

# INFORMATICS EDUCATION LTD.

(Company Registration Number: 198303419G)  
(Incorporated in the Republic of Singapore)

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## QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX LISTING MANUAL

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### 1. Introduction

Informatics Education Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list pursuant to Rule 1311 of the SGX Listing Manual on 5 June 2017 and 5 December 2017.

Pursuant to Rule 1313(2) of the SGX Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide the following update on the Group.

### 2. Q4 FY2020 and 12M FY2020 Financial Results

On 12 May 2020, the Group has released its unaudited financial results for the quarter ended 31 March 2020 (“**Q4 FY2020**”), and twelve-month period ended 31 March 2020 (“**12M FY2020**”). Please refer to the announcement for further details.

The Group recorded an increase in revenue of \$0.9 million (59%) from \$1.6 million for the quarter ended 31 March 2019 (“**Q4 FY2019**”) to \$2.5 million for Q4 FY2020, and an increase in revenue of \$1.7 million (22%) from \$7.6 million for the financial year ended 31 March 2019 (“**FY2019**”) to \$9.3 million for 12M FY2020 due to increase in examination fees and accreditation fees income recognised for the United Kingdom operations, increase in course fees income recognised for the Group's corporate training segment in Hong Kong as well as higher course/examination fees recognised for the Singapore operations.

The Group recorded a profit before tax of \$0.1 million in Q4 FY2020 while there was loss before tax of \$1.0 million in Q4 FY2019 as a result of higher revenue and lower operating costs recorded by the Group in Q4 FY2020. For 12M FY2020, loss before tax decreased by \$2.4 million (70%) from \$3.5 million for FY2019 to \$1.1 million for 12M FY2020 as the Group continues its efforts to grow its revenue base, while reducing its operating costs.

### 3. Future Direction and Business Updates

On 3 December 2019, the Board had announced the change of the Company's financial year end from 31 March to 30 June to align the Company's financial year with that of Berjaya Land Berhad (“**Berjaya Land**”), which became the Company's ultimate holding company in August 2019, following the subscription of renounceable non-underwritten rights cum warrants by Berjaya Leisure Capital (Cayman) Ltd, a wholly-owned subsidiary of Berjaya Land, and whose financial year closes on 30 June each year.

As the COVID-19 pandemic spreads around the world, various COVID-19 containment measures have been implemented in the countries in which the Group operates. These range from social distancing to complete “lock-downs”.

With the net proceeds raised from the Rights Issue amounting to \$4.8 million, this has strengthen the Group's financial position and will allow the Group to be in a better position to weather the pandemic headwinds ahead. The Group has been able to continue operations through use of technology and remote teaching programmes to enable classes to continue where possible.

### 3. Future Direction and Business Updates (cont'd)

#### ***Impact of COVID-19 on the Group's operations, financial performance, financial position and cash flows***

##### Singapore

In line with Singapore Government's COVID-19 circuit breaker measures ("**Circuit Breaker Measures**"), the Group's office and campus in Singapore have been closed since 7 April 2020. While the campus and offices were closed, Informatics Academy Pte Ltd ("**IAPL**") continues to operate with the delivery of its programmes and services to students through online platforms, while staff are on work from home arrangements. As a result of the Circuit Breaker Measures, IAPL has been presented with challenges on collection of outstanding fees from students, and a decline in demand from new international students for its programmes due to borders restrictions imposed by Singapore and travel restrictions in various countries, resulting in deferring of studies until these travel restrictions are lifted. In the interim, development and expanded usability of further online capabilities continues.

Notwithstanding the slowdown in collections and the potential decline in demand for the IAPL's programmes, the temporary relief and support measures announced by the Singapore government such as the rental waivers and the Jobs Support Scheme have helped to cushion the fixed operating costs of IAPL.

The decline in demand for new enrolments from international students for IAPL's programmes will have an impact on revenue and profitability, depending on the duration of the pandemic and when the easing of the borders and travel restrictions will take effect. For domestic enrolments, the impact is less significant as programmes can commence in the interim periods online. While IAPL is unable to predict when the business conditions will improve, IAPL is putting appropriate cost control measures in place, and strategically reviewing and re-examining its policies, processes and business model to capitalise on any potential business opportunities.

##### United Kingdom

The Group's subsidiary in United Kingdom, NCC Education Ltd ("**NCC**"), is involved in the running of examinations and awarding of qualifications. As a result of the COVID-19 pandemic, the regulators in United Kingdom have required special measures to be put in place for the examinations that NCC expects to run for the examination cycles during this pandemic period. The new measures have required additional support to NCC's network of accredited partner centres to ensure they can continue delivery of learning and also meet the changes to examination requirements. As the COVID-19 global pandemic affects accredited partner centres globally, centres in various countries under "lock-downs" may encounter difficulties in delivery of its programmes, thereby leading to slowdown of collections from these centres, and potential decline in students' registrations for examinations. NCC's office in the United Kingdom is closed during this self-isolation period, while the entity continues to operate with staff working from home so as to continue to deliver results of examinations to students.

The slowdown of collections from centres, and the potential decline in students' registrations for examinations will have an impact on revenue and profitability, and results in uncertainties in terms of cash flows.

While NCC is putting in place appropriate cost control measures to manage the COVID-19 pandemic, NCC is also exploring potential support measures that are made available by the government such as the job retention scheme and government funded loans to manage its fixed costs and improve its working capital during this period.

### **3. Future Direction and Business Updates (cont'd)**

#### Hong Kong

In line with Hong Kong's Prevention and Control of Disease Ordinance (Cap.599), a gathering of more than four persons has been prohibited since 29 March 2020. This ordinance has restricted the physical delivery of its programmes to students by the Group's subsidiary in Hong Kong, Informatics Education (HK) Ltd ("IEHK"). In response to that, IEHK had executed online live classes delivery and online recruitment activities through the use of webinars.

IEHK does not expect any adverse impact on its financial performance, cash flows and financial position due to the restrictions imposed by the government in Hong Kong. In addition, IEHK will stand to gain from subsidies extended to licensed schools in Hong Kong.

The COVID-19 pandemic had reinforced the vital importance of having a business continuity plan in place and the digitalisation of the Group's business. It had been possible to continue the Group's operations through the use of conferencing tools for meetings and online teaching, as well as the use of cloud-based systems and technologies to allow continued access to data and information even though staff are on work from home arrangements.

Whilst the COVID-19 global pandemic may lead to potential delay and as such, decline in revenue for the Group during this period and put pressures on the Group's cash flows over the next few months, the extent of the impact on the Group's financial performance, cash flows and financial position cannot be reasonably determined at this point in time in view of the fluidity of the COVID-19 pandemic globally. Nonetheless, the Board would like to assure shareholders that the Group will continue to exercise disciplined control over its costs, conserve the Group's cash and manage the working capital carefully during this period.

In addition, the Group will continue its pursue of the revenue growth strategy, to include pursuing new revenue streams with strategic partners and international universities, further expanding its suite of short courses and vocational-based programmes, forming more strategic partnerships, and enhancing its online delivery capabilities for its programmes. Additionally, the use of technology to continue to deliver some programmes and minimise the decline in revenues, will further improve this situation.

#### **BY ORDER OF THE BOARD**

Yau Su Peng  
Executive Director  
12 May 2020