Note	2018 \$'000	2017 \$'000
<b>Cash flow from operating activities</b>			
Loss before taxation		(5,821)	(5,499)
Adjustments for:			
Depreciation of property, plant and equipment	11	236	200
Amortisation of intangible assets	12	70	19
Net loss/(gain) on disposal of property, plant and equipment	7	1	(4)
Impairment loss of property, plant and equipment	7	101	119
Impairment loss of intangible assets	7	230	–
Allowance/(write-back) for doubtful debts	15	207	(38)
(Write-back)/written-off for bad debts	7	(19)	2
Loss on liquidation of subsidiaries	7	–	12
Interest income	8	(7)	(110)
Unrealised exchange loss		234	123
		<hr/>	<hr/>
<b>Operating loss before working capital changes</b>		(4,768)	(5,176)
Decrease/(increase) in prepayments, trade and other receivables		992	(410)
Decrease in deferred income and fees		(165)	(888)
(Decrease)/increase in trade and other payables		(1,096)	23
		<hr/>	<hr/>
<b>Cash used in operations</b>		(5,037)	(6,451)
Interest received		27	230
Tax paid		(6)	(7)
		<hr/>	<hr/>
<b>Net cash flows used in operating activities</b>		(5,016)	(6,228)
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	11	(149)	(401)
Expenditure on intangible assets	12	(155)	(193)
Proceeds from disposal of property, plant and equipment		4	5
Withdrawal of fixed deposits		–	10,000
		<hr/>	<hr/>
<b>Net cash flows (used in)/generated from investing activities</b>		(300)	9,411
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(5,316)	3,183
Cash and cash equivalents at beginning of the financial year		8,403	5,286
Effects of exchange rate changes on opening cash and cash equivalents		50	(66)
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the financial year</b>	16	3,137	8,403

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



## Informatics Education Ltd and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2018

---

(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 Middle Road, #05-01 BOC Plaza, Singapore 188974.

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.

#### 2. Fundamental accounting concept

For the financial year ended 31 March 2018, the Group has generated negative operating cash flow of \$5,037,000 (2017: \$6,451,000) and recorded a net loss of \$5,826,000 (2017: \$5,506,000).

As at 31 March 2018, the Company is in a net current liabilities and net liabilities position of \$5,288,000 (2017: \$4,088,000) and \$5,263,000 (2017: net asset of \$867,000) 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 has received a letter of undertaking from an indirect controlling shareholder, Tan Sri Dato' Seri Vincent Tan Chee Yioun, to provide continue financial support up to \$5,000,000 until 30 June 2019 to meet the Group's and the Company's operating expenditure, working capital and capital expenditure requirements. As of 19 June 2018, \$Nil of this funds have been drawn down.

If the Group is unable to continue in operational existence for the foreseeable future, the Group 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 balance sheets.

#### 3. Summary of significant accounting policies

##### 3.1 Basis of preparation

The consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.1 Basis of preparation (cont'd)**Convergence with International Financial Reporting Standards

The Accounting Standards Council announced on 29 May 2017 that Singapore incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting (International), a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the SFRS(I) on 1 April 2018.

The Group has performed a preliminary assessment of the impact of adopting SFRS(I). Other than the adoption of the SFRS(I) on 1 April 2018, The Group expects that the adoption of the SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting the SFRS(I) that are effective on 1 April 2018 will be similar to that as disclosed in Note 3.3.

**3.2 Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any 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:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
FRS 115: Revenue from Contracts with Customers	1 January 2018
FRS 109: Financial Instruments	1 January 2018
Amendments to FRS 102 Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Amendments to FRS 40 Transfers of Investment Property	1 January 2018
Amendments to FRS 104 Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
Improvements to FRSs (December 2016)	
(a) Amendments To FRS 101 First-Time Adoption Of Financial Reporting Standards	1 January 2018
(b) Amendments To FRS 28 Investments In Associates And Joint Ventures	1 January 2018
INT FRS 112 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.3 Standards issued but not yet effective (cont'd)**

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
FRS 116 Leases	1 January 2019
Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures	1 January 2019
INT FRS 123 Uncertainty over Income Tax Treatments Illustrative examples	1 January 2019

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of amendment to FRS 109, FRS 115 and FRS 116 are described below.

***FRS 109 Financial Instruments***

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. The Group does not expect a significant impact upon adoption of FRS 109, except as disclose below. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in FY2019.

***Impairment***

FRS 109 requires the Group to record expected credit losses on all of its debt securities, loans, trade receivables and financial guarantees, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group expects an increase in the impairment in trade receivables as at 1 April 2018.

## Informatics Education Ltd and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2018

---

(In Singapore Dollars)

#### 3. Summary of significant accounting policies (cont'd)

##### 3.3 *Standards issued but not yet effective (cont'd)*

###### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach.

The Group has performed a preliminary impact assessment of adopting FRS 115, which covering the five areas such as contracts with the customer, performance obligations in the contract, transaction price determination, transaction price allocation and revenue recognition when a performance obligation is satisfied. The management is still quantifying the impact at this junction.

This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 115 in FY2019.

###### FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

##### 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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.4 Basis of consolidation (cont'd)**

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:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises 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;
- Re-classifies 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.

**(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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.6 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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
Training aids	-	3 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

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.

**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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.7 Intangible assets (cont'd)**

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.

**3.9 Other investments**

The Group's other investments are classified as available-for-sale financial assets.

The accounting policy for such financial assets is stated in Note 3.11.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.10 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.

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.

**3.11 Financial instruments****(a) Financial assets***Initial recognition and measurement*

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

*Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

**(i) Loans and receivables**

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.



**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.11 Financial instruments (cont'd)****(a) Financial assets (cont'd)****(ii) Available-for-sale financial assets**

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost less impairment 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 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.

*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 and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.11 Financial instruments (cont'd)****(b) Financial liabilities (cont'd)***Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**3.12 Impairment of financial assets**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

**(a) Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.12 Impairment of financial assets (cont'd)****(b) Financial assets carried at cost**

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

**3.13 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.

**3.14 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.

**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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****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 balance sheet 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 recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

**(a) Course fees**

Course fee is generally recognised as revenue over the duration of the course. For courses hosted on the e-learning portal, course fee is recognised as revenue upon full module fees collected upon commencement of class for the respective modules. Fees received prior to the commencement of the courses are recorded as deferred income and fees in the balance sheet.

**(b) Examination fees**

Examination fee is recognised as revenue when examination services are substantially rendered to the students. When examination dates fall in the next financial year, judgement is used to establish the proportion of revenue that may be recognised in the current period based upon stage of completion of services performed within the period as a proportion of the total services to be performed.

**(c) Franchise fees**

Initial franchise fee is recognised as revenue when the contractual requirements under the franchise agreement are completed and when collectability is certain. 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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.17 Revenue (cont'd)****(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 determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**As lessee**

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

**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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****3.19 Taxes (cont'd)****(b) Deferred tax (cont'd)**

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.

**(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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**3. Summary of significant accounting policies (cont'd)****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 balance sheet 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.

**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.



**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**4. Significant accounting judgements and estimates (cont'd)****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.

*Impairment of trade and other receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by \$85,000 (2017: increase by \$167,000).

**5. Revenue**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Course and examination fees	8,820	10,552
Franchise and license fee income	5	186
Rental income	7	62
	8,832	10,800
	8,832	10,800

**6. Staff costs**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Staff costs (including key management personnel):		
- salaries and bonuses	6,177	7,022
- defined contribution plan contributions	702	840
	6,879	7,862
	6,879	7,862

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**7. Other operating expenses**

The following items have been charged/(credited) in arriving at other operating expenses:

	<b>Note</b>	<b>Group</b>	
		<b>2018</b>	<b>2017</b>
		\$'000	\$'000
Audit fees to:			
- Auditor of the Company		108	117
- Affiliate to auditor of the Company		46	49
- Other auditors		29	50
Non-audit fees to:			
- Affiliate to auditor of the Company		14	16
- Other auditors		27	13
Amortisation of intangible assets	12	70	19
Net loss/(gain) on disposal of property, plant and equipment		1	(4)
Impairment loss of property, plant and equipment	11	101	119
Impairment loss of intangible assets	12	230	-
Loss on liquidation of subsidiaries		-	12
Allowance/(write-back) for doubtful debts	15	207	(38)
(Write-back)/written-off for bad debts	15	(19)	2
Foreign exchange loss, net		(363)	38
Operating lease expenses	22	1,794	2,184
Franchising and licensing, accreditation, registration and assessment fees		2,298	3,081
		<hr/>	<hr/>

**8. Interest income**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Arising from bank balances and deposits	7	110
	<hr/>	<hr/>

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**9. Taxation**Major components of income tax expense

The major components of income tax for the financial years ended 31 March are as follows:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
<b>Consolidated income statement:</b>		
Current income tax:		
- current year	5	7
Income tax expense recognised in profit or loss	5	7

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 years ended 31 March is as follows:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Loss before taxation	(5,821)	(5,499)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(974)	(1,058)
Adjustments:		
Income not subject to taxation	(451)	(45)
Non-deductible expenses	482	808
Deferred tax benefits not recognised	996	1,036
Benefits from previously unrecognised capital allowances and tax losses	(45)	(740)
Tax losses which cannot be carried forward	4	-
Others	(7)	6
Income tax expense recognised in profit or loss	5	7

As at 31 March 2018, the Group has tax losses of approximately \$79,077,000 (2017: \$73,599,000) and other temporary differences of approximately \$1,958,000 (2017: \$1,823,000) 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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**10. Earnings per share**

Basic earnings per share are calculated by dividing the profit for the financial year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing the profit for the financial year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year 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 profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 March:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Loss for the financial year attributable to equity holders of the Company	(5,826)	(5,506)
	<b>Number of shares</b>	<b>Number of shares</b>
	<b>2018</b>	<b>2017</b>
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	72,215	72,215

There are no outstanding share options as at 31 March 2017 and 31 March 2018.

Since the end of the financial year, there was no ordinary share transaction involving senior executives.

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively.

## Informatics Education Ltd and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2018

(In Singapore Dollars)

## 11. Property, plant and equipment

	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Improvement to premises under construction \$'000	Training aids \$'000	Total \$'000
<b>Group</b>					
<b>Cost:</b>					
At 1 April 2016	3,837	1,131	–	27	4,995
Additions	330	4	67	–	401
Disposals/write-off	(823)	(186)	–	(28)	(1,037)
Exchange differences	(73)	(12)	–	1	(84)
At 31 March 2017 and 1 April 2017	3,271	937	67	–	4,275
Additions	77	72	–	–	149
Transfer	–	67	(67)	–	–
Disposals/write-off	(311)	(272)	–	–	(583)
Exchange differences	43	1	–	–	44
At 31 March 2018	3,080	805	–	–	3,885
<b>Accumulated depreciation and impairment:</b>					
At 1 April 2016	3,583	1,092	–	27	4,702
Charge for the financial year	176	24	–	–	200
Impairment loss	119	–	–	–	119
Disposals/write-off	(822)	(186)	–	(28)	(1,036)
Exchange differences	(67)	(8)	–	1	(74)
At 31 March 2017 and 1 April 2017	2,989	922	–	–	3,911
Charge for the financial year	167	69	–	–	236
Impairment loss	26	75	–	–	101
Disposals/write-off	(308)	(270)	–	–	(578)
Exchange differences	31	–	–	–	31
At 31 March 2018	2,905	796	–	–	3,701

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**11. Property, plant and equipment (cont'd)**

	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Improvement to premises under construction \$'000	Training aids \$'000	Total \$'000
<b>Group</b>					
<b>Net carrying amount:</b>					
At 31 March 2018	175	9	–	–	184
At 31 March 2017	282	15	67	–	364

During the financial year, the Group carried out a review of the recoverable amount of its plant and equipment in view of the loss positions of Group companies. An impairment loss of \$101,000 (2017: \$119,000), was recognised in “Other operating expenses” (Note 7) line item of statement of comprehensive income for the financial year ended 31 March 2018. The impairment serves to write-down the Group’s furniture and fittings, office and computer equipment to its recoverable amount.

## Informatics Education Ltd and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2018

(In Singapore Dollars)

## 11. Property, plant and equipment (cont'd)

Company	Furniture and fittings, office and computer equipment \$'000	Improvement to premises \$'000	Improvement to premises under construction \$'000	Total \$'000
<b>Cost:</b>				
At 1 April 2016	1,760	290	–	2,050
Additions	58	1	67	126
Disposals	(34)	–	–	(34)
At 31 March 2017 and 1 April 2017	1,784	291	67	2,142
Additions	2	62	–	64
Transfer	–	67	(67)	–
Disposals	(141)	(201)	–	(342)
At 31 March 2018	1,645	219	–	1,864
<b>Accumulated depreciation:</b>				
At 1 April 2016	1,683	290	–	1,973
Charge for the financial year	44	–	–	44
Impairment loss	23	–	–	23
Disposals	(33)	–	–	(33)
At 31 March 2017 and 1 April 2017	1,717	290	–	2,007
Charge for the financial year	33	54	–	87
Impairment loss	9	76	–	85
Disposals	(139)	(201)	–	(340)
At 31 March 2018	1,620	219	–	1,839
<b>Net carrying amount:</b>				
At 31 March 2018	25	–	–	25
At 31 March 2017	67	1	67	135

**Informatics Education Ltd and its Subsidiaries**
**Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**12. Intangible assets**

Group	Software \$'000	Software under development \$'000	Development costs \$'000	Total \$'000
<b>Cost:</b>				
At 1 April 2016	–	–	210	210
Additions	–	118	75	193
Exchange differences	–	–	(25)	(25)
<hr/>				
At 31 March 2017 and 1 April 2017	–	118	260	378
Additions	–	155	–	155
Transfer	118	(118)	–	–
Exchange differences	–	3	15	18
<hr/>				
At 31 March 2018	118	158	275	551
<hr/>				
<b>Accumulated amortisation:</b>				
At 1 April 2016	–	–	200	200
Amortisation	–	–	19	19
Exchange differences	–	–	(22)	(22)
<hr/>				
At 31 March 2017 and 1 April 2017	–	–	197	197
Amortisation	43	–	27	70
Impairment loss	75	155	–	230
Exchange differences	–	3	13	16
<hr/>				
At 31 March 2018	118	158	237	513
<hr/>				
<b>Net carrying amount:</b>				
At 31 March 2018	–	–	38	38
<hr/>				
At 31 March 2017	–	118	63	181
<hr/>				

Development costs relate to cost incurred on courseware products capitalised by a subsidiary.



**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**12. Intangible assets (cont'd)**

During the financial year, the Group carried out a review of the recoverable amount of its intangible assets in view of the loss positions of Group companies. An impairment loss of \$230,000 was recognised in "Other operating expenses" (Note 7) line item of statement of comprehensive income for the financial year ended 31 March 2018. The impairment serves to write-down the Group's software and software under development to its recoverable amount.

**13. Investment in subsidiaries**

	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Unquoted equity shares, at cost	72,591	72,591
Impairment losses	(72,591)	(67,771)
Carrying amount	–	4,820
Movement in impairment losses is as follows:		
Balance at beginning of the financial year	67,771	56,880
Charge for the financial year	4,820	10,971
Liquidation of subsidiaries	–	(80)
Balance at end of the financial year	72,591	67,771

<b>Name of company (country of incorporation and place of business)</b>	<b>Principal activities</b>	<b>Proportion of ownership interests</b>		<b>Cost of investment by the Company</b>	
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		%	%	\$'000	\$'000
<b>Held by the Company</b>					
(1) Informatics Academy Pte Ltd (Singapore)	Computer and business education and training, business management consultancy and child development	100	100	52,424	52,424
(1) Informatics International Pte Ltd (Singapore)	Franchise and licensing business and operation system support	100	100	100	100

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**13. Investment in subsidiaries (cont'd)**

	Name of company (country of incorporation and place of business)	Principal activities	Proportion of ownership interests		Cost of investment by the Company	
			2018 %	2017 %	2018 \$'000	2017 \$'000
<b>Held by the Company (cont'd)</b>						
(1)	Informatics Global Campus Pte Ltd (Singapore)	Operation of e-learning portal providing e- learning for higher education, corporations and education services	100	100	50	50
(2)	Informatics Education Malaysia Sdn Bhd (Malaysia)	Dormant	100	100	14,054	14,054
(2)	Informatics Computer Education Sdn Bhd (Malaysia)	Dormant	100	100	1,182	1,182
(#)	Singapore Informatics Computer Institute (Pvt) Ltd (Sri Lanka)	Dormant	100	100	788	788
(3)	Informatics Education (HK) Ltd (Hong Kong)	Computer education and training	100	100	776	776
(#)	Informatics Education UK Ltd (United Kingdom)	Investment holding	100	100	3,217	3,217
					72,591	72,591

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**13. Investment in subsidiaries (cont'd)**

	Name of company (country of incorporation and place of business)	Principal activities	Proportion of ownership interests	
			2018 %	2017 %
<b>Held by the subsidiaries</b>				
(2)	Informatics Training Technology Sdn Bhd (Malaysia)	Dormant	100	100
(4)	NCC Education (M) Sdn Bhd (Malaysia)	Marketing and consultancy	100	100
(5)	NCC Education Limited (United Kingdom)	Educational and business management consultancy	100	100
(#)	NCC (Beijing) Education Consulting Co., Ltd (The People's Republic of China)	Dormant	100	100
(6)	NCC Education (Beijing) Consulting Co., Ltd (The People's Republic of China)	Consultancy	100	100

(1) Audited by Ernst &amp; Young LLP, Singapore.

(2) Audited by Siew Boon Yeong &amp; Associates, Malaysia.

(3) Audited by Philip Poon and Partners CPA Limited, Hong Kong.

(4) Audited by Rabin &amp; Associates, Malaysia.

(5) Audited by Ernst &amp; Young, United Kingdom.

(6) Audited by Beijing Zhong Ping Jian Hua Hao Certified Public Accountants, The People's Republic of China.

(#) Not required to be audited by the law in the country of incorporation.

**(a) Impairment testing of investment in subsidiaries**

During the financial year, the Company performed an impairment assessment for the investment in subsidiaries where there is an indication that the investment may be impaired. An impairment loss of \$4,820,000 (2017: \$10,971,000) was recognized during the year to reduce the investment in the subsidiary to its recoverable amount.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**14. Other investments**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b> \$'000	<b>2017</b> \$'000	<b>2018</b> \$'000	<b>2017</b> \$'000
Unquoted equity shares, at cost	3,071	3,071	3,071	3,071
Impairment loss	(3,071)	(3,071)	(3,071)	(3,071)
Carrying amount	–	–	–	–
Movement in impairment loss account:				
At beginning of the financial year	3,071	3,123	3,071	3,071
Write-off	–	(58)	–	–
Exchange differences	–	6	–	–
At end of the financial year	3,071	3,071	3,071	3,071

Other investments are investments in unquoted ordinary shares in franchisees in the education service provider sector. The unquoted shares are stated at cost, and have been fully impaired.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**15. Trade and other receivables**

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Trade receivables	1,534	2,068	108	308
Less: Allowance for doubtful debts	(746)	(571)	(2)	(2)
	788	1,497	106	306
Other receivables	33	96	2	3
Goods and service or value added tax receivable	25	76	–	–
Less: Allowance for doubtful debts	–	–	–	–
	58	172	2	3
Deposits	554	687	130	262
Staff advances	–	2	–	–
Amounts due from subsidiaries	–	–	7,678	10,270
Less: Allowance for doubtful debts	–	–	(7,678)	(8,470)
	–	–	–	1,800
Total trade and other receivables	1,400	2,358	238	2,371

***Trade and other receivables***

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.

***Related party receivables***

Amounts due from subsidiaries are unsecured, interest-free, are repayable on demand and are expected to be settled in cash. The amounts have been fully impaired.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**15. Trade and other receivables (cont'd)*****Receivables that are past due but not impaired***

The Group and Company have trade and other receivables amounting to \$778,000 (2017: \$1,218,000) and \$106,000 (2017: \$280,000) respectively, that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Trade and other receivables past due:				
- Less than 30 days	663	911	86	146
- 30 - 90 days	95	93	–	2
- More than 90 days	20	214	20	132
	778	1,218	106	280

***Receivables that are impaired***

Trade and other receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment is as follows:

***Allowance for doubtful debts on trade receivables***

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Trade receivables - nominal amounts	746	600	2	2
Less: Allowance for doubtful debts	(746)	(571)	(2)	(2)
	–	29	–	–

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**15. Trade and other receivables (cont'd)**

Movement in allowance accounts:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
At beginning of the financial year	571	1,329	2	77
Charge/(write-back) for the financial year	207	(38)	–	2
Written-off against allowance	(63)	(619)	–	(77)
Exchange differences	31	(101)	–	–
At end of the financial year	746	571	2	2

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

*Allowance for doubtful debts on other receivables*

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Other receivables - nominal amounts	–	–	–	–
Less: Allowance for doubtful debts	–	–	–	–
Movement in allowance accounts:				
At beginning of the financial year	–	60	–	–
Written-off against allowance	–	(61)	–	–
Exchange differences	–	1	–	–
At end of the financial year	–	–	–	–

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**15. Trade and other receivables (cont'd)***Allowance for doubtful debts on other receivables (cont'd)*

Other receivables that are individually determined to be impaired at the end of the reporting period relate to other debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Trade and other receivables that are impaired

An allowance for doubtful debts of \$207,000 (2017: write-back of \$38,000) and write-back of bad debts of \$19,000 (2017: write-off \$2,000) were recognised in the consolidated income statement, subsequent to a debt recovery assessment performed on trade and other receivables, net of collections on the balances that were previously written-down (Note 7).

*Allowance for doubtful debts on amounts due from subsidiaries*

	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Amounts due from subsidiaries - nominal amounts	7,678	8,470
Less: Allowance for doubtful debts	(7,678)	(8,470)
	—	—
Movement in allowance accounts:		
At beginning of the financial year	8,470	12,707
Charge for the financial year	743	866
Written-off against allowance	(1,535)	(5,103)
At end of the financial year	7,678	8,470

Amounts due from subsidiaries that are impaired

At the end of the reporting period, the Company has provided an allowance of \$7,678,000 (2017: \$8,470,000) for impairment of unsecured amounts due from subsidiaries with nominal amounts of \$7,678,000 (2017: \$8,470,000).

***Financial assets that are neither past due nor impaired***

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group.

At the end of the reporting period, there are no significant trade and other receivables denominated in foreign currencies.



## Informatics Education Ltd and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2018

(In Singapore Dollars)

## 16. Cash and cash equivalents

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b><i>Cash and cash equivalents</i></b>				
Cash at bank and on hand	3,137	6,369	334	258
Short-term deposits	–	2,034	–	–
Total cash and cash equivalents	3,137	8,403	334	258
<b><i>Restricted cash at bank</i></b>				
Cash held in escrow accounts	138	138	–	–
Total restricted cash at bank	138	138	–	–
Total cash and bank balances	3,275	8,541	334	258

***Restricted cash at bank***

A subsidiary is required under Case Trust for Education Scheme to maintain an escrow bank account where course fees paid by its international students are held in trust and disbursed by the escrow bank to the subsidiary according to a predetermined schedule. Such balances are excluded from cash and cash equivalents for cash flow presentation.

***Cash and cash equivalents***

Short-term deposits were made for a period of nine months in the previous financial year, depending on the immediate cash requirements of the Group, and earned interests at the respective deposit rates. The weighted average effective interest rate for short-term deposits as at 31 March 2017 for the Group was 0.49% per annum.

At the end of the reporting period, cash and bank balances denominated in foreign currencies are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Renminbi	–	2	–	–
United States Dollars	81	82	59	68

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**17. Trade and other payables**

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Trade payables	523	681	–	–
Other payables	100	347	37	85
Goods and service payables	–	–	23	20
Accrued operating expenses	1,958	2,590	236	327
Due to subsidiaries	–	–	5,577	6,232
Total trade and other payables	2,581	3,618	5,873	6,664

***Trade and other payables***

Trade and other payables are non-interest bearing and are normally settled on 30-90 days term.

At the end of the reporting period, trade and other payables denominated in foreign currencies are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Great Britain Pounds	125	129	–	–

***Related party payables***

The amounts due to subsidiaries are non-trade, unsecured, interest-free, repayable on demand and are expected to be settled in cash.

**18. Provision for reinstatement cost**

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
At beginning of the financial year	230	230	148	148
Utilisation for the financial year	(59)	–	(59)	–
At end of the financial year	171	230	89	148

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**19. Share capital**

	<b>Group and Company</b>			
	<b>2018</b>		<b>2017</b>	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid:				
At beginning of the financial year	72,215	29,908	72,215	29,908
At end of the financial year	72,215	29,908	72,215	29,908

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.

**20. 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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**21. Related party disclosures****(a) Sale and purchase of goods and services**

There are no significant related party transactions between the Group and related parties who are not members of the Group during the financial year.

*Related companies*

These are subsidiaries of Informatics Education Ltd and its subsidiaries, excluding entities with the Group.

**(b) Compensation of key management personnel**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Short-term employee benefits	752	1,041
Defined contribution plan contributions	46	54
Total compensation paid to key management personnel	798	1,095
Comprise amounts paid to:		
- Directors of the Company	108	220
- Other key management personnel	690	875
	798	1,095

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**22. Commitments and contingencies****(a) Capital commitments**

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Capital commitments in respect of property, plant and equipment	–	159	–	159
	–	159	–	159

**(b) Operating lease commitments - as lessee**

The Group and Company have entered into commercial leases for the use of equipment, offices and other facilities. Most leases contain renewable options. Lease terms do not contain restriction on the Group or Company's activities concerning dividends, additional debt or further leasing.

Minimum lease payment recognised as an expense in profit or loss for the financial year ended 31 March 2018 amounted to \$1,794,000 (2017: \$2,184,000).

Future minimum rental payables under non-cancellable operating leases as at 31 March are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Not later than one year	1,323	1,128	507	169
Later than one year but not later than five years	403	492	85	–
Later than five years	–	23	–	–
	1,726	1,643	592	169

**(c) 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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

---

(In Singapore Dollars)

**23. 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.

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.

## Informatics Education Ltd and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2018

(In Singapore Dollars)

## 23. Segment information (cont'd)

(a) *Business segments (cont'd)*

The following table presents information regarding the Group's business segments for the financial years ended 31 March.

	Higher Education		Corporate Training		Note	Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000		2018 \$'000	2017 \$'000
<b>Revenue:</b>							
Sales to external customers	7,486	9,484	1,346	1,316		8,832	10,800
<b>Results:</b>							
Other operating income	132	212	–	–		132	212
Interest income	7	110	–	–		7	110
Staff costs	(6,546)	(7,504)	(333)	(358)		(6,879)	(7,862)
Depreciation and amortisation	(296)	(215)	(10)	(4)		(306)	(219)
Impairment loss of property, plant and equipment	(101)	(119)	–	–		(101)	(119)
Impairment loss of intangible assets	(230)	–	–	–		(230)	–
Net (loss)/gain on disposal of property, plant and equipment	(1)	4	–	–		(1)	4
(Allowance)/write-back for doubtful receivables and bad debts written-off	(188)	36	–	–		(188)	36
Operating lease expenses	(1,643)	(2,028)	(151)	(156)		(1,794)	(2,184)
Other non-cash (expenses)/income	(16)	(230)	(366)	131	(i)	(382)	(99)
<b>Segment (loss)/profit before tax</b>	<b>(5,365)</b>	<b>(5,822)</b>	<b>(456)</b>	<b>323</b>		<b>(5,821)</b>	<b>(5,499)</b>
<b>Assets:</b>							
Additions to non-current assets	304	592	–	2	(ii)	304	594
Segment assets	4,968	11,792	273	237		5,241	12,029
<b>Total assets</b>						<b>5,241</b>	<b>12,029</b>
<b>Liabilities:</b>							
Segment liabilities	2,992	4,259	160	154		3,152	4,413
Income tax payable	–	–	–	–		–	1
<b>Total liabilities</b>						<b>3,152</b>	<b>4,414</b>

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**23. Segment information (cont'd)****(a) Business segments (cont'd)**

Notes: Nature of adjustments to arrive at amounts reported in the consolidated financial statements:

- (i) Other non-cash expenses and income consist mainly of foreign exchange gain/loss and loss on liquidation of subsidiaries, as presented in the respective notes to the financial statements.
- (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:

	Singapore \$'000	United Kingdom \$'000	Asia Pacific and Others \$'000	Total \$'000
<b>2018</b>				
<b>Revenue:</b>				
Sales to external customers	1,997	5,268	1,567	8,832
<b>Non-current assets</b>	85	110	27	222
<b>2017</b>				
<b>Revenue:</b>				
Sales to external customers	3,357	5,441	2,002	10,800
<b>Non-current assets</b>	390	152	3	545

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% (2017: 10%) of the Group's revenue for the financial year ended 31 March 2018.



**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**24. Fair value of financial instruments*****Fair value of financial assets and liabilities***

Management has determined that the carrying amount of cash and bank balances, trade and other receivables, and trade and other payables are reasonable approximation of their fair values as they are mostly short term in nature.

Unquoted shares in other investments stated at cost have no reliable market prices and the fair value cannot be reliably measured.

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 as defined under FRS 39 as at 31 March are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$'000	\$'000	\$'000	\$'000
<b><i>Loans and receivables</i></b>				
Trade and other receivables	1,400	2,358	238	2,371
Cash and cash equivalents	3,137	8,403	334	258
Restricted cash at bank	138	138	–	–
	4,675	10,899	572	2,629
Less: Goods and service or value added tax receivable	(25)	(76)	–	–
	4,650	10,823	572	2,629
<b><i>Financial liabilities at amortised cost</i></b>				
Trade and other payables	2,581	3,618	5,873	6,664
Less: Goods and service or value added tax payable	–	(20)	(23)	(20)
	2,581	3,598	5,850	6,644

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**25. 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 liquidity risk, foreign currency risk and credit risk. Interest rate risk arising from the fluctuation of interest rates has no significant impact on the Group's profit net of tax. It is, and has been throughout the current and previous financial year, 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) 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 cash equivalents and liquid financial assets to finance the Group's and Company's operations.

*Analysis of financial instruments by remaining contractual maturities*

The Group's and the Company's financial assets and financial liabilities at the end of the reporting period mature in one year or less, the contractual undiscounted cash flows approximates the carrying amounts on the balance sheets.

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.

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Trade and other receivables (exclude Goods and Service or value added tax receivable)	1,375	2,282	238	2,371
Cash and cash equivalents	3,137	8,403	334	258
Restricted cash at bank	138	138	–	–
<b>Total undiscounted financial assets</b>	<b>4,650</b>	<b>10,823</b>	<b>572</b>	<b>2,629</b>

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**25. Financial risk management objectives and policies (cont'd)****(a) Liquidity risk (cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>				
Trade and other payables (exclude Goods and Service or value added tax payable)	2,581	3,598	5,850	6,644
Total undiscounted financial liabilities	2,581	3,598	5,850	6,644
Total net undiscounted assets/(liabilities)	2,069	7,225	(5,278)	(4,015)

**(b) 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) and Great Britain Pounds (GBP). Approximately 85% (2017: 71%) 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 17.

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 16.

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 Ringgit, HKD and GBP are considered to be long-term in nature.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**25. Financial risk management objectives and policies (cont'd)****(b) Foreign currency risk (cont'd)***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.

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
USD - strengthened 5% (2017: 5%)	4	4
- weakened 5% (2017: 5%)	(4)	(4)
GBP - strengthened 5% (2017: 5%)	(6)	(6)
- weakened 5% (2017: 5%)	6	6

**(c) 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.

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**25. Financial risk management objectives and policies (cont'd)****(c) 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 service or value added tax receivable) at the end of the reporting period is as follows:

	<b>Group</b>			
	<b>2018</b>		<b>2017</b>	
	\$'000	% of total	\$'000	% of total
<b>By region:</b>				
Asia-Pacific	675	49	1,121	49
Europe	700	51	1,161	51
	<u>1,375</u>	<u>100</u>	<u>2,282</u>	<u>100</u>
<b>By industry sectors:</b>				
Higher Education	1,336	97	2,187	96
Corporate Training	39	3	95	4
	<u>1,375</u>	<u>100</u>	<u>2,282</u>	<u>100</u>

The Group does not have significant concentration in trade receivable due from major customers.

In 2017, approximately 76% of the Company's receivables were due from subsidiaries.

*Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment records with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

*Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 (Trade and other receivables).

**Informatics Education Ltd and its Subsidiaries****Notes to the financial statements  
For the financial year ended 31 March 2018**

(In Singapore Dollars)

**26. 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 share capital plus net debt. Net debt is calculated as deferred income and fees, trade and other payables, and accruals for withholding tax less cash and cash equivalents (which exclude escrow and funds restricted in use). The Group's policy is to keep the gearing ratio below 50%. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2018 and 31 March 2017. There is no external capital requirements imposed on the Group.

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Deferred income and fees	400	565
Provision and trade and other payables	2,752	3,848
	<hr/>	<hr/>
Cash and cash equivalents (Note 16)	3,152 (3,137)	4,413 (8,403)
	<hr/>	<hr/>
Net debt/(cash)	15	(3,990)
	<hr/>	<hr/>
Total equity	2,089	7,615
	<hr/>	<hr/>
Net gearing	Below 50%	Below 50%
	<hr/>	<hr/>

**27. Authorisation of financial statements for issue**

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 19 June 2018.

## ANALYSIS OF SHAREHOLDINGS

AS AT 7 JUNE 2018

Range of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	344	7.63	14,544	0.02
100 – 1,000	1,771	39.27	845,305	1.17
1,001 – 10,000	1,928	42.75	7,600,013	10.52
10,001 – 1,000,000	461	10.22	22,170,254	30.70
1,000,001 and above	6	0.13	41,585,351	57.59
	4,510	100.00	72,215,467	100.00

**Share capital**

Issued and fully paid-up capital	: \$29,655,861.53
Number of issued shares and paid-up shares (excluding treasury shares)	: 72,215,467
Number of treasury shares held	: Nil
Number of subsidiary holdings <sup>1</sup>	: Nil
Class of shares	: Ordinary
Voting rights	: One vote per share

Major shareholders list – Top 21 as at 7 June 2018		No. of shares	%
1	Phillip Securities Pte Ltd	20,770,428	28.76
2	UOB Kay Hian Private Limited	15,091,805	20.90
3	OCBC Securities Private Ltd	1,678,512	2.32
4	Goh Han Choon Steve	1,600,000	2.22
5	DBS Nominees Pte Ltd	1,232,125	1.71
6	Raffles Nominees (Pte) Ltd	1,212,481	1.68
7	Maybank Kim Eng Securities Pte Ltd	884,612	1.22
8	United Overseas Bank Nominees Private Limited	825,492	1.14
9	Chua Kiang Hiang	740,464	1.02
10	Cheng Yin Mui	669,375	0.93
11	Tan Lian Seng	512,650	0.71
12	Lim Hee Liat	499,960	0.69
13	Ong Pang Liang	450,000	0.62
14	CIGA Enterprises Pte Ltd	365,400	0.51
15	OCBC Nominees Singapore Pte Ltd	310,765	0.43
16	Tan Lye Seng	295,200	0.41
17	Teo Thong Soon	292,028	0.40
18	CGS-CIMB Securities (Singapore) Pte Ltd	272,098	0.38
19	Koh Hui Ling (Xu Huiling )	263,676	0.36
20	Meo Alessandro	250,000	0.35
21	Tan Hwee Juan Agnes	250,000	0.35
		48,467,071	67.11

**Note:**

<sup>1</sup> As defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

## SUBSTANTIAL SHAREHOLDERS

AS AT 7 JUNE 2018

As shown in the Company's Register of Substantial Shareholders

Substantial Shareholders	Direct / Beneficial No. of Shares	Interest %*	Deemed No. of Shares	Interest %*
Berjaya Leisure Capital (Cayman) Limited	19,563,515	27.09		
Tan Sri Dato' Seri Vincent Tan Chee Yioun			20,493,577 <sup>(2)</sup>	28.38
Berjaya Corporation Berhad			20,493,577 <sup>(2)</sup>	28.38
Berjaya Group Berhad			20,493,577 <sup>(2)</sup>	28.38
Berjaya Land Berhad			19,563,515 <sup>(1)</sup>	27.09
Teras Mewah Sdn Bhd			19,563,515 <sup>(1)</sup>	27.09
Kestrel Capital Pte Ltd	14,971,350	20.73		
Lim Eng Hock			14,971,350 <sup>(3)</sup>	20.73

## Notes:

- (1) Deemed to be interested in the shares held by Berjaya Leisure Capital (Cayman) Limited.
- (2) Deemed to be interested in the shares held by Berjaya Leisure Capital (Cayman) Limited, Berjaya Sompoo Insurance Berhad and Rantau Embun Sdn Bhd.
- (3) Deemed to be interested in the shares held by Kestrel Capital Pte Ltd.
- \* Based on 72,215,467 ordinary shares as at 7 June 2018.

**SHAREHOLDINGS IN THE HANDS OF THE PUBLIC AS AT 7 JUNE 2018**

Based on the information provided, to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 50.32% of the issued ordinary shares are held in the hands of the public as at 7 June 2018. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting (“AGM”) of INFORMATICS EDUCATION LTD. (the “Company”) will be held at 100 Victoria Street #13-01/02 National Library Building, Singapore 188064 on 18 July 2018 at 2.00 p.m. to transact the following business:

## As Ordinary Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 March 2018 and the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ Fees of S\$47,500 for the financial year ended 31 March 2018 (2017: S\$160,000). **(Resolution 2)**
3. To re-elect Ms Yau Su Peng, a Director retiring pursuant to the Company’s Article 71 of the Constitution. [See Explanatory Note (a)] **(Resolution 3)**
4. To re-appoint Ernst & Young LLP as Auditors of the Company for the financial year ending 31 March 2019 and to authorise the Directors to fix their remuneration. **(Resolution 4)**

## As Special Business

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications:

5. **General Mandate to Directors to issue Shares**  
“That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to:
  - (1) (a) issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise, and/or
  - (b) make or grant offers, agreements or options 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 (collectively, “Instruments”),  
  
at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (2) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided that:
  - (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) (the “Share Issues”) does not exceed 50% of the total number of the issued Shares (excluding treasury Shares and subsidiary holdings of the Company) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed 20% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings of the Company) (as calculated in accordance with paragraph (ii) below); and
  - (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings of the Company) at the time this Resolution is passed, after adjusting for:

# NOTICE OF ANNUAL GENERAL MEETING

- (a) new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the time this Resolution is passed; and
- (b) any subsequent bonus issue or consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (b)]**(Resolution 5)**

BY ORDER OF THE BOARD

**Ms Lo Swee Oi**  
Company Secretary

3 July 2018

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (a) Ms Yau Su Peng, will, upon her re-election as a Director of the Company, remain as a member of the Banking Committee.
- (b) Resolution 5, if passed, will empower the Directors to issue Shares and/or to issue Shares and Instruments of the Company up to a number not exceeding 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings of the Company) of which up to 20% may be issued other than on a pro rata basis to shareholders. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

The total number of issued Shares (excluding treasury Shares and subsidiary holdings of the Company) is based on the Company's total number of issued Shares (excluding treasury Shares and subsidiary holdings of the Company) at the time that Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, or the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time when that Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

## Notes:

1. The Chairman of this AGM will be exercising his right under Article 56 of the Company's Constitution to demand a poll in respect of each of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, each resolution at the AGM will be voted on by way of a poll.
2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy.

A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member (which number and class of shares shall be specified). In such an event, such member shall submit a list of its proxies together with the information required in the proxy form to the Company.

"Relevant Intermediary" means:

- (i) a banking corporation licensed under the Banking Act of Singapore (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act of Singapore (Chapter 289), and who holds shares in that capacity; or
  - (iii) the Central Provident Fund Board established by the Central Provident Fund Act of Singapore (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy.
  4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its seal or the hand of its duly authorised officer or attorney.
  5. The instrument of proxy must be deposited at the registered office of the Company at **133 Middle Road #05-01, BOC Plaza, Singapore 188974 (Attention: Company Secretary)** at least 48 hours before the time of the meeting.

# NOTICE OF ANNUAL GENERAL MEETING

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**INFORMATICS EDUCATION LTD.**

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

**IMPORTANT:**

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), relevant intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

# ANNUAL GENERAL MEETING PROXY FORM

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./Company Registration No.) of  
\_\_\_\_\_ (Address)

being a member/members of INFORMATICS EDUCATION LTD., (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate):

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Fifth Annual General Meeting ("Meeting") of the Company to be held at 100 Victoria Street #13-01/02 National Library Building, Singapore 188064 on 18 July 2018 at 2.00 p.m. and at any adjournment thereof. The proxy is to vote on the business before the Meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

Please indicate your vote "For" or "Against" with an "X" within the box provided.

No.	Resolutions relating to:	For	Against
<b>ORDINARY BUSINESS</b>			
1	Receive and adopt the Audited Financial Statements for the year ended 31 March 2018 together with the Statement of the Directors and Report of Auditors		
2	Approval of Directors' Fees		
3	Re-election of Ms Yau Su Peng as Director		
4	Re-appointment of Ernst & Young LLP as Auditors and authorise Directors to fix their remuneration		
<b>SPECIAL BUSINESS</b>			
5	General Mandate to Directors to issue Shares		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) or  
Common Seal of Corporate Shareholder

IMPORTANT: Please read notes overleaf

**Notes:**

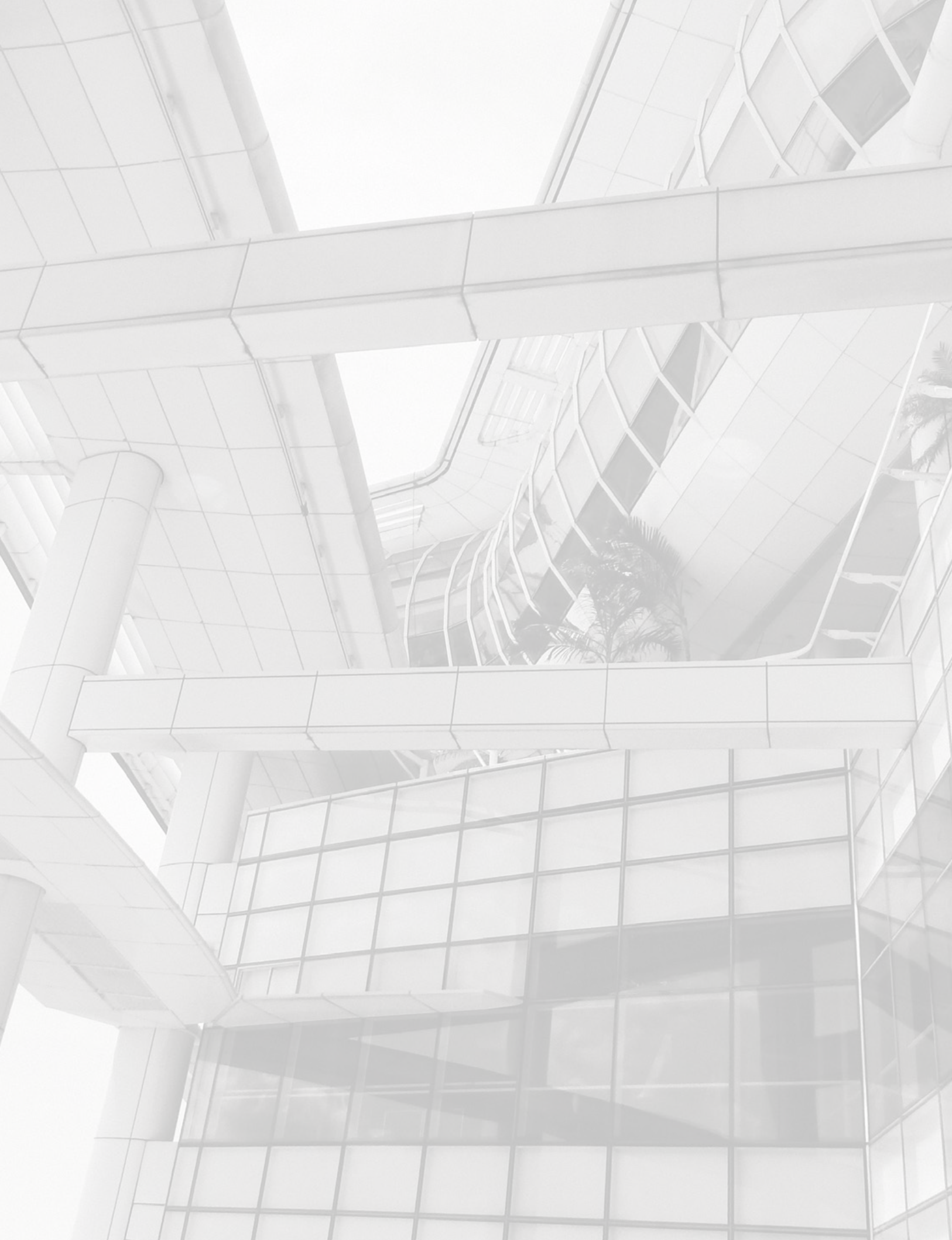
1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act (Chapter 289) of Singapore, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. Except for a member who is a relevant intermediary as defined under Section 181(6) of the Companies Act (Chapter 50) of Singapore (the "Act"), a member is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary, is entitled to appoint more than two (2) proxies to attend and vote at the meeting, but each proxy must be appointed to exercise rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the number and class of Shares held by such member in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant Intermediary" means:

- (i) a banking corporation licensed under the Banking Act of Singapore (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act of Singapore (Chapter 289), and who holds shares in that capacity; or
  - (iii) the Central Provident Fund Board established by the Central Provident Fund Act of Singapore (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company.
  5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
  6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 133 Middle Road #05-01, BOC Plaza, Singapore 188974, not less than forty-eight (48) hours before the time appointed for the Meeting.
  7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its duly authorised officer or attorney.
  8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
  9. A corporation which is a member may, in accordance with Section 179 of the Act, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
  10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the members, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
  11. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.


**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 July 2018.



INFORMATICS  
EDUCATION  
LIMITED

Registration No: 198303419G

 133 Middle Road  
#05-01 BOC Plaza  
Singapore 188974

 +65 6580 4555  
 +65 6565 1371  
 [www.informaticseducation.com](http://www.informaticseducation.com)