informatics

EDUCATE. INSPIRE. GROW.

AR/SR 2021

CONTENTS

VISION

To be a global leader in providing quality education.

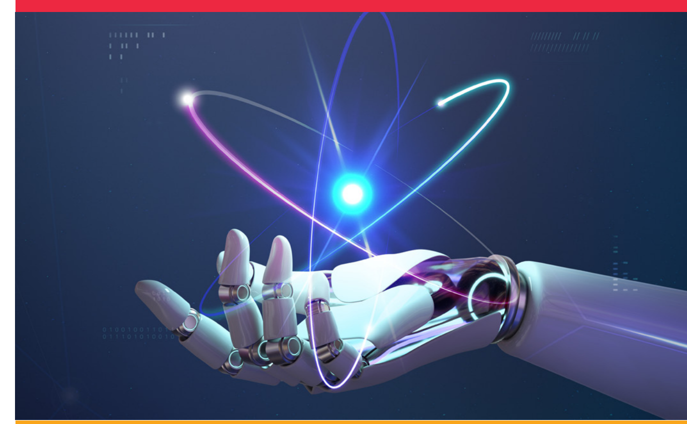
MISSION

To educate global citizens to contribute to society.

OUR VALUES

STUDENT-CENTRIC

We put our students first.



INNOVATION

We encourage creativity and drive innovation.

PEOPLE

We empower our people.

SOCIAL RESPONSIBILITY

We strive to be socially responsible citizens.

CORPORATE PROFILE

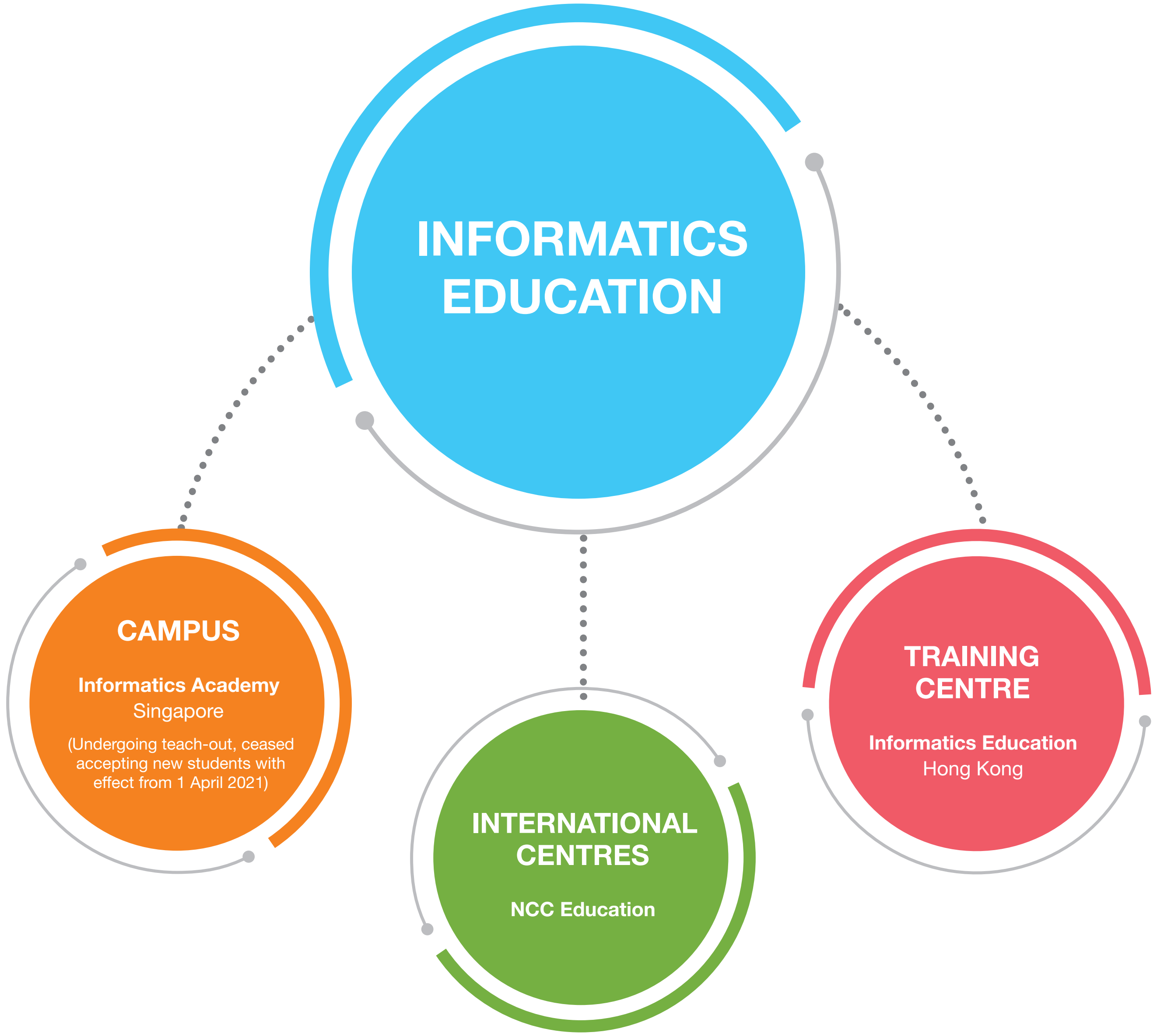
Over the last 38 years, it has evolved with the global education landscape and built a strong track record as a quality global education provider laying the foundation and boosting the careers of over 1,000,000 students worldwide. It currently operates a diverse range of education programmes:

- Informatics Education Hong Kong, its training solutions provider, and
- NCC Education UK, its globally recognised awarding institution, that licences its British qualifications to over 180 accredited partner centres in 50 countries worldwide.

IT courses are offered at foundation, diploma, undergraduate and postgraduate levels to students from as young as pre-school age to mature learners. Focusing its core competency of Computing related disciplines, 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 with capabilities to offer to e-learning.

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.

CORPORATE STRUCTURE



CHAIRMAN'S MESSAGE

Dear Shareholders,

During the financial year ended 30 June 2021 ("FY2021"), the Group continued to be impacted by the ongoing challenges presented by the COVID-19 pandemic. The pandemic has had an effect on all parts of the business and the Group has managed these in different ways, depending on the circumstances, and what is in the best interests of the shareholders and the Group. Many of the previous strategies and plans had to either be modified, deferred or ceased, to ensure continuity of the Group's operations.

The Group made the difficult decision to cease operations in Singapore at Informatics Academy after over 37 years, due to the adverse impact from the COVID-19 pandemic, but mainly due to the loss of the 4-year EduTrust award so crucial to recruiting overseas students. Informatics Academy was a loss-making business and burning cash, therefore the Group decided to focus on its overseas operations.

The dedication and commitment from the global staff in NCC Education and Informatics Education Hong Kong has enabled the two businesses to continue during the pandemic and have adapted all nature of operations accordingly. Solid financial performance considered in these operations outside Singapore and continue to be positioned to enter a growth phase post-pandemic.

For FY2021, the Group recorded total revenue of $7.1 million, representing an 18% decrease against the annualised revenue for the financial period from 1 April 2019 to 30 June 2020 ("FY2020"). The Group reported a loss before tax of $1.5 million for FY2021 (FY2020: $0.5 million), including redundancies for the Singapore operations. Whilst the Group is still in a loss position, the executive education business in Hong Kong maintained healthy profit margins and NCC Education continues near-profitability level. Much of the losses are contributed by Informatics Academy in Singapore, despite Government pandemic support.

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. In particular, I would like to record my gratitude for the support of the Governments of Singapore, United Kingdom and Hong Kong, whose business-friendly financial stimulus measures have supported us to mitigate some of the impact of the pandemic to the Group's business

DATO' SRI ROBIN TAN YEONG CHING
Non-Executive Chairman

BOARD OF DIRECTORS

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 Chief Executive Officer of Berjaya Corporation Berhad in 2011. He joined the Board as Chairman in June 2011.

Currently, he is the Non-Executive Deputy Chairman of Berjaya Corporation Berhad, Executive Chairman of Berjaya Sports Toto Berhad, the Chairman of Berjaya Media Berhad and a Director of Atlan Holdings Bhd and KDE Recreation Berhad. He is also an Executive Director of Berjaya Hartanah Berhad (formerly known as Berjaya Golf Resort Berhad), Bukit Kiara Resort Berhad and Staffield Country Resort Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

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.

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 last few years, Ms Yau has been building Berjaya Group's capability to digitally transform including in the areas of next-generation retail experience design, mobile payments and the use of advanced analytics to power data-led enterprises.

BOARD OF DIRECTORS

MR PHILIP YEAP
Independent Director

Mr Philip Yeap is the Vice-President of Marketing at APJ Pure Storage. He joined the Board as an Independent Director in July 2018.

Graduating from the National University of Singapore with a Bachelors of Arts in Political Science, Mr Philip Yeap rose to become Director of Industry and Services Marketing/Industry Operations (Asia Pacific) at IBM. He then moved to Cisco Systems Asia Pacific as Head of Marketing, where he helped transform the marketing team by developing innovative leading-edge marketing processes and marketing systems to drive an aggressive pipeline for Cisco. From 2004 to 2015, Mr Philip Yeap was Vice-President of Marketing (Asia-Pacific/Japan) at Symantec. He was Vice-President of Worldwide Field Marketing and Global Channel Marketing with Veritas Technologies LLC.

In addition to his Bachelors Degree, Mr Philip Yeap holds a Graduate Diploma in Marketing Management from the Singapore Institute of Management. His more recent education qualifications includes a stint with the Stanford University Graduate Business School (SEP) in 2010.

PROFESSOR LAI KIM FATT
Independent Director

Professor Lai Kim Fatt is currently the Regional Senior Advisor to both Sensetime International Pte Ltd, China's leading artificial intelligence company, as well as DXC Technology, a world-leading end-to-end IT services provider. He joined the Informatics Board in July 2018 as an Independent Director.

Professor Lai brings with him a deep understanding of and extensive experience in leadership roles in the Information Technology and IT Services sector. He was the Consulting Government Programs Leader at IBM Singapore and was Vice-President of Business Integration at Singtel. He also served as Chief of Business Solutions at NCS and as Chief Information Officer at Defence Science & Technology Agency.

Apart from graduating from the United States Air Force Institute of Technology with a Masters of Science (Systems Management), Professor Lai holds an honours degree in Civil Engineering from the Japan Defence Academy and attended the Program for Management Development at Harvard Business School in 1997. In 2004, he was awarded "IT Person of the Year" by the Singapore Computer Society. Professor Lai is actively serving on numerous boards and advisory committees, including the management committees of SoC-NUS, Institute of Systems Science, the Singapore Discovery Centre and Integrated Health Information Systems Pte Ltd.

OPERATIONS REVIEW

INFORMATICS ACADEMY

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) valid until May 2022.

For the first half of the financial year, IAPL was operating in a COVID-19 safe environment and under the restrictions that accompanied this, curriculum delivery continued via online platform. Notwithstanding introduction of blended learning mode for its academic programmes, recruitment of new international students from overseas was significantly hampered as the borders in Singapore were closed.

Additional to the impact from COVID-19, CPE undertook a review of the company's registration for renewal beyond March 2021, granting only a one-year provisional EduTrust award to IAPL. This left the management with no choice but to cease operations in Singapore, and complete the teach-out of existing students. Existing students in the Oxford Brookes University programmes were to be taught out to completion by IAPL, while students on other pathway programmes were passed through to another Private Education Institution in Singapore. The teach-out of existing students is expected to complete by early 2022.

NCC EDUCATION

A subsidiary of Informatics Education Ltd, NCC Education, is an awarding body that works in partnership with over 200 Accredited Partner Centres and universities in more than 50 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. Additionally, NCC Education is now a significant player in the primary and secondary schools market with its Digi computer science programme, in compliance with the UK national curriculum, for 5-16 year olds, inclusive of Level 2.

This is achieved by sustaining differentiation in the marketplace through the provision of Computing 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 United Kingdom. NCC Education offers in-country and on-campus options as well as online completion of the final year of degree studies for students.

NCC Education continued to sustain its business and support of global partner centres, despite challenges caused by the COVID-19 pandemic, which impacted all countries where NCC Education operates. By offering flexible delivery and assessment options and monitoring remotely as required, business and student progress was able to continue, albeit in a modified environment that met all academic standards. This also included recruitment of a number of new partner centres and also introducing more programmes options online, including the Level 7 Diploma in Business Management and online Master Top-Up programmes.

INFORMATICS EDUCATION (HK) LTD

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 career. Over the last 12 months, IEHK continued to be the leader in providing Project Management Professional (PMP)® training. Being the Official Authorized Training Partner (ATP) of the Project Management Institute (PMI)®, IEHK has since trained more than 8,000 PMP® students which constitute the majority of the Project Management Professionals in the Hong Kong market, and consistently maintained a commendable track record with over 95% examination pass rate. To strengthen IEHK's leader role in Hong Kong market, IEHK newly launched series of Project Management programmes, including Project Management Institute Agile Certified Practitioner® (PMI-ACP), IEHK has trained more than 200 PMI-ACP® students, which steadily expanded and continued to boost positive growth.

INFORMATICS GLOBAL CAMPUS

Informatics Global Campus Pte Ltd (IGC) is a wholly-owned subsidiary of Informatics Education Ltd and offers diploma and degree courses through online platforms. During FY 2018, to enable greater efficiency and operational effectiveness, IGC ceased further enrolments and teach out all existing programmes to completion, and develop such programmes through Informatics Academy. IGC was dormant throughout FY2021

INFORMATICS INTERNATIONAL

Informatics International has been dormant for all of FY2021. In order to create greater organisation efficiency, all existing and new franchise and licensing business activity is operated through Informatics Education Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Dato' Sri Robin Tan Yeong Ching
Non-Executive Chairman

Ms Yau Su Peng
Executive Director

Mr Yeap Beng Swee Philip
Independent Director

Professor Lai Kim Fatt
Independent Director

AUDIT AND RISK MANAGEMENT COMMITTEE
Mr Yeap Beng Swee Philip
Chairman

Professor Lai Kim Fatt

Dato' Sri Robin Tan Yeong Ching

REMUNERATION AND STRATEGIC HUMAN RESOURCE COMMITTEE
Professor Lai Kim Fatt
Chairman

Mr Yeap Beng Swee Philip

Dato' Sri Robin Tan Yeong Ching

NOMINATING COMMITTEE
Professor Lai Kim Fatt
Chairman

Mr Yeap Beng Swee Philip

Dato' Sri Robin Tan Yeong Ching

COMPANY SECRETARY
Mr Allan Maxwell Norton

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Partner in charge:
Mr Philip Ng Weng Kwai
(Appointed since financial period ended 30 June 2020)

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SUSTAINABILITY REPORT

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VISION
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To educate global citizens to contribute to society.

CORE VALUES

STUDENT-CENTRIC
We put our students first.

PEOPLE
We empower our people.

INNOVATION
We encourage creativity and drive innovation.

SOCIAL RESPONSIBILITY
We strive to be socially responsible citizens.

SUSTAINABILITY REPORT

1. BOARD STATEMENT

The Board of Directors ("the Board") is pleased to present Informatics Education Limited and its subsidiaries ("the Group") Sustainability Report 2021 ("Report") which has been prepared with reference to the Global Reporting Initiative ("GRI") Standards and the SGX Sustainability Reporting Guidelines.

The Board has reviewed and approved the material topics identified in the Report and together with the Management, is committed to managing relevant environmental, social and governance ("ESG") risks and opportunities across our different businesses, while creating a sustainable business model and achieving long term value for our stakeholders.

Through the various programmes that we provide together with our partners globally, we also seek to create a positive impact on the local communities and the wider societies in which we operate.

Moving forward, we will be increasing the reporting of material sustainability information regarding strategy, performance and commitments for the Group.

2. CORPORATE PROFILE

The corporate profile is disclosed on page 2 of the Annual Report

3. ABOUT THE REPORT

This sustainability report covers our performance and initiatives from 1 July 2020 to 30 June 2021. We have included in this Report, the performance and initiatives of all our key business operations.

Our Sustainability Report will be published on an annual basis and has been prepared with reference to GRI Standards and the SGX Sustainability Reporting Guidelines.

We welcome feedback and comments for our report at allannorton@informatics.edu.sg

4. CORPORATE STRUCTURE

The corporate structure of the Group was disclosed on page 3 of the Annual Report.

SUSTAINABILITY REPORT

5. MANAGING SUSTAINABILITY

For the Group, sustainability is managed at all levels. Everyone, at every level in the Group, plays a part in creating a responsible business.

Our day to day management of sustainability

THE BOARD OF DIRECTORS

The Board is responsible for our sustainability vision, strategy and performance. The Chair of the Sustainability Steering Committee also attends meetings of the Board of Directors.

THE SUSTAINABILITY STEERING COMMITTEE

The Sustainability Steering Committee is chaired by the Chief Operating Officer of the Group as well as representatives from key business functions. They work together to identify and implement our sustainability action plans and to monitor and assess our performance. The Sustainability Steering Committee reports to the Board of Directors.

SITE MANAGERS AND CORPORATE DEPARTMENTS

Site managers and corporate departments are responsible for implementing relevant sustainability policies and action plans within their areas of business.

SUSTAINABILITY REPORT

6. OUR STAKEHOLDERS

We have established various communication channels and maintained regular and close communication with six groups of stakeholders, namely customers, employees, shareholders and investors, governments and regulators, partners and community. We plan to engage more of our stakeholders this coming year to better understand their material concerns and will report on this as we have more information.

Key Stakeholders	Type of engagement
Regulators e.g. Committee for Private Education (CPE), Office of Qualifications and Examinations Regulation (Ofqual)	Meetings Annual compliance audits
Partners e.g. University partners	Meetings
Shareholders	Annual General Meetings Corporate website
Customers e.g. Centres, Students	Customer (Students) satisfaction surveys
Employees	Meetings and events Employee surveys Online employee portals Orientation/Induction and training
Local Community	Outreach programmes Volunteering activities

7. MATERIALITY ANALYSIS

In 2021, we reviewed our materiality analysis to identify sustainability-related topics that are important to the Group and our stakeholders. Based on various sustainable development issues, we evaluated the environmental, social and governance impacts of various issues on our stakeholders and on our operations, and identified the important material issues which we have highlighted in this Report.

Our approach to sustainability is based on the following material topics. Key material issues identified from our materiality assessment are shown below next to each material topic. Where applicable, relevant GRI Standards that we reference for measuring and monitoring our performance are also indicated below.

Material Topics	How We Are Reporting Them
Economic Performance	Economic Performance (GRI 201-1)
People	Employee Profile (GRI 102-8) Training and Education (GRI 404-1, GRI 404-2) Diversity (GRI 405-1)
Student/Customer Centric	Customer Satisfaction Surveys
Social Responsibility	Community Engagements
Compliance	Customer Privacy (GRI 418-1) Social Compliance (GRI 419-1)

SUSTAINABILITY REPORT

8. WHAT WE HAVE DONE

ECONOMIC PERFORMANCE

In the financial year ended 30 June 2021 ("FY2021"), the Group recorded a total revenue of $7.104 million (15M FY2020: $10.863 million). This represents an 18% drop against the annualised revenue for the financial period from 1 April 2019 to 30 June 2020 ("15M FY2020"). The Group reported a loss before tax of $1.524 million during this financial year (15M FY2020: Loss before tax of $0.545 million).

During the financial year, on an annualised basis, staff costs reduced by 2% (15M FY2020: 11%) and operating costs is further reduced by another 11% (15M FY2020: 28%).

During the financial year, the COVID-19 pandemic had presented various challenges to the Group, particularly in terms of the delivery of its programmes and services to its partner centres and students. The pandemic situation has reinforced the importance of embracing new technologies and new ways of delivery for its programmes and services to its customers. Investment in technologies has also helped to minimise the disruptions to the Group's operations.

Given the uncertainty in the operating environment due to the COVID-19 pandemic and the on-going restructuring for the Singapore operations, the Group may continue to face uncertainties on its financial performance, and may experience pressures on its operating cash flows during this period. The Group targets to continue to exercise controls over its business costs and conserve the Group's cash by managing its working capital more critically during this period.

The short-term target in terms of economic performance would be to generate a positive economic value retained in the next two to three years, and thereafter, deliver a year-on-year growth rate of 5% in the long-term.

201-1
Economic performance for the financial year ended 30 June 2021)
(based on financial statements in the Annual Report)

(in SGD'million)	Financial year ended 30 June 2021	Financial period from 1 April 2019 to 30 June 2020
Revenue	7.104	10.863
Other operating income	0.204	0.189
Operating costs	3.696	5.181
Employee wages and benefits	4.614	5.899
Payments to providers of capital (include payments to lessors)	0.735	1.242
Payments to the government (i.e. taxes)	0.015	0.007
Economic value retained	(1.752)	(1.277)

PEOPLE

The Group strives to maintain our competitive edge by providing our employees with the necessary competence to perform their roles effectively, providing employee with training and career development opportunities.

Nowadays, the workforce comprises a dynamic mix of different cultures, age groups, ethnic groups, lifestyles and genders. This diversity is reflected in the society, which we, are part of.

By embedding diversity and inclusion in every aspect of what we do, we make ourselves stronger, leveraging our employees' talents and welcoming fresh ideas, perspectives, experiences and new ways of thinking.

SUSTAINABILITY REPORT

PEOPLE (cont'd)

The Group has a diverse workforce both in gender (42% male and 58% female) but also nationality within our global offices and geographic spread. The Group believes that this workforce diversity enables greater understanding of the education markets in which we operate. In order to have even greater flexibility within the workforce, there is a split between full-time, temporary and part-time employees, itself another level of diversity within. There are no material gender pay differences to report.

Total number of employees by employment contract (permanent and temporary), by gender.
Total number of employees by employment type (full-time and part-time), by gender.

Report headcount as of 30 June 2021

Gender	No. of permanent employees	No. of temporary employees	No. of Full-Time Employees	No. of Part-Time Employees
Males	22	5	26	1
Females	34	3	33	4
Total	56	8	59	5

Total number of employees by employment contract (permanent and temporary), by region.

Report headcount as of 30 June 2021

Regions	No. of permanent employees	No. of temporary employees
Asia	22	7
Europe & the rest of the World	34	1

The majority of employees are based in Asia and Europe, but there is also a presence in Africa to support the growing partner network in the African continent.

Inclusive of temporary employees, the age group demographics are fairly broadly split, reflecting our position in the education industry and further evidence of diversity in the workforce.

		No. of employees as of 30 June 2021
Age Group	Under 30 years old	8
	30-50 years old	41
	Over 50 years old	15

		No. of employees as of 30 June 2021
Gender	Male	27
	Female	37

SUSTAINABILITY REPORT

PEOPLE (cont'd)

Typical of the make-up of the governance body members and the need for experience and expertise, the age grouping is all above 30 years of age. Additionally, the split is three male and one female, thus giving adequate gender representation

		No. of governance body members
Age Group	Under 30 years old	–
	30-50 years old	1
	Over 50 years old	3

		No. of governance body members
Gender	Male	3
	Female	1

The Group is committed to fair employment and hiring practices. In Singapore, the Group has adopted the Tripartite Guidelines on Fair Employment. Across our global offices, the recruitment and development of an employee is based on merit, matching suitable candidates with necessary skills and attributes for the job. Concrete targets for diversity of our workforce would thus, not be appropriate. The Group is however, committed to continue empowering our people, regardless of background and employment type.

In line with our education business and vision to be a global leader in education, the Group invests time into training and upskilling our own workforce. Training is more than encouraged and is expected from all employees, something which will grow in the coming years. All training programmes are work skills related, in order to add value to both our employees and ultimately, the Group. Typically, it is expected that each employee targets at least 20 hours of structured work-related skills training each year.

During the financial year, our workforce achieved an average training hours of 10 hours per employee. Training for this financial year has been affected due to the impact of the pandemic, though the Group is looking at more structured training for employees of the Group to ensure that employees receive the needed training to fulfill their job roles and develop. The Group will continue to advocate the importance of training to employees and develop training plans for our workforce to ensure the targets will be met going forward.

404-1: Average hours of training per year per employee

Average hours of training that the organisation's employees have undertaken during the reporting period, by:
i. gender;
ii. employee category.

Gender	No. of employees (as of 30 June 2021)	Total no. of Training Hours (1 July 2020 to 30 June 2021)
Male	27	320
Female	37	293

Gender	No. of employees (as of 30 June 2021)	Total no. of Training Hours (1 July 2020 to 30 June 2021)
Under 30 years old	8	185.75
30-50 years old	41	323.75
Over 50 years old	15	103.50

SUSTAINABILITY REPORT

PEOPLE (cont'd)

Most employees do individual job-relating training, but examples of group training sessions are included in 404-2 below:

404-2: Programmes for upgrading employee skills and transition assistance programmes

Scope & examples of training programmes provided for employees to upgrade skills (Can be provided based on job designation)	No. of employees who received this skills training
IT Security training (for employees to be updated on IT security, especially with remote working being a norm post-pandemic)	7
Managing a remote team and conflict management (For managers to be better equipped with the skills needed in the remote working space)	15
Understanding Digitalisation, Data & Business Analytics (For employees to be better equipped on the skills needed in the face of digitalisation)	22

STUDENT CENTRIC

Our students expect quality education and exceptional experiences. We strive to understand what they are seeking, and continuously improve the quality of our training courses to meet their needs and expectations. We use a combination of internal and external measurements to assess how we are doing and where we can improve the quality of training that we provide.

Informatics Academy Pte Ltd ("IAPL")

On 3 March 2021, IAPL was awarded the 1-year EduTrust Provisional award which is valid from 4 March 2021 to 3 March 2022. Following that, IAPL will not be allowed to continue offering its pathway programmes and its external degree programmes during this period.

With effect from 1 April 2021, IAPL has ceased to accept new students and will teach-out its existing students. As a result, no surveys have been conducted by IAPL for this financial year.

NCC Education Ltd ("NCC")

During the financial year, the COVID-19 pandemic has led to closure of NCC's partner centres located across the various regions due to lock-down and/or other COVID-19 restrictive measures imposed in these regions. As a result, NCC has deferred the conduct of its annual satisfaction survey on its partner centre network for this financial year, and targets to administer the survey in 2022 instead.

As there were various enhancements on NCC's online learning platform used for delivery of NCC's programmes during the financial year, surveys have been conducted on students who are undertaking online lessons administered by NCC. During the financial year, NCC conducted two surveys on students to measure the satisfaction levels in relation to modular teaching, course content, and overall online learning experience.

SUSTAINABILITY REPORT

STUDENT CENTRIC (cont'd)

For the financial year ended 30 June 2021

No. of formal surveys performed	2
Total students surveyed	202
Total number of respondents	112
Response rate	55%

Results of formal survey

How well modules were taught	Autumn 2020 Survey	Spring 2021 Survey
Excellent rating	51%	55%
Good rating	37%	28%
Satisfactory rating	11%	11%
Total	99%	94%

More than 90% of the students who responded to the survey were satisfied with the modules which are taught online.

Statements in the survey	Autumn 2020 Survey	Spring 2021 Survey
I find the course intellectually stimulating	99%	100%
The course covers useful and interesting content	96%	98%

Based on the above results, more than 95% of the respondents agreed or strongly agreed that the course offered was intellectually stimulating and the course covers useful and interesting content.

On an overall basis, 91% of respondents enjoyed the online learning experience, and 96% of the respondents were, overall, satisfied with the course offered by NCC.

Positive feedback from the surveys have been logged, while areas for improvement noted from the surveys have been reviewed to improve students' overall learning experience.

Informatics Education (HK) Ltd ("IEHK")

IEHK conducts student surveys for its courses. The categories being surveyed are course content, effectiveness and quality of trainer, services and facilities, and overall value and usefulness of the courses. The rating scale is from 1 to 10, 1 to 3 being "Poor", 4 to 7 being "Fair" and 8 to 10 being "Excellent". The benchmark/target for each category is 8.0 and above out of a total rating of 10.0

Based on the surveys conducted during the financial year, IEHK has achieved the following key results across different courses provided during the financial year:

Categories	Weighted average rating
Course Content	8.0
Effectiveness and Quality of Trainer	8.4
Services and Facilities	8.4
Overall Value and Usefulness of the Courses	8.3

IEHK has achieved its target set, as it strives to deliver high quality services and experience to all its students.

SUSTAINABILITY REPORT

SOCIAL RESPONSIBILITY

By working with, and contributing to the communities where we live and work and wider society around the world, we can help improve the quality of life for all. Our support for the communities in which we operate and for wider society is built principally through long-lasting partnerships to assist the community with the challenges they face and improving educational opportunities for all.

During the financial year, the Group supported social causes within the local community. However, physical involvement in community work had been restricted amidst the COVID-19 pandemic.

During the financial year, the Corporate Social Responsibility ("CSR") activities undertaken and/or milestones achieved were summarised as follows:

Timeline	CSR Activities and Milestones
July 2020	Read for Books 2020 This was organised virtually in conjunction with the Company's anniversary celebration
August 2020	Donation to ACES Seniors as part of National Day giving efforts Donations were raised from staff and students to help seniors in need.
October 2020	Society for the Physically Disabled Virtual Flag Day The event involved students and staff and advocated one of the Company's core values to be socially responsible citizens
November 2020	The Company was awarded Champions of Good 2020
March 2021	Donations in-kind to charitable organisations The Company donated T-shirts to New Hope Community Services and stationeries and office items to the Salvation Army.

It is the Group's target to continue giving back to society and involve students and staff in social and community initiatives.

COMPLIANCE

The Group works hard to ensure that ethics and compliance remain the foundation of all our business practices. Compliance is highly consequential in our business and has an impact on our economic performance. Since 2004, the Employee Code of Ethics and Policy for Reporting Improper Action and Protecting Employees Against Retaliation ("Whistle Blower") has been implemented. 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 overseen by the Audit Committee and is included in the staff orientation programme.

Responsible corporate management, aimed at a long-term increase in shareholder value, has always been a part of our ethos. To build trust, we are building on our reputation and focusing on privacy and security. Our students and partners need to know they can trust us with the data they choose to share with us; building that trust and ensuring we deliver on that promise underpins everything we are doing.

The Group has implemented necessary controls and processes to ensure compliance with the protection of personal data in all markets that we operate, to ensure that personal data is accurate, safe, secure and lawful. Compliance is most significant in our markets, in particular compliance with the Personal Data Protection Act 2012 (Singapore) and Data Protection Act 2018 (United Kingdom).

SUSTAINABILITY REPORT

COMPLIANCE (cont'd)

418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

a) Total number of substantiated complaints received concerning breaches of customer privacy

No. of complaints received from outside parties and substantiated by the organisation (provide details of what the complaints were and when it happened) For the financial year ended 30 June 2021	No. of complaints received from regulatory bodies (provide details of what the complaints were and when it happened) For the financial year ended 30 June 2021
Nil	Nil

b) Total number of identified leaks, thefts, or losses of customer data.

No. of identified leaks	0
No. of data thefts	0
No. of cases of loss of customer data	0

c) There have been no cases of substantiated complaints.

The Group strives to conduct annual reviews on its systems and IT infrastructure to ensure that customer privacy and data are protected against leaks, thefts and/or losses.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Informatics Education Ltd. (the "Company") and its subsidiaries (the "Group") are 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 Group that are currently in place and used throughout the financial year ended 30 June 2021 (the "Year"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "2018 Code"), and as applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Rules") and the Singapore Companies Act (Chapter 50) (the "Act").

Pursuant to Rule 710 of the SGX-ST Listing Rules, the Board confirms that the Company and the Group, have, for the Year, complied with the principles and provisions as set out in the 2018 Code. Where there are deviations from the 2018 Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle and provisions are provided in the sections below.

BOARD MATTERS

Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provisions 1.1 and 1.2

The Board understands their duties and responsibilities and recognises the need to make decisions objectively in the best interests of the Company. The Board oversees the business affairs and sets the overall business direction, objectives, and values of the Group. This includes putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture, and ensuring proper accountability within the Group. When any of the Directors faces potential conflicts of interest, the Directors disclose and recuse themselves from discussions and decisions involving the issues of conflict.

Apart from its fiduciary duties and statutory responsibilities, the Board's principal functions include:

- 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 the 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 putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture, and ensure proper accountability within the Company;
- 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.

CORPORATE GOVERNANCE REPORT

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 the 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, development in the Act and the SGX-ST Listing Rules so as to update themselves on matters that may affect or enhance their performance as the Board or Board Committee members. Appropriate external trainings will be arranged where necessary. The Directors may also attend other appropriate courses, conference and seminars, at the Company's expense. This includes programmes run by the Singapore Institute of Directors and other professional bodies.

Newly appointed Directors will be given appropriate training and orientation (including his or her duties as a Director and how to discharge those duties) to ensure that the incoming Directors are familiar with the Company's business and governance practices. The newly appointed Directors 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.

Provisions 1.3 and 1.4

Matters which are specifically reserved to the Board for decision include the following corporate events and actions:

- material acquisitions and disposal of assets, corporate or financial restructuring and share issuances and dividends;
- approval of results announcements;
- approval of the annual report, sustainability report and financial statements;
- annual budgets;
- interested person transactions;
- convening of members' meetings;
- matters covered by statutory requirements, Constitution, Best Practices Guide, and Corporate Governance;
- matters relating to or having significant impact on the interest of shareholders, including communications to shareholders, or affecting the capital structure of the Company;
- matters that may have material impact on the system of internal controls; or significantly exposes the Company and the Group to financial or operating risks;
- matters relating to proper corporate and financial governance of performance of the Company and the Group;
- matters recommended by the Remuneration Committee relating to the Chairman and Chief Executive Officer ("CEO"), executive Directors and Key Management Personnel who report directly to the Chairman and CEO, and any other significant matters affecting employees;
- matters recommended by the Nominating Committee in respect of the appointment of Directors, re-election of Directors and appointment of Key Management Personnel; and
- all other matters in the reasonable view of Management is of such material nature that requires the approval of the Board.

The Board is supported by Board Committees, namely the Audit and Risk Management Committee (the "AC"), the Nominating Committee (the "NC"), and the Remuneration and Strategic Human Resource Committee (the "RC") (collectively, the "Board Committees"). All Board Committees have been constituted with written terms of references to assist the Board in discharging its responsibilities, which are reviewed periodically by the Board.

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

CORPORATE GOVERNANCE REPORT

Provisions 1.5 and 1.6

The Board and the 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.

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. Detailed Board and Board Committees papers prepared for each meeting are circulated in advance of each meeting. These include 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 attendance of the Directors, who held office during the Year at the Board and Board Committees meetings are as follows:-

	Board of Directors	NC	RC	AC
No. of Meetings held	5	1	1	5
No. of meetings attended by respective Directors				
Dato' Sri Robin Tan Yeong Ching	2	–	–	2
Mr Yeap Beng Swee, Philip	5	1	1	5
Professor Lai Kim Fatt	5	1	1	5
Ms Yau Su Peng	5	N.A.	N.A.	N.A.

Notes:
N.A.: Not Applicable

Directors with multiple board representations are to disclose such board representations and ensure that sufficient time and attention are given to the affairs of the Group.

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.

Provision 1.7

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. The Board is also given separate and independent access to Management.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board consist of four members, comprising of one Non-Executive Director, 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	AC	NC	RC
Dato' Sri Robin Tan Yeong Ching	Non-Executive Chairman	22 June 2011	26 November 2020	Member	Member	Member
Mr Yeap Beng Swee, Philip	Non-Executive, Independent Director	19 July 2018	18 July 2019	Chairman	Member	Member
Professor Lai Kim Fatt	Non-Executive, Independent Director	19 July 2018	18 July 2019	Member	Chairman	Chairman
Ms Yau Su Peng	Executive Director	23 November 2012	18 July 2018	-	-	-

Provision 2.1

Under Provision 2.1 of the 2018 Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

Rule 210(5)(d) of the SGX-ST Listing Rules also sets out circumstances under which a director will not be independent.

The Board adopted the definition of the 2018 Code and the SGX-ST Listing Rules of what constitutes "independent" in its review of the independence or otherwise of each Director ("Independent Director").

Provisions 2.2 and 4.4

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 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 independence based on the provisions as set out in the 2018 Code and the SGX-ST Listing Rules. The Directors must also confirm that there exist no conditions that would impair his independence. This declaration of independence is tabled before the NC and, if accepted, the director's independence is then recommended by the NC to the Board. Taking into account the views of the NC, the Board is satisfied that Professor Lai Kim Fatt and Mr Yeap Beng Swee, Philip are independent in the light of the provisions of the 2018 Code and Rule 210(5)(d) of the SGX-ST Listing Rules.

CORPORATE GOVERNANCE REPORT

There are two Independent Directors out of a total of four Directors, hence the Independent Directors represent 50% of the total Board membership. Provision 2.2 of the 2018 Code states that Independent Directors shall make up a majority of the Board where the Chairman is not independent. The NC and the Board, after extensive deliberation and observation, are of the opinion that there is a strong element of independence in the Board to exercise objective and balanced judgement on the Group's corporate affairs, and meet the current requirements of the Group's business. The matters requiring the Board's approval are discussed and deliberated with participation of all the Directors and decisions are made collectively without any individual or small group of individuals influencing or dominating the decision-making process. In addition, the Board is of the opinion that based on the Group's current size and operations, it is not necessary nor cost effective to have Independent Directors make up a majority of the Board. Nevertheless, the Board will continue to review the composition of Independent Directors should there be expansion or significant changes to the scope, nature and/or requirements of the Group's business.

<u>Independent Directors with more than 9-year tenure</u>

The independence of any Director who has served on the Board beyond nine (9) years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board.

Under Rule 210(5)(d)(iii) of the SGX-ST Listing Rules which will come into force on 1 January 2022, it stipulates that a Director will not be considered independent if he/she has been a director for an aggregate period of more than nine (9) years (whether before or after listing) and his/her continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding the directors and the chief executive officer of the listing applicant, and associates of such directors and chief executive officer. The Board notes that the SGX-ST has stated that to ensure that the independence designation of a director who has served for more than nine (9) years as at and from 1 January 2022 is not affected, a listed issuer should seek and obtain approvals for his continued appointment as an independent director prior to 1 January 2022.

To date, none of the Independent Directors has served the Company for more than nine (9) years from his/her date of first appointment to the Board.

<u>Provisions 2.3 and 2.5</u>

The non-executive directors ("Non-Executive Directors") constitute more than half of the Board. The Independent and Non-Executive Directors had constructively challenged and contributed to the development of both the Group's short-term and long-term business strategies. Their views and opinions provide different perspectives to the Group's businesses. Where appropriate, the Independent and Non-Executive Directors would also meet without the presence of the Management.

<u>Provision 2.4</u>

The Board's policy in identifying Director candidates 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 four Directors, one is a female Director. The female gender therefore represents 25% of the total Board membership. In terms of age diversity, one Director is between the ages of 60 to 69, representing 25% of the total Board membership, two Directors are between the ages of 50 to 59, representing 50% of the total Board membership and one Director is between the ages of 40 to 49, representing 25% of the total Board membership.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

<u>Provisions 3.1 and 3.2</u>

There is a clear segregation of the roles and responsibilities between the Chairman and Executive Director, which ensures a balance of power and authority for independent decision making.

The Chairman, Dato' Sri Robin Tan Yeong Ching, is a Non-Executive Chairman who oversees the overall business and bears the responsibility for the workings of the Board. He leads the Board discussions and ensures that Board meetings are convened and conducted appropriately. 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 overall business of the Group and manages the day-to-day operations of the Group with the assistance of the Chief Operating Officer, 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.

<u>Provision 3.3</u>

Provision 3.3 of the 2018 Code requires the appointment of a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent, to act as an available channel for shareholders when normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Board is of the view that the appointment a Lead Independent Director is not necessary as the Independent Directors, which constitute half of the Board are able to lead and resolve situations where the Chairman is conflicted. The Independent Directors also ensure that all Directors act in the best interest of the Company as a whole and not of any particular group of shareholders or stakeholders. The shareholders have access to the Board and the Company has always responded to queries raised by the shareholders. The absence of a Lead Independent Director has not and is unlikely to affect the shareholder's accessibility and communication to the Board. Nevertheless, the Board will annually examine the need for the appointment of a Lead Independent Director, and will make such an appointment where appropriate.

Although no Lead Independent Director was formally appointed, the Company's Independent Directors conferred among themselves to be available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management is inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

<u>Provisions 4.1 and 4.2</u>

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

NC Chairman:	Professor Lai Kim Fatt (Independent Director)
Members:	Mr Yeap Beng Swee, Philip (Independent Director)
	Dato' Sri Robin Tan Yeong Ching (Non-Executive, Non-Independent Director)

CORPORATE GOVERNANCE REPORT

The NC is guided by its terms of reference which sets out its responsibilities. The NC is responsible for making recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and Key Management Personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of Directors (including alternate Directors, if any).

Provision 4.3

The process for the selection, appointment and re-appointment of Directors to the Board is as follows:-

- The NC recommends to the Board a suitable Board size after reviewing the size and composition of the Board annually to ensure that it has an appropriate balance of expertise, skills, attributes and abilities.
- The NC will assist to identify and recommend suitable candidates for appointment to the Board.
- The NC considers the channels for seeking suitable candidates and draws up a list of potential candidates. Where necessary, the NC may seek advice from external consultants.
- The NC evaluates and reviews the candidates' capabilities, taking into account the Company's objectives and the requirements of the Board.
- The NC makes recommendation to the Board on candidates it considers appropriate for appointment. New Directors are appointed by way of board resolution.
- With regard to the re-election of existing Directors each year, the NC reviews annually the Directors due for retirement under the Constitution of the Company and recommends to the Board the re-election of Director(s) having regard to their past contribution and performance.
- The NC will make recommendations to the Board as to whether the Board should support the re-election of a Director retiring in accordance with the provisions of the Constitution.
- In making recommendations, the NC will undertake a process of review of the retiring non-executive Director's performance during the period in which the non-executive Director has been a member of the Board.

The above process will be reviewed periodically at the discretion of the Board.

With effect from January 1, 2019, all directors, including executive directors, must submit themselves for re-nomination and re-appointment at least once every three years, in accordance with Rule 720(5) of the SGX-ST Listing Rules.

Under Regulation 91 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.

Regulation 95 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.

Ms Yau Su Peng who is retiring under Regulation 91 of the Constitution, has given her consent for re-election as a Director of the Company at the forthcoming AGM.

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 30 June 2021, there is no alternate Director on the Board.

CORPORATE GOVERNANCE REPORT

Provision 4.5

The NC evaluates the Board, each Board Committee and each Director taking into consideration of each Director's attendance record, skills, preparedness, participation, candour and contribution to the effectiveness of the Board and Board Committees. The NC 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. The NC also noted the Directors' attendances in relation to the Board and Board Committee meetings held during the year. The NC was 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 feedback on the Board and Board Committees are also considered.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2

The NC pays 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 directions and planning and to focus on common objectives.

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 the Year and each Director has contributed to 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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2

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 Lai Kim Fatt (Independent Director)

Members: Mr Yeap Beng Swee, Philip (Independent Director)
Dato' Sri Robin Tan Yeong Ching (Non-Executive, Non-Independent Director)

The RC is guided by its terms of reference which sets out its responsibilities. The RC is responsible for making recommendations to the Board on:

(a) a framework of remuneration for the Board and Key Management Personnel;

(b) terms of appointment and the specific remuneration packages for each director as well as for the Key Management Personnel; and

(c) disclosing performance measures and targets for Key Management Personnel's performance bonuses.

Provisions 6.3 and 6.4

The RC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. The RC reviews the fairness and reasonableness of the remuneration package of the Executive Director and Key Management Personnel to ensure that there is no overly onerous or generous termination clause.

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 Year.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 and 7.2

It is the Company's policy to ensure that the level of remuneration is appropriate to attract, retain and motivate the personnel 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 for the Year. Hence, the Executive Director and Key Management Personnel were not entitled to performance bonuses.

CORPORATE GOVERNANCE REPORT

Service agreement for the Executive Director was entered with the Company on 20 October 2014 with no fixed appointment period and does 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. Directors' fees are recommended by the Board for approval by the shareholders at the Company's AGM.

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 provisions are not necessary as the variable components of their remuneration package are moderate.

Provision 7.3

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.

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.

Disclosure of Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

Details of remuneration of the Directors of the Company for the Year are as follows:

Name of Director	Total Remuneration S$'000	Salary %	Performance Bonuses %	Director's Fees* %
Non-Executive Directors				
Dato' Sri Robin Tan Yeong Ching	-	-	-	-
Mr Yeap Beng Swee, Philip	20	-	-	100%
Professor Lai Kim Fatt	20	-	-	100%
Executive Director				
Ms Yau Su Peng	60	100%	-	-
Total	100	60%	-	40%

* These fees are subject to shareholders' approval as a lump sum at the AGM for the Year.

CORPORATE GOVERNANCE REPORT

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 Year are set out below:

Top 5 Key Management Personnel (Non-Directors of the Company)	Salary %	Performance Bonuses %	Allowance and Other Benefits %
Below S$250,000			
Mr Allan Maxwell Norton Chief Operating Officer	99.9%	-	0.1%
Ms Esther Chesterman [(1)] General Manager, NCC Education Ltd	100.0%	-	-
Ms Foo Wee Vian Financial Controller	99.9%	-	0.1%
Ms Nio Ai Lin Head – Academic and Curriculum Development, Informatics Academy Pte Ltd	100.0%	-	1.0%
Ms Wong Wai Lan General Manager, Informatics Education (HK) Limited	68.7%	-	31.3%

(1) Ms Esther Chesterman relinquished her role as General Manager of NCC Education Ltd on 26 April 2021.

The aggregate amount of the total remuneration paid to the top five Key Management Personnel (who are not Directors or CEO) is S$752,000. The remuneration of individual Key Management Personnel is not fully disclosed but in bands of S$250,000 as the Company believes that such disclosure may be prejudicial to its business interest given the highly competitive environment it is operating in.

Provision 8.2

There are no employees related to a Director, CEO or substantial shareholders of the Company whose remuneration exceeds S$100,000 in the Group's employment for the Year.

Provision 8.3

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

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1

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 subsidiaries and will continue improving on the framework.

Rule 1207(10) of the SGX-ST Listing Rules

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, reports issued by consultants and regulators, control observations as reported by external auditors of the Company and its subsidiaries, 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 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.

Provision 9.2

The Board has received assurance from the Chief Operating Officer 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 adequacy and effectiveness of the Company's risk management and internal control systems.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1(a), 10.1(c) and 10.2

The AC comprises three Directors, the majority of whom, including the AC Chairman, are independent:

AC Chairman:	Mr Yeap Beng Swee, Philip (Independent Director)
Members:	Professor Lai Kim Fatt (Independent Director) Dato' Sri Robin Tan Yeong Ching (Non-Executive, Non-Independent Director)

CORPORATE GOVERNANCE REPORT

The AC is guided by its terms of reference which sets out its responsibilities. The duties of AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle blowing policy and procedures for raising such concerns.

<u>Provision 10.3</u>

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

<u>Provisions 10.1(b) and 10.1(d)</u>

The 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 adequacy and effectiveness of the financial reporting process and internal control systems of the Company, the review 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 function 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 has 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 72 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 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 Rule. 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.

CORPORATE GOVERNANCE REPORT

<u>Provision 10.1(f)</u>

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") since 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 included in the staff orientation programme.

Any person may report via e-mail 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 AC Chairman may delegate to Management to conduct a preliminary investigation on the complaint and discuss with Management on the appropriate follow-up action to be taken after the investigation. The identity of reporting employees will be kept confidential to the extent possible under law, unless the employee authorises the disclosure of his or her identity in writing. For the Year, there have been no incidents pertaining to whistle-blowing reported.

<u>Provisions 10.1(e) and 10.4, Rules 719(3) and 1207(10C) of the SGX-ST Listing Rules</u>

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 internal auditors report to the AC and assist 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, and subsidiaries. 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. During the Year, the Group had not engaged any external audit firm to perform internal audit work for the Group's operations in Singapore due to on-going restructuring of the Singapore operations. In addition, internal audit plans covering overseas operations continued to be deferred due to the COVID-19 pandemic, and these are expected to resume when travel and borders restrictions are lifted.

Based on the internal controls established and maintained by the Group, reports issued by consultants and regulators, control observations as reported by the external auditors of the Company and its subsidiaries, and reviews performed by Management, the Board is satisfied that there were adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The AC concurs with the Board's comment. The Board, together with the AC and Management, will continue to enhance and improve the existing internal controls framework to identify and mitigate these risks. There were no material weaknesses identified by the Board or the AC for the Year.

CORPORATE GOVERNANCE REPORT

Provision 10.5

Members of the AC have independent access to both the external auditors and the internal auditors. During the Year, the AC met with the external auditor 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.

Significant financial statement reporting matters

The significant issues considered by the AC in relation to the financial statements during the Year are detailed below, alongside the actions taken by the AC to address the issues.

Significant matters considered	How the issues were addressed by the AC
Material uncertainty related to going concern	The AC has reviewed and challenged the Group's ability to operate as a going concern. The AC concurred and agreed with the external auditors and Management that the financial statements of the Group and Company be prepared on a going concern basis given that the Group has received letter of financial support from the Company's penultimate holding company, Berjaya Land Berhad, to provide continuing financial support to the Group to enable it to continue its operations and meet its liabilities as and when they fall due.
Allowances for expected credit loss on trade receivables	The AC has reviewed and challenged Management's assumptions and inputs used in the computation of the allowance for expected credit losses on trade receivables. The AC concurred and agreed with the external auditors and Management on their assessment and judgement on the significant matter reported by the external auditors.
Fair valuation of intercompany loans	The AC has reviewed and challenged Management's basis for the key assumptions and inputs used in the fair valuations of the intercompany loans, including the expected cash flows and discount rates used. The AC concurred and agreed with the external auditors and Management on their assessment and judgement on the significant matter reported by the external auditors.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2021 will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Alternative Arrangements"). The Alternative Arrangements relating to attendance at the AGM via electronic means i.e. live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM (if any) and appointing the Chairman of the Meeting as the proxy at the AGM, will be put in place.

CORPORATE GOVERNANCE REPORT

The Company will ensure that shareholders have equal opportunity to participate effectively in and vote at general meetings and brief shareholders on the rules, including voting procedures that govern general meetings. All shareholders of the Company shall receive the Annual Report and Notice of AGM. 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.

To promote greater transparency and effective participation, the Company has conducted the voting of all its resolutions by employing electronic poll voting for all its resolutions passed at its AGM. The detailed results of the electronic poll voting on each resolution tabled at the AGM, including the total number of votes cast for or against each resolution tabled, were released immediately at the AGM and announced to SGX-ST via SGXNET thereafter. The Company Secretary prepares minutes of general meetings that includes a summary of comments or queries made by shareholders during that meeting, and responses from the Board. Generally, during general meetings, shareholders are invited to raise questions, and this would be recorded in the minutes.

Provision 11.2

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

Provision 11.3

The Directors, Management and the external auditor are present and available at the general meetings to address any queries or concerns on matters relating to the Group and its operation.

Provision 11.4

The Company's Constitution allows any shareholder to appoint proxies during his absence, to attend and vote on his behalf at the general meetings. The Company's Constitution does not permit voting in absentia by mail, facsimile or email due to the difficulty in verifying and ensuring authenticity of the vote.

Provision 11.5

Provision 11.5 of the 2018 Code provides that the Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The Company does not publish minutes of general meetings or shareholders on its corporate website. There are potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting) including disclosure of sensitive information to the Group's competitors. Further, shareholders, including those who did not attend the relevant general meeting, have a right to be furnished copies of minutes of general meeting pursuant to Section 189 of the Act. Accordingly, the Company is of the view that its position is consistent with the intent of Principle 11 of the 2018 Code as shareholders are treated fairly and equitably by the Company.

In accordance with the Alternative Arrangements, the Minutes of AGM will be published within one month after the AGM to be held in respect of FY2021 through the SGXNET and the Company's website.

CORPORATE GOVERNANCE REPORT

Provision 11.6

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 the Year as the business conditions are expected to remain challenging due to the pandemic situation, 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 leaner cost structure.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provision 12.1, 12.2 and 12.3

The Board believes in regular, timely and effective communication with Shareholders. In addition to the mandatory public announcements made through the SGXNET, timely release of the financial results provides Shareholders with an overview of the Group's performance and operations. The Company does not practice selective disclosure. Any price sensitive information is first publicly released through SGXNET, before the Company announce to any group of investors or analysts. Announcements of results and information on new initiatives are published through the SGXNET.

Shareholders can also access information on the Group via the website www.informaticseducation.com. To keep all stakeholders of the Company updated on latest announcements and 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 9698 4237 for shareholders to submit their feedback and queries.

The Company maintains the 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. These minutes are made available to shareholders upon their request.

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 SGX-ST Listing Rules.

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provision 13.1

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Provision 13.2

Details of the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during the Year will be set out in the Company's Sustainability Report.

CORPORATE GOVERNANCE REPORT

Provision 13.3

The Company maintains a current corporate website to communicate and engage with stakeholders. The Company's website is at www.informaticseducation.com.

OTHER CORPORATE GOVERNANCE MATTERS

Interested Person Transactions

During the Year, there were no interested person transactions (excluding transactions less than S$100,000) entered into by the Group.

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

Material Contracts

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

In compliance with Listing Rule 1207(19) of the SGX-ST Listing Rules, 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

(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 statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2021.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position 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 30 June 2021 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, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, as its penultimate holding company has agreed to provide continuing financial support to the Company.

Directors

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

Dato' Sri Robin Tan Yeong Ching
Professor Lai Kim Fatt
Mr Yeap Beng Swee, Philip
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' STATEMENT

(In Singapore Dollars)

Directors' interests in shares and debenture

According to the register kept by the Company, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
Name of director and corporation in which interests are held				
Dato' Sri Robin Tan Yeong Ching				
Ultimate holding company				
Berjaya Corporation Berhad				
- Ordinary shares	2,289,532	2,381,113	682,112,272	589,476,760
- 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each	2,620,500	2,620,500	66,575,000	59,375,000
- Warrants	2,620,500	2,620,500	87,030,000	85,001,000
Penultimate holding company				
Berjaya Land Berhad				
- Ordinary shares	600,000	600,000	56,600,000	51,100,000
Related corporations				
Berjaya Sports Toto Berhad				
- Ordinary shares	1,007,142	1,017,213	–	–
Berjaya Food Berhad				
- Ordinary shares	2,714,000	2,786,000	–	2,930,900
- Employees' Share Scheme Options	1,224,000	1,224,000	–	–
- Employees' Share Scheme Shares	162,000	90,000	–	–

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

There were no changes in any of the above-mentioned interests in the Company or in related corporations between the end of the financial year and 21 July 2021.

Except as disclosed in this statement, 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 objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

DIRECTORS' STATEMENT

(In Singapore Dollars)

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

At the end of the financial year, there were 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 Yeap Beng Swee, Philip (Independent Director)
Members : Professor Lai Kim Fatt (Independent Director)
Dato' Sri Robin Tan Yeong Ching (Non-Executive Director)

The AC is guided by its terms of reference which sets out its responsibilities. The duties of AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle blowing policy and procedures for raising such concerns.

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 Corporate Governance Report.

DIRECTORS' STATEMENT

(In Singapore Dollars)

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

10 December 2021

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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 statements of financial position of the Group and the Company as at 30 June 2021, 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 statement of financial position 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 Singapore Financial Reporting Standards (International) (SFRS(I)s) 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 30 June 2021 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 continued to incur net loss of $1,539,000 and recorded net cash outflows of $841,000 from its operating activities for the financial year ended 30 June 2021. As at 30 June 2021, the Group has net current liabilities and net liabilities of $1,932,000 and $1,651,000 respectively, while the Company has net current liabilities and net liabilities of $3,614,000 and $2,947,000 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 received letter of financial support from its penultimate holding company, Berjaya Land Berhad, to provide continuing financial support to the Group to enable it to continue its operations and meet its liabilities as and when they fall due.

If the Group and the Company are unable to continue operational existence for the foreseeable future, the Group and Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situations 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 statements of financial position. 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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.

Allowance for expected credit losses of trade receivables

As at 30 June 2021, the gross balance of trade receivables amounted to $1.29 million, against which allowance for expected credit losses ("ECL") of $0.52 million was made. The collectability of trade receivables are key elements of the Group's working capital management which is managed on an ongoing basis by management.

The Group determines ECL for trade receivables by making debtor-specific assessment for credit-impaired debtors. The Group uses provision matrix method for the remaining group of trade debtors that is based on its historical credit loss experience analysed in accordance to days past due by grouping customers by geographical area, adjusted for forward-looking factors specific to the debtors and the economic environment. In determining the ECL allowance for the Group's trade receivables as at year end, management considered various factors such as the age of the outstanding balances, historical payments and credit loss patterns, as well as facts and circumstances specific to the regions and economic environments where the debtors operate, taking into consideration current market condition and any other available information concerning the creditworthiness of debtors. These assessments required significant management judgement. As a result, we have identified this as a key audit matter.

As part of our audit procedures, we evaluated the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of its debtors, including the process in determining whether a debtor is credit impaired. We considered the age of the debts as well as the trend of collections to identify collection risks. We requested, on a sample basis, trade receivable confirmations and reviewed for collectability by obtaining evidence of receipts from these debtors after the year end. We assessed management's estimates on the historical loss rate through analysis of historical ageing of receivables and assessment of significant overdue individual debtors. We evaluated the provision matrix prepared by management for determining ECL allowance and reviewed the data and information that management has used to make forward-looking adjustments. We checked the arithmetic accuracy of the ECL allowance computation. We also evaluated the adequacy of the Group's disclosures of trade receivables in Note 14 *Trade and other receivables* and the related risks such as liquidity risk and credit risk in Notes 26(b) *Liquidity risk* and 26(d) *Credit risk* to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

Independent auditor's report to the members of Informatics Education Ltd.

Key audit matters (cont'd)

Valuation of intercompany loans by the Company

As disclosed in Note 13 and Note 14 to the financial statements, the Company entered into a novation agreement with certain wholly-owned subsidiaries and a supplementary loan agreement with a subsidiary.

At the inception of the novation and restructuring of these loans and advance, the Company assessed the fair values of these loans and advance with the difference against the carrying values taken to income statement of the Company or deemed investment cost in one of the subsidiaries. While there is no impact to the consolidated financial statements of the Group, these fair value assessment have an impact to the statement of financial position of the Company.

Management determined the fair valuation of the aforementioned loans using discounted cash flow valuation method which includes unobservable inputs that are categorised within Level 3 of the fair value hierarchy as defined in SFRS(I) 13 *Fair Value Measurements*. Given the materiality of the loans to the Company's financial position and the inherent subjectivity in the valuation process that required management to apply significant judgement, we considered this to be a key audit matter.

As part of our audit procedures, we obtained an understanding of management's process of valuing the loans, the selection of valuation methodologies and the basis of determining the fair value of the loans. We reviewed the Novation Agreement and the respective loan agreements to obtain an understanding of the terms and agreements of these loans. We discussed with management to obtain an understanding of the basis for the key assumptions and inputs used in the valuations, and reviewed the valuation computation performed by management. Our Internal valuation specialists assisted us in assessing the appropriateness of the valuation methodologies used by management and the reasonableness of certain key inputs, such as the discount rate used including performing comparable credit spread research, discount rate, and perform independent valuations of the loans. We assessed the reasonableness of other key inputs used by management in the valuation, such as the expected cash flows and discount rate. We also assessed the Company's disclosures in Note 13 *Investment in subsidiaries* and in Note 14 *Trade and other receivables*.

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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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 SFRS(I)s, 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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 Philip Ng Weng Kwai.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

10 December 2021

CONSOLIDATED INCOME STATEMENT

For the financial year ended 30 June 2021
(In Singapore Dollars)

	Note	1 July 2020 to 30 June 2021 $'000	1 April 2019 to 30 June 2020 $'000
Revenue	5	7,104	10,863
Other operating income	6	204	189
Staff costs	7	(4,614)	(5,899)
Depreciation of property, plant and equipment	11	(324)	(443)
Allowance for expected credit loss on receivables	14	(185)	(29)
Other operating expenses	8	(3,709)	(5,226)
Loss before taxation		(1,524)	(545)
Taxation	9	(15)	(7)
Loss for the year/period		(1,539)	(552)
Loss attributable to:			
Equity holders of the Company		(1,539)	(552)
Loss per share attributable to equity holders of the Company (cents)			
Basic	10	(0.87)	(0.38)
Diluted	10	(0.87)	(0.38)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2021
(In Singapore Dollars)

	1 July 2020 to 30 June 2021 $'000	1 April 2019 to 30 June 2020 $'000
Loss for the financial year/period	(1,539)	(552)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	(156)	(70)
Other comprehensive income for the financial year/period	(156)	(70)
Total comprehensive income for the financial year/period	(1,695)	(622)
Total comprehensive income attributable to:		
Equity holders of the Company	(1,695)	(622)
	(1,695)	(622)

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021
(In Singapore Dollars)

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current assets					
Property, plant and equipment	11	70	500	–	–
Intangible assets	12	285	129	–	–
Investment in subsidiaries	13	–	–	557	–
Trade and other receivables	14	–	–	859	–
		355	629	1,416	–
Current assets					
Prepayments		250	228	6	42
Trade and other receivables	14	1,003	1,450	138	141
Cash and bank balances	15	2,039	3,692	1,055	1,212
		3,292	5,370	1,199	1,395
Total assets		3,647	5,999	2,615	1,395
Current liabilities					
Deferred income and fees	5	1,808	2,339	120	201
Trade and other payables	16	2,161	1,494	3,693	3,029
Interest-bearing borrowings	17	1,019	1,000	1,000	1,000
Lease liabilities	18	210	759	–	–
Provision for reinstatement cost	19	26	109	–	–
		5,224	5,701	4,813	4,230
Net current liabilities		(1,932)	(331)	(3,614)	(2,835)
Non-current liabilities					
Trade and other payables	16	–	–	749	–
Interest-bearing borrowings	17	74	86	–	–
Lease liabilities	18	–	168	–	–
		74	254	749	–
Total net (liabilities)/assets		(1,651)	44	(2,947)	(2,835)
Equity attributable to equity holders of the Company					
Share capital	20	34,667	34,667	34,667	34,667
Reserves	21	(36,318)	(34,623)	(37,614)	(37,502)
Total equity		(1,651)	44	(2,947)	(2,835)

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2021
(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
Group					
2021					
At 1 July 2020	34,667	153	(34,776)	(34,623)	44
Loss for the financial year	–	–	(1,539)	(1,539)	(1,539)
Other comprehensive income for the financial year	–	(156)	–	(156)	(156)
Total comprehensive income for the financial year	–	(156)	(1,539)	(1,695)	(1,695)
At 30 June 2021	34,667	(3)	(36,315)	(36,318)	(1,651)
2020					
At 1 April 2019	29,908	223	(32,993)	(32,770)	(2,862)
Effects of adopting SFRS(I) 16	–	–	(1,231)	(1,231)	(1,231)
At 1 April 2019 (restated)	29,908	223	(34,224)	(34,001)	(4,093)
Loss for the financial period	–	–	(552)	(552)	(552)
Other comprehensive income for the financial period	–	(70)	–	(70)	(70)
Total comprehensive income for the financial period	–	(70)	(552)	(622)	(622)
Shares issued pursuant to rights issue	5,256	–	–	–	5,256
Rights issue expenses	(497)	–	–	–	(497)
Transactions with owners, recognised directly in equity	4,759	–	–	–	4,759
At 30 June 2020	34,667	153	(34,776)	(34,623)	44

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2021
(In Singapore Dollars)

	Share capital $'000	Accumulated losses $'000	Total equity $'000
Company			
2021			
At 1 July 2020	34,667	(37,502)	(2,835)
Loss for the financial year, representing total comprehensive income for the financial year	–	(112)	(112)
At 30 June 2021	34,667	(37,614)	(2,947)
2020			
At 1 April 2019	29,908	(36,578)	(6,670)
Loss for the financial period, representing total comprehensive income for the financial period	–	(924)	(924)
Shares issued pursuant to rights issue	5,256	–	5,256
Rights issue expenses	(497)	–	(497)
Transactions with owners, recognised directly in equity	4,759	–	4,759
At 30 June 2020	34,667	(37,502)	(2,835)

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2021
(In Singapore Dollars)

	Note	1 July 2020 to 30 June 2021 $'000	1 April 2019 to 30 June 2020 $'000
Cash flow from operating activities			
Loss before taxation		(1,524)	(545)
Adjustments for:			
Depreciation of property, plant and equipment	11	324	443
Amortisation of intangible assets	12	32	15
Net gain on disposal of property, plant and equipment	6	(4)	–
Intangible assets written-off		–	7
Impairment of property, plant and equipment	11	155	–
Allowance for expected credit loss on receivables	14	185	29
Write-off of bad debts	8	13	20
Interest expense on lease liabilities	8	12	41
Finance costs	8	13	45
Interest income	6	(8)	(23)
Government grants and subsidies		(53)	(158)
Unrealised exchange gain		(201)	(46)
Operating loss before working capital changes		(1,056)	(172)
Decrease/(increase) in prepayments, trade and other receivables		173	(61)
Decrease in deferred income and fees		(531)	(901)
Increase/(decrease) in trade and other payables		590	(256)
Cash used in operations		(824)	(1,390)
Interest received		11	18
Interest paid		(13)	(12)
Tax paid		(15)	(7)
Net cash flows used in operating activities		(841)	(1,391)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(9)	(14)
Expenditure on intangible assets	12	(174)	(133)
Proceeds from disposal of property, plant and equipment		4	–
Net cash flows used in investing activities		(179)	(147)

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2021
(In Singapore Dollars)

	Note	1 July 2020 to 30 June 2021 $'000	1 April 2019 to 30 June 2020 $'000
Cash flows from financing activities			
Repayment of amount due to an indirect controlling shareholder		–	(418)
Repayment of amount due to a director		–	(500)
Repayment of lease liabilities (net of government grants and subsidies)	18	(669)	(1,039)
Proceeds from issuance of shares		–	5,256
Expenses for rights issue paid		–	(497)
Interest paid for amount due to an indirect controlling shareholder and amount due to a director (non-trade)		–	(44)
Proceeds from interest-bearing borrowings		–	1,086
Fixed deposit pledged as security for borrowings		(8)	(1,000)
Net cash flows (used in)/generated from financing activities		(677)	2,844
Net (decrease)/increase in cash and cash equivalents		(1,697)	1,306
Cash and cash equivalents at beginning of the financial year/period		2,692	1,396
Effects of exchange rate changes on opening cash and cash equivalents		36	(10)
Cash and cash equivalents at end of the financial year/period	15	1,031	2,692

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(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 Cecil Street, #17-01B, Keck Seng Tower, Singapore 069535.

The Company's immediate holding company is Berjaya Leisure Capital (Cayman) Limited, incorporated in the Cayman Islands. The penultimate holding company and ultimate holding company are Berjaya Land Berhad and Berjaya Corporation Berhad respectively, which are incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. Subsidiaries of Berjaya Corporation Berhad are related corporations of the Company and its subsidiaries.

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.

In the previous financial period, the Company changed its financial year end from 31 March to 30 June. Accordingly, the comparative period covers a period of 15 months from 1 April 2019 to 30 June 2020.

2. Fundamental accounting concept

For the financial year ended 30 June 2021, the Group incurred net loss of $1,539,000 (2020: $552,000) and recorded net cash outflows of $841,000 (2020: $1,391,000) from its operating activities.

As at 30 June 2021, the Group has net current liabilities and net liabilities of $1,932,000 (2020: $331,000) and $1,651,000 (2020: net assets $44,000) respectively, while the Company has net current liabilities and net liabilities of $3,614,000 (2020: $2,835,000) and $2,947,000 (2020: $2,835,000) 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 received letter of financial support from its penultimate holding company, Berjaya Land Berhad, to provide continuing financial support to the Group to enable it to continue its operations and meet its liabilities as and when they fall due.

If the Group and Company is unable to continue in operational existence for the foreseeable future, the Group and the 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 statements of financial position. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

3. Summary of significant accounting policies

3.1 ***Basis of preparation***

The consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards International ("SFRS(I)").

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.

3.2 ***Changes in accounting policies and disclosures***

Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2020. The adoption of these standards did not have any material 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:

Description	*Effective for annual periods beginning on or after*
Amendments to SFRS(I) 9 *Financial Instruments*, SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, SFRS(I) 7 *Financial Instruments: Disclosures*, SFRS(I) 16 *Leases*: *Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Amendments to SFRS(I) 16 *Covid-19 Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*: *Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*: *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 3 *Business Combinations*: *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1 -1 *Presentation of Financial Statements*: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

The directors expect that the adoption of the standards and interpretation above will have no material impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

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

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.

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:

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

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

3.5 ***Foreign currency (cont'd)***

(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.

3.6 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost, except for recognition of right-of-use assets in accordance with SFRS(I) 16. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Right-of-use assets

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

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
Right-of-use assets (leasehold premises)	-	Over the lease term

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

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

3.9 ***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.

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.

3.10 ***Financial instruments***

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

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

3.10 ***Financial instruments (cont'd)***

(a) ***Financial assets (cont'd)***

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or 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 for debt instruments 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

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

3.10 ***Financial instruments (cont'd)***

(b) ***Financial liabilities (cont'd)***

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

3.11 ***Impairment of financial assets***

The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.12 ***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.

3.13 ***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.

NOTES TO THE FINANCIAL STATEMENTS

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

3.14 ***Borrowings costs***

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

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.

(c) *Retrenchment benefit*

Retrenchment benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises retrenchment benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 and involves the payment of retrenchment benefits.

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 statement of financial position 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 measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
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3. Summary of significant accounting policies (cont'd)

3.17 ***Revenue (cont'd)***

The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Course fees*

Course fee is generally recognised as revenue over the duration of the course. Fees received prior to the commencement of the courses are recorded as deferred income and fees in the statement of financial position.

(b) *Examination fees*

Examination fee is recognised as revenue when the Group has delivered or satisfied all its performance obligations stated in the contract with the customer, which is upon release of the examination results to the customers. Examination fees received prior to the completion of the examination are recorded as deferred income and fees in the statement of financial position.

(c) *Franchise fees*

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

(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 Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The accounting policies on recognition and subsequent measurement of right-of-use assets is as disclosed in Note 3.6.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 3.9.

The Group's right-of-use assets are presented within property, plant and equipment (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
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3. Summary of significant accounting policies (cont'd)

3.18 ***Leases (cont'd)***

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
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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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

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

3.19 ***Taxes (cont'd)***

(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.

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 statement of financial position 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
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4. Significant accounting judgements and estimates (cont'd)

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.

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.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in Note 14.

Fair valuation of restructured and novated intercompany loans

At the inception of restructuring and novation of intercompany loans, the Company determined the valuation of the intercompany loans using the discounted cash flow valuation with unobservable inputs that are categorised within Level 3 of the fair value hierarchy as defined in SFRS(I) 13 *Fair Value Measurements*. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected cash flows and discount rates. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. The information about the capitalisation of intercompany loans and restructuring of an intercompany loan are disclosed in Note 13 and 14.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
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5. Revenue

a) Disaggregation of revenue

	Course fees		Examination fees		Franchise and license fee income		Total revenue	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segments								
Primary geographical markets								
Asia	2,598	3,859	1,762	2,677	318	463	4,678	6,999
Europe	–	–	446	650	118	165	564	815
Africa	–	–	1,638	2,730	224	319	1,862	3,049
	2,598	3,859	3,846	6,057	660	947	7,104	10,863
Timing of transfer of goods or services								
At a point in time	–	–	3,846	6,057	562	789	4,408	6,846
Over time	2,598	3,859	–	–	98	158	2,696	4,017
	2,598	3,859	3,846	6,057	660	947	7,104	10,863

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2021
(In Singapore Dollars)

5. Revenue (cont'd)

b) Contract balances

Information about receivables and deferred income and fees from contracts with customers is disclosed as follows:

	Group		
	30 June 2021	**30 June 2020**	**31 March 2019**
	$'000	$'000	$'000
Trade receivables (Note 14)	765	890	938
Deferred income and fees	1,715	2,083	3,240

Deferred income and fees relate primarily to:

(a) Course fees which the Group had billed and received in advance, and will be recognised as revenue over the duration of the course; and

(b) Examination fees billed and received in advance, and will be recognised when the Group releases the results to the customer.

As at 30 June 2021, included in the Group's deferred income and fees of $1,808,000 (2020: $2,339,000) are deferred grants income amounting to $93,000 (2020: $256,000). These arises from government measures announced in the various countries where the Group operates, to cushion the impact of COVID-19 on businesses.

Revenue recognised in relation to deferred income and fees is disclosed as follows:

	Group	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Revenue recognised that was included in the deferred income and fees balance at the beginning of the year/period	1,835	2,889

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2021
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6. Other operating income

	Group	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Government grants and subsidies	157	165
Interest income	8	23
Sundry income	35	1
Net gain on disposal of property, plant and equipment	4	–
	204	189

7. Staff costs

	Group	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Staff costs (including key management personnel):		
- Salaries and bonuses	4,332	5,601
- Defined contribution plan contributions	482	625
- Government grants and subsidies	(514)	(327)
- Retrenchment benefit	314	–
	4,614	5,899

Government grants and subsidies of $514,000 (1 April 2019 to 30 June 2020: $327,000) was recognised during the financial year. Included within the government grants and subsidies are Job Support Scheme ("JSS") of $304,000 (1 April 2019 to 30 June 2020: $265,000) and grants received from Hong Kong and United Kingdom governments of $210,000 (1 April 2019 to 30 June 2020: $62,000). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
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8. Other operating expenses

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

	Note	Group 1 July 2020 to 30 June 2021 $'000	 1 April 2019 to 30 June 2020 $'000
Audit fees to:			
- Auditor of the Company		106	133
- Other auditors		92	119
Non-audit fees to other auditors		14	34
Amortisation of intangible assets	12	32	15
Intangible assets written off	12	–	7
Impairment loss of property, plant and equipment	11	155	–
Interest expense on lease liabilities	18	12	41
Finance costs on:			
- Borrowings		13	12
- Amount due to indirect controlling shareholder and director of the Company		–	33
Write-off of bad debts		13	20
Foreign exchange gain, net		(13)	(188)
Lease expenses	18	74	106
Franchising and licensing, accreditation, registration and assessment fees		1,326	1,912

9. Taxation

Major components of income tax expense

The major components of income tax for the financial year ended 30 June 2021 and financial period from 1 April 2019 to 30 June 2020 are as follows:

	Group 1 July 2020 to 30 June 2021 $'000	 1 April 2019 to 30 June 2020 $'000
Consolidated income statement:		
Current income tax:		
- Current year	15	9
- Over provision in respect of prior years	–	(2)
Income tax expense recognised in profit or loss	15	7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

9. Taxation (cont'd)

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 year ended 30 June 2021 and financial period from 1 April 2019 to 30 June 2020 are as follows:

	Group 1 July 2020 to 30 June 2021 $'000	 1 April 2019 to 30 June 2020 $'000
Loss before taxation	(1,524)	(545)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(365)	(97)
Adjustments:		
Income not subject to taxation	(55)	(65)
Non-deductible expenses	208	65
Deferred tax benefits not recognised	305	207
Benefits from previously unrecognised capital allowances and tax losses	(89)	(99)
Over provision in respect of prior years	–	(2)
Foreign withholding tax	5	–
Others	6	(2)
Income tax expense recognised in profit or loss	15	7

As at 30 June 2021, the Group has tax losses of approximately $87,790,000 (2020: $86,711,000) and other temporary differences of approximately $6,865,000 (2020: $7,424,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
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10. Loss per share

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

Diluted loss per share are calculated by dividing the loss for the financial year/period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year/period 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 loss and share data used in the computation of basic and diluted loss per share for the financial year ended 30 June 2021 and financial period from 1 April 2019 to 30 June 2020:

	Group	
	1 July 2020 to 30 June 2021	1 April 2019 to 30 June 2020
	$'000	$'000
Loss for the financial year/period attributable to equity holders of the Company	(1,539)	(552)
	Number of shares	
	30 June 2021	30 June 2020
	'000	'000
Weighted average number of ordinary shares for basic and diluted loss per share computation	177,339	144,445

There are no outstanding share options as at 30 June 2021 and 30 June 2020.

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

The basic loss per share and diluted loss per share are the same. The dilutive potential shares from the warrants are anti-dilutive as the exercise price for the warrants is higher than the average share price during the current financial year.

As at 30 June 2021, no warrants have been exercised.

NOTES TO THE FINANCIAL STATEMENTS

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11. Property, plant and equipment

	Furniture and fittings, office and computer equipment	Improvement to premises	Right-of-use assets - School and office premises	Total
	$'000	$'000	$'000	$'000
Group				
Cost:				
1 April 2019	2,517	578	–	3,095
Recognition of right-of-use assets on initial adoption of SFRS(I) 16	–	–	1,964	1,964
At 1 April 2019 (restated)	2,517	578	1,964	5,059
Additions	14	25	66	105
Disposals/write-off	(14)	–	–	(14)
Exchange differences	(16)	2	6	(8)
At 30 June 2020 and 1 July 2020	2,501	605	2,036	5,142
Additions	9	–	34	43
Disposals/write-off	(688)	(393)	(1,231)	(2,312)
Exchange differences	55	2	18	75
At 30 June 2021	1,877	214	857	2,948
Accumulated depreciation and impairment:				
1 April 2019	2,418	578	–	2,996
Impairment loss on right-of-use assets on initial adoption of SFRS(I) 16	–	–	1,231	1,231
At 1 April 2019 (restated)	2,418	578	1,231	4,227
Charge for the financial period	80	12	351	443
Disposals/write-off	(14)	–	–	(14)
Exchange differences	(16)	1	1	(14)
At 30 June 2020 and 1 July 2020	2,468	591	1,583	4,642
Charge for the financial year	24	10	290	324
Impairment loss	8	–	147	155
Disposals/write-off	(688)	(393)	(1,231)	(2,312)
Exchange differences	55	2	12	69
At 30 June 2021	1,867	210	801	2,878
Net carrying amount:				
At 30 June 2021	10	4	56	70
At 30 June 2020	33	14	453	500

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
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11. Property, plant and equipment (cont'd)

Impairment

A right-of-use asset of a subsidiary was subject to impairment assessment on the initial date of adoption of SFRS(I) 16 on 1 April 2019. The recoverable amount of the right-of-use asset was determined to be nil based on value in use calculation, which was based upon a discounted cash flow model using cash flow projections based on the budgets and forecast approved by management. Accordingly, an impairment loss of $1,231,000 was recognised in the accumulated losses of the Group as at 1 April 2019. Prior year comparatives have not been restated.

The Group assessed at each reporting date whether there is an indication that property, plant and equipment may be impaired. Where indicators of impairment exist, the recoverable amount of a CGU was determined based on value in use. Cash flow projections used in the value in use calculations were based on financial budgets approved by management.

Following the intention to gradually cease the Group's private education business which is operated through Informatics Academy Pte Ltd in Singapore, the property, plant and equipment related to this business has been fully impaired as at 30 June 2021. Impairment loss recognised on property, plant and equipment for this CGU amounted to $3,000.

As the Group's higher education business in the United Kingdom which is operated through its subsidiary, NCC Education Limited, was operating at a loss for financial year ended 30 June 2021, the Group has assessed the recoverable amount of the property, plant and equipment of this subsidiary. The recoverable amount of the subsidiary's property, plant and equipment was determined to be nil based on the cash flow projection prepared by management. Accordingly, an impairment loss of $152,000 has been recognised for the financial year ended 30 June 2021.

Management determined budgeted growth rates, taking into consideration past performances, planned business strategies to be adopted, and its expectations of market developments on future performance. Management has also taken into consideration the possibility of lower recovery rates post-pandemic due to the pro-longed impact of the COVID-19 pandemic on the Group's global higher education business. The pre-tax discount rates applied to the pre-tax cash flow projections relating to the CGU was 8.2% per annum. There was an impairment loss of $155,000 on property, plant and equipment recognised for the financial year ended 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

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

	Furniture and fittings, office and computer equipment $'000
Company	
Cost:	
At 1 April 2019	1,230
Disposals	(3)
At 30 June 2020 and 1 July 2020	1,227
Write-off	(367)
At 30 June 2021	860
Accumulated depreciation:	
At 1 April 2019	1,226
Charge for the financial period	4
Disposals	(3)
At 30 June 2020 and 1 July 2020	1,227
Write-off	(367)
At 30 June 2021	860
Net carrying amount:	
At 30 June 2021	–
At 30 June 2020	–

NOTES TO THE FINANCIAL STATEMENTS

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12. Intangible assets

	Software $'000	Software under development $'000	Development costs $'000	Total $'000
Group				
Cost:				
At 1 April 2019	118	151	272	541
Additions	–	92	41	133
Disposals/write-off	–	–	(7)	(7)
Exchange differences	–	(6)	(8)	(14)
At 30 June 2020 and 1 July 2020	118	237	298	653
Additions	49	–	125	174
Transfer	251	(251)	–	–
Exchange differences	7	14	28	49
At 30 June 2021	425	–	451	876
Accumulated amortisation and impairment:				
At 1 April 2019	118	151	252	521
Amortisation	–	–	15	15
Exchange differences	–	(4)	(8)	(12)
At 30 June 2020 and 1 July 2020	118	147	259	524
Amortisation	17	–	15	32
Transfer	158	(158)	–	–
Exchange differences	5	11	19	35
At 30 June 2021	298	–	293	591
Net carrying amount:				
At 30 June 2021	127	–	158	285
At 30 June 2020	–	90	39	129

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

Software under development as of 30 June 2020 have been transferred to software upon completion of the development and implementation of the software during the financial year ended 30 June 2021.

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13. Investment in subsidiaries

	Company 2021 $'000	Company 2020 $'000
Unquoted equity shares, at cost	60,112	72,591
Impairment losses	(59,555)	(72,591)
Carrying amount	557	–

Movement in impairment losses is as follows:

	2021 $'000	2020 $'000
Balance at beginning of the financial year/period	72,591	72,591
Impairment loss for the financial year/period	1,018	–
Impairment loss written-off due to dissolution of subsidiary	(14,054)	–
Balance at end of the financial year/period	59,555	72,591

Name of company (country of incorporation and place of business)	Principal activities	Proportion of ownership interests 2021 %	Proportion of ownership interests 2020 %
Held by the Company			
(1) Informatics Academy Pte Ltd (Singapore)	Computer and business education and training, business management consultancy and child development	100	100
(**) Informatics International Pte Ltd (Singapore)	Dormant	100	100
(1) Informatics Global Campus Pte Ltd (Singapore)	Dormant	100	100
(*) Informatics Education Malaysia Sdn Bhd (Malaysia) (Note b)	Dissolved	–	100
(2) Informatics Computer Education Sdn Bhd (Malaysia)	Dormant	100	100
(**) Singapore Informatics Computer Institute (Pvt) Ltd (Sri Lanka)	Dormant	100	100

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13. Investment in subsidiaries (cont'd)

Name of company (country of incorporation and place of business)	Principal activities	Proportion of ownership interests 2021 %	2020 %
Held by the Company (cont'd)			
[(3)] Informatics Education (HK) Ltd (Hong Kong)	Computer education and training	100	100
[(#)] Informatics Education UK Ltd (United Kingdom)	Investment holding	100	100
[(4)] NCC Education Limited (United Kingdom) (Note a)	Educational and business management consultancy	51	–
Held by the subsidiaries			
[(4)] NCC Education Limited (United Kingdom) (Note a)	Educational and business management consultancy	49	100
[(5)] NCC Education (M) Sdn Bhd (Malaysia)	Marketing and consultancy	100	100
[(6)] NCC Education (Beijing) Consulting Co., Ltd (The People's Republic of China)	Consultancy	100	100

[(1)] Audited by Ernst & Young LLP, Singapore.
[(2)] Audited by SBY Partners PLT (formerly known as Siew Boon Yeong & Associates), Malaysia.
[(3)] Audited by Philip Poon and Partners CPA Limited, Hong Kong.
[(4)] Audited by Ernst & Young LLP, United Kingdom.
[(5)] Audited by Rabin & Associates, Malaysia.
[(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.
[(*)] The subsidiary was dissolved during the financial year.
[(**)] Under striking off/member's voluntary liquidation.

(a) Investment in NCC Education Limited

On 15 February 2021, the Company entered into a novation agreement ("Novation Agreement") with its wholly-owned subsidiaries, NCC Education Limited ("NCC") and Informatics Academy Pte Ltd ("IAPL"), to transfer the loans owed by NCC to IAPL amounting to $1,377,000 ("IAPL Loans"), by way of novation, and all of its rights and obligations arising from and in relation to the IAPL Loans to the Company. Following the execution of the Novation Agreement, the Company became the lender of IAPL Loans. The Company subsequently capitalised the IAPL Loans, together with the existing loans due from NCC to the Company of $778,000 and an advance of GBP50,000 (SGD90,000) made by the Company to NCC through IAPL (collectively "Loans and Advancement") as cost of investment in NCC ("Capitalisation").

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13. Investment in subsidiaries (cont'd)

(a) Investment in NCC Education Limited (cont'd)

Management determined the cost of investment to be capitalised based on fair value of the Loans and Advancement using the discounted cash flow approach. Management assessed that the fair value of the loan due from NCC and the IAPL Loans to be $243,000 (novated loans), $224,000 (existing loans) and $90,000 (advance) respectively. The Company recognised an amount of $557,000 as additional cost of investment in NCC through the Capitalisation. The difference in the fair value between the loan receivable from NCC of $243,000 and loan payable to IAPL of $1,261,000 was treated as a contribution from the Company to IAPL and recognised as a deemed investment in IAPL of $1,018,000. As IAPL has ceased to accept new students and will teach-out its existing students, the deemed investment in IAPL arrived at the difference in the fair value was fully impaired.

Following completion of the Capitalisation, the Company holds 50.7% of the shareholdings in NCC, while Informatics Education UK Ltd holds the remaining 49.3% of the shareholdings in NCC.

(b) Dissolution of Informatics Education Malaysia Sdn Bhd

On 28 August 2020, the status of the Company's wholly-owned subsidiary, Informatics Education Malaysia Sdn Bhd, has changed to 'dissolved' in the register of Suruhanjaya Syarikat Malaysia.

14. Trade and other receivables

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Trade receivables	1,288	1,386	19	99
Less: Allowance for expected credit losses	(523)	(496)	–	(2)
	765	890	19	97
Other receivables	61	233	13	25
Goods and services or value- added tax receivable	24	15	9	19
	85	248	22	44
Deposits	153	312	–	–
Amounts due from subsidiaries	–	–	4,397	4,127
Loans due from subsidiaries	–	–	906	2,423
Less: Allowance for expected credit losses	–	–	(4,347)	(6,550)
	–	–	956	–
Total trade and other receivables	1,003	1,450	997	141

NOTES TO THE FINANCIAL STATEMENTS

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14. Trade and other receivables (cont'd)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Current	1,003	1,450	138	141
Non-current	–	–	859	–
Total	1,003	1,450	997	141

Trade 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.

As at 30 June 2021, the Group's other receivables consist mainly of government grants and subsidies amounting to $58,000 (2020: $229,000).

Expected credit losses on trade receivables

Summarised below are the information about the loss allowance and the credit risk exposure on the Group's trade receivables using provision matrix:

30 June 2021	**Current and past due less than 30 days** $'000	**Past due more than 30 days, but less than 90 days** $'000	**Past due more than 90 days** $'000	**Total** $'000
ECL rate	25%	38.74%	42.48%	
Estimated total gross carrying amount at default	84	253	951	1,288
Expected credit losses	21	98	404	523

30 June 2020	**Current and past due less than 30 days** $'000	**Past due more than 30 days, but less than 90 days** $'000	**Past due more than 90 days** $'000	**Total** $'000
ECL rate	80%	28.06%	36.75%	
Estimated total gross carrying amount at default	25	278	1,083	1,386
Expected credit losses	20	78	398	496

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14. Trade and other receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2021	**2020**
	$'000	$'000
Movement in allowance accounts:		
At beginning of the financial year/period	496	728
Charge for the financial year/period	185	29
Written-off against allowance	(197)	(245)
Exchange differences	39	(16)
At end of the financial year/period	523	496

	Company	
	2021	**2020**
	$'000	$'000
Movement in allowance accounts:		
At beginning of the financial year/period	2	3
Write-back for the financial year/period	(2)	(1)
At end of the financial year/period	–	2

Amounts due from subsidiaries

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

Loans due from subsidiaries

In the previous financial period, the loans due from subsidiaries are unsecured, repayable on demand and are expected to be settled in cash. Loans due from subsidiaries include interest-bearing amounts of $1,619,000, bearing interest at rates of 3.3% to 4.0% per annum. These amounts have been fully impaired in the previous financial period.

During the financial year, the Company entered into a supplementary loan agreement with its wholly-owned subsidiary, Informatics Education (HK) Ltd ("IEHK"), to restructure the loan owed by IEHK to the Company amounting to $1,599,000. The repayment plan for the loan has been revised to 25 quarterly payments plan from 31 December 2020 to 31 December 2026. The loan due from IEHK is unsecured and bears an interest rate of 5% (2020: 3.3%) per annum.

The Company has assessed the modification of the loan in accordance with SFRS(I) 9 *Financial Instruments* and concluded that the modification should be accounted for as an extinguishment of the original loan and recognition of a new loan. On initial recognition of the new loan, management assessed the fair value of the loan to be $1,020,000. The Company recorded a fair value gain on valuation of $1,020,000 during the financial year.

Following the execution of the Novation Agreement as disclosed in Note 13 in the financial statements, the Company has capitalised the existing loans due from NCC of $778,000 as additional cost of investment. On the date of capitalisation, management assessed the fair value of the loan to be $224,000 and recorded a fair value gain of $224,000 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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14. Trade and other receivables (cont'd)

Expected credit losses on amounts due from subsidiaries and loans due from subsidiaries

	Company	
	2021	**2020**
	$'000	$'000
Amounts due from subsidiaries - nominal amounts	4,397	4,127
Loans due from subsidiaries	906	2,423
Less: Allowance for expected credit losses	(4,347)	(6,550)
	956	–
Movement in allowance accounts:		
At beginning of the financial year/period	6,550	6,082
Charge for the financial year/period	178	1,021
Written-off against allowance	(2,381)	(553)
At end of the financial year/period	4,347	6,550

15. Cash and bank balances

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Cash at bank and on hand	1,031	1,683	47	212
Short-term deposits	1,008	2,009	1,008	1,000
Cash and bank balances in the statements of financial position	2,039	3,692	1,055	1,212
Restricted cash – short-term deposits pledged for bank facilities	(1,008)	(1,000)	(1,008)	(1,000)
Cash and cash equivalents in the consolidated cash flow statement	1,031	2,692	47	212

Short-term deposits with financial institutions earn interest of 0.45% to 0.8% (2020: 0.25% to 0.8%) per annum and have maturity of 12 months (2020: 1 month to 12 months), depending on the immediate cash requirements of the Group and the Company.

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15. Cash and bank balances (cont'd)

The restricted cash comprise short-term deposits of $1,008,000 (2020: $1,000,000) pledged to bank for credit facility granted to the Company (Note 17).

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
United States Dollars	12	5	12	5

16. Trade and other payables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Trade payables	475	602	–	–
Other payables	104	106	36	33
Accrued operating expenses	1,354	786	180	197
Accrual for retrenchment benefit	228	–	9	–
Amounts due to subsidiaries	–	–	2,929	2,799
Loan due to subsidiary	–	–	1,288	–
Total trade and other payables	2,161	1,494	4,442	3,029
Current	2,161	1,494	3,693	3,029
Non-current	–	–	749	–
Total	2,161	1,494	4,442	3,029

Trade and other payables

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

Accrual for retrenchment benefit

The planned cessation of the operation of Informatics Academy Pte Ltd ("IAPL") resulted in the retrenchment of 23 employees at IAPL and the Company. Staff retrenchment costs amounting to $314,000 was recognised in the financial year ended 30 June 2021 and $86,000 has been paid during the year.

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, repayable on demand and are expected to be settled in cash. Amounts due to subsidiaries include interest-bearing amounts of $1,888,000 (2020: $2,102,000), bearing interest at a rate of 0.3% (2020: 0.3%) per annum. The remaining amounts due to subsidiaries are interest-free.

NOTES TO THE FINANCIAL STATEMENTS

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16. Trade and other payables (cont'd)

Loan due to subsidiary

Following the execution of the Novation Agreement as disclosed in Note 13 in the financial statements, the Company became the borrower of loan due to IAPL. The loan is unsecured, bearing interest at a rate of 4% per annum and are expected to be settled in cash. On the date of novation, management assessed that the fair value of the loan due to IAPL to be $1,261,000 using the discounted cash flow approach.

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Great Britain Pounds	105	146	–	–
Euro	6	–	–	–
United States Dollars	–	3	–	–

17. Interest-bearing borrowings

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Current liabilities				
Revolving credit loan (secured)	1,000	1,000	1,000	1,000
Bank loan (unsecured)	19	–	–	–
Total current liabilities	1,019	1,000	1,000	1,000
Non-current liabilities				
Bank loan (unsecured)	74	86	–	–
Total	1,093	1,086	1,000	1,000

The revolving credit loan of the Company is denominated in Singapore Dollars and carries a floating interest rate of the Bank's Cost of Funds + 0.75% per annum. The revolving credit loan was drawdown for working capital purpose and is secured by short-term deposits of the Company as disclosed in Note 15. At the end of the reporting period, the revolving credit loan bears an interest of 1.25% (2020: 1.4%) per annum, and interest rate reprices every month. The revolving credit loan is repayable on demand.

The unsecured short-term and long-term bank loan of the Group is denominated in Great Britain Pounds. The loan bears a fixed interest rate of 2.5% per annum. The interest due for the first 12 months from the date on which the loan is drawn will be payable by the government of the United Kingdom. The loan is repayable over 60 monthly instalments where the first and last instalment repayments will be in July 2021 and June 2026 respectively.

In the previous financial period, the cash flows arising from financing activities includes the drawdown for revolving credit loan of $1,000,000 and long-term bank loan of $86,000.

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18. Lease liabilities

The carrying amounts of lease liabilities and movement during the financial year/period are set out below:

	Group	
	2021	**2020**
	$'000	$'000
As at 1 July 2020/1 April 2019	927	1,964
Additions	34	66
Accretion of interest	12	41
Payments	(771)	(1,149)
Exchange differences	8	5
As at 30 June 2021/30 June 2020	210	927
Current	210	759
Non-current	–	168
Total	210	927

The following are the amounts recognised in profit or loss:

	Group	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Rental waivers granted by landlord	(53)	(158)
Depreciation of right-of-use assets	290	351
Impairment of right-of-use assets	147	–
Interest expense on lease liabilities	12	41
Expense relating to unrecognised short-term leases	11	32
Expense relating to unrecognised leases of low-value assets	17	19
Expense relating to variable lease payments not included in the measurement of lease liabilities	46	55
Total amount recognised in profit or loss	470	340

The Group had total cash outflows for leases of approximately $743,000 (1 April 2019 to 30 June 2020: $1,145,000) after netting off rental waivers granted by a landlord to a subsidiary of approximately $106,000 and taking into account payment of $4,000 of rental in arrear in respect of the previous financial period settled in the current financial year (1 April 2019 to 30 June 2020: after netting off rental waivers granted by a landlord to a subsidiary and a rental to be paid in arrear of approximately $106,000 and $4,000 respectively).

The Group's lease contracts include extension options. These options are negotiated by management to provide flexibility in managing the leased-assets and align with the Company's business needs. Management exercises judgement in determining whether the extension options are reasonably certain to be exercised.

The maturity analysis of lease liabilities is disclosed in Note 26(b).

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19. Provision for reinstatement cost

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
At beginning of the financial year/period	109	82	–	–
(Utilisation)/addition for the financial year/period	(82)	25	–	–
Interest expenses	1	1	–	–
Exchange differences	(2)	1	–	–
At end of the financial year/period	26	109	–	–

20. Share capital

	Group and Company			
	2021		**2020**	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid:				
At beginning of the financial year/period	177,339	34,667	72,215	29,908
Issue of shares	–	–	105,124	4,759
At end of the financial year/period	177,339	34,667	177,339	34,667

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.

On 22 August 2019, the Company completed a renounceable non-underwritten rights cum warrants issue and allotted and issued 105,124,182 shares at an issue price of $0.05 per share and 35,041,371 warrants. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at the exercise price of $0.05 for each share. Following that, the number of issued and paid up shares in the Company has increased from 72,215,467 to 177,339,649 shares.

21. 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.

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22. Related party disclosures

(a) ***Sale and purchase of goods and services***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year/period:

	Group	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Sales to related corporations	3	2
Interest expense on amounts due to:		
- An indirect controlling shareholder	–	16
- A director of the Company	–	17
	–	33
Expenses charged by related corporations		
- Rental of premises	11	–

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

	Group	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Short-term employee benefits	795	953
Defined contribution plan contributions	57	69
Total compensation paid to key management personnel	852	1,022
Comprise amounts paid/payable to:		
- Directors of the Company	100	125
- Other key management personnel	752	897
	852	1,022

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23. Commitments and contingencies

(a) ***Capital commitments***

Capital expenditure authorised as at the end of the reporting period but not contracted for are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Capital commitments in respect of:				
- Property, plant and equipment	–	68	–	–
- Intangibles assets	–	249	–	–

Capital expenditure authorised and contracted for as at the end of the reporting period but not accounted for are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Capital commitments in respect of:				
- Property, plant and equipment	32	–	–	–

(b) ***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.

24. 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.

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24. Segment information (cont'd)

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

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.

The following table presents information regarding the Group's business segments for the financial year ended 30 June 2021 and financial period from 1 April 2019 to 30 June 2020.

	Higher Education		Corporate Training		Note	Total	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**		**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**
	$'000	$'000	$'000	$'000		$'000	$'000
Revenue:							
Sales to external customers	5,365	8,880	1,739	1,983		7,104	10,863
Results:							
Sundry income and government grants and subsidies	182	159	10	7		192	166
Interest income	8	23	–	–		8	23
Staff costs	(4,318)	(5,465)	(296)	(434)		(4,614)	(5,899)
Depreciation and amortisation							
- Depreciation	(168)	(237)	(156)	(206)		(324)	(443)
- Amortisation	(32)	(15)	–	–		(32)	(15)
Allowance for expected credit loss on receivables and bad debts written-off	(198)	(49)	–	–		(198)	(49)
Interest expenses on lease liabilities	(8)	(32)	(4)	(9)		(12)	(41)
Finance costs	(13)	(45)	–	–		(13)	(45)
Net gain on disposal of property, plant and equipment	4	–	–	–		4	–
Intangible assets written-off	–	(7)	–	–		–	(7)
Impairment of property, plant and equipment	(155)	–	–	–		(155)	–
Lease expenses	(67)	(98)	(7)	(8)		(74)	(106)
Other non-cash income/(expenses)	237	182	(190)	153	(i)	47	335
Segment (loss)/profit before tax	(1,899)	(1,233)	375	688		(1,524)	(545)

NOTES TO THE FINANCIAL STATEMENTS

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24. Segment information (cont'd)

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

	Higher Education		Corporate Training		Note	Total	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**	**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**		**1 July 2020 to 30 June 2021**	**1 April 2019 to 30 June 2020**
	$'000	$'000	$'000	$'000		$'000	$'000
Assets:							
Capital expenditure	212	203	5	35	(ii)	217	238
Segment assets	3,161	5,552	486	447		3,647	5,999
Total assets	3,161	5,552	486	447		3,647	5,999
Liabilities:							
Segment liabilities	5,073	5,544	225	411		5,298	5,955
Total liabilities	5,073	5,544	225	411		5,298	5,955

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

(i) Other non-cash expenses and income consist mainly of unrealised foreign exchange gain/loss and non-cash government grants and subsidies.

(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:

	Asia	Europe	Africa	Total
	$'000	$'000	$'000	$'000
1 July 2020 to 30 June 2021				
Revenue:				
Sales to external customers	4,678	564	1,862	7,104
Non-current assets	70	285	–	355
1 April 2019 to 30 June 2020				
Revenue:				
Sales to external customers	6,999	815	3,049	10,863
Non-current assets	235	394	–	629

Non-current assets information presented above consist of property, plant and equipment and intangible assets as presented in the Group's statement of financial position.

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24. Segment information (cont'd)

(c) ***Information about major customers***

There are no major customers that contribute more than 10% (2020: 10%) of the Group's revenue for the financial year ended 30 June 2021.

25. Fair value of financial instruments

Fair value of financial assets and liabilities

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Assets and liabilities not measured at fair value, for which fair value is disclosed***

The following table shows an analysis of the Company's loans due from subsidiaries (current and non-current) and loan due to subsidiary (current and non-current) not measured at fair value, for which fair value is disclosed:

	Company 30 June 2021				
	Quoted prices in active markets for identical assets (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Fair value Total**	**Carrying amount**
	$'000	$'000	$'000	$'000	$'000
Assets					
Loans due from subsidiaries	–	–	1,014	1,014	906
Liabilities					
Loan due to subsidiary	–	–	1,277	1,277	1,288

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

25. Fair value of financial instruments (cont'd)

Fair value of financial assets and liabilities (cont'd)

Determination of fair value

Loans due from subsidiaries and loan due to subsidiary

The fair values as disclosed in the table above are estimated by discounted expected future cash flows at market incremental lending rate for similar types of lending or borrowing at the end of the reporting period.

Management has also determined that the carrying amount of cash and bank balances, current trade and other receivables, current loans due from/to subsidiaries, current trade and other payables and interest-bearing borrowings are reasonable approximation of their fair values as they are mostly short-term in nature or are repriced to market interest rate.

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 are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Financial assets measured at amortised cost				
Trade and other receivables	1,003	1,450	997	141
Cash and bank balances	2,039	3,692	1,055	1,212
	3,042	5,142	2,052	1,353
Less: Goods and services or value-added tax receivable	(24)	(15)	(9)	(19)
	3,018	5,127	2,043	1,334
Financial liabilities measured at amortised cost				
Trade and other payables	2,161	1,494	4,442	3,029
Interest-bearing borrowings	1,093	1,086	1,000	1,000
Lease liabilities	210	927	–	–
	3,464	3,507	5,442	4,029

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

26. 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 interest rate risk, liquidity risk, foreign currency risk and credit risk. It is, and has been throughout the current financial year and previous financial period, 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) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate due to changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group's and Company's short-term deposits and interest-bearing borrowings, and the Company's amounts due from/to subsidiaries and loans due from/to subsidiaries.

Since the Group's and the Company's deposits are usually placed on a short-term basis, there is no significant exposure arising from interest rate fluctuation. As the interest rate on the long-term bank loan and interest-bearing balances with subsidiaries is fixed, there is no impact from interest rate fluctuation.

The Group's and the Company's revolving credit loan at floating rate repriced every month from the end of the reporting period.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in interest rates on the Group's floating rate borrowing, with all other variables held constant.

	Group	
	1 July 2020 to 30 June 2021	**1 April 2019 to 30 June 2020**
	$'000	$'000
Increase in 50 basis points	(5)	(5)
Decrease in 50 basis points	5	5

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

26. Financial risk management objectives and policies (cont'd)

(b) ***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 bank balances and liquid financial assets to finance the Group's and Company's operations.

Analysis of financial instruments by remaining contractual maturities

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.

	30 June 2021			
	One year or less	**One to five years**	**Over five years**	**Total**
	$'000	$'000	$'000	$'000
Group				
Financial assets				
Trade and other receivables *(exclude goods and services or value-added tax receivable)*	979	–	–	979
Cash and bank balances	2,041	–	–	2,041
Total undiscounted financial assets	3,020	–	–	3,020
Financial liabilities				
Trade and other payables	2,161	–	–	2,161
Lease liabilities	213	–	–	213
Interest-bearing borrowings	1,021	79	–	1,100
Total undiscounted financial liabilities	3,395	79	–	3,474
Total net undiscounted financial liabilities	(375)	(79)	–	(454)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

26. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	30 June 2020			
	One year or less	**One to five years**	**Over five years**	**Total**
	$'000	$'000	$'000	$'000
Group				
Financial assets				
Trade and other receivables *(exclude goods and services or value-added tax receivable)*	1,435	–	–	1,435
Cash and bank balances	3,695	–	–	3,695
Total undiscounted financial assets	5,130	–	–	5,130
Financial liabilities				
Trade and other payables	1,494	–	–	1,494
Lease liabilities	769	169	–	938
Interest-bearing borrowings	1,001	73	18	1,092
Total undiscounted financial liabilities	3,264	242	18	3,524
Total net undiscounted financial assets/(liabilities)	1,866	(242)	(18)	1,606

	30 June 2021			
	One year or less	**One to five years**	**Over five years**	**Total**
	$'000	$'000	$'000	$'000
Company				
Financial assets				
Trade and other receivables *(exclude goods and services or value-added tax receivable)*	302	930	607	1,839
Cash and bank balances	1,057	–	–	1,057
Total undiscounted financial assets	1,359	930	607	2,896
Financial liabilities				
Trade and other payables	3,752	784	–	4,536
Interest-bearing borrowings	1,001	–	–	1,001
Total undiscounted financial liabilities	4,753	784	–	5,537
Total net undiscounted financial (liabilities)/assets	(3,394)	146	607	(2,641)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

26. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	30 June 2020			
	One year or less $'000	**One to five years** $'000	**Over five years** $'000	**Total** $'000
Company				
Financial assets				
Trade and other receivables *(exclude goods and services or value-added tax receivable)*	122	–	–	122
Cash and bank balances	1,215	–	–	1,215
Total undiscounted financial assets	1,337	–	–	1,337
Financial liabilities				
Trade and other payables	3,035	–	–	3,035
Interest-bearing borrowings	1,001	–	–	1,001
Total undiscounted financial liabilities	4,036	–	–	4,036
Total net undiscounted financial liabilities	(2,699)	–	–	(2,699)

(c) ***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), Great Britain Pounds (GBP), Malaysian Ringgits (MYR) and South African Rand (ZAR). Approximately 96% (2020: 93%) 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 16.

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 15.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

26. Financial risk management objectives and policies (cont'd)

(c) ***Foreign currency risk***

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.

		Group	
		1 July 2020 to 30 June 2021 $'000	**1 April 2019 to 30 June 2020** $'000
USD	- strengthened 5% (2020: 5%)	1	–
	- weakened 5% (2020: 5%)	(1)	–
GBP	- strengthened 5% (2020: 5%)	(5)	(7)
	- weakened 5% (2020: 5%)	5	7

(d) ***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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

26. Financial risk management objectives and policies (cont'd)

(d) ***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 services or value-added tax receivable) at the end of the reporting period is as follows:

	Group			
	2021		2020	
	$'000	% of total	$'000	% of total
By region:				
Asia	358	37	724	50
Europe	60	6	30	2
Africa	561	57	681	48
	979	100	1,435	100
By industry sectors:				
Higher Education	933	95	1,378	96
Corporate Training	46	5	57	4
	979	100	1,435	100

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

Expected credit loss on trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on observable ageing buckets. The expected credit losses also incorporate forward looking information such as unemployment rate of Singapore residents and regional inflation rates.

Amounts due from subsidiaries and loans due from subsidiaries

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and recognised impairment loss allowance for amounts due from subsidiaries and loans due from subsidiaries.

Information regarding the allowance for expected credit losses for the Group's trade receivables and Company's amounts due from subsidiaries and loans due from subsidiaries is disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021
(In Singapore Dollars)

27. 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 equity. Net debt is calculated as total liabilities less cash and bank balances. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. There are no external capital requirements imposed on the Group.

	Group	
	2021	2020
	$'000	$'000
Deferred income and fees	1,808	2,339
Trade and other payables and provision	2,187	1,603
Interest-bearing borrowings	1,093	1,086
Lease liabilities	210	927
Total liabilities	5,298	5,955
Cash and bank balances (Note 15)	(2,039)	(3,692)
Net debt	3,259	2,263
Total equity	(1,651)	44
Gearing	n/m	51.43

n/m – not meaningful

28. Post balance sheet event

The effects of the COVID-19 pandemic continue to be felt in certain geographic locations in which the Group operates. The situation and the impact on the Group's business, economic performance and cash flows remain uncertain. Whilst the Group is unable to provide guidance on the impact of the COVID-19 pandemic on its business, future economic performance and future cash flows, the Group will continue to assess the situation, put in place appropriate measures to manage and minimise the impact to the business, and continue to exercise prudence in ensuring sufficient working capital to continue as a going concern.

29. Authorisation of financial statements for issue

The financial statements for the financial year period 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 10 December 2021.

UTILISATION OF PROCEEDS FROM RIGHTS ISSUE

Pursuant to the Rights Issue completed in the previous financial period from 1 April 2019 to 30 June 2020, the Company had issued and allotted an aggregate of 105,124,182 shares and 35,041,371 warrants on 22 August 2019. Net proceeds raised from the Rights Issue (after deducting expenses relating to the Rights Issue) amounted to $4.76 million.

The use of the net proceeds raised from the Rights Issue was summarised as follows:

Use of proceeds	**Intended use of proceeds allocated based on final results of Rights Issue (S$ million)**	**Revised amount after Re-allocation as defined below (S$ million)**	**Amount utilised up to the date of the Directors' statement (S$ million)**	**Balance proceeds (S$ million)**
Support the business expansion	2.35	1.05	0.09	0.96
Funding new projects to enhance capabilities	0.22	0.22	0.11	0.11
Capital improvements (note 1)	0.35	0.35	0.19	0.16
General corporate and working capital requirements	1.84	3.14	3.08	0.06
Total	**4.76**	**4.76**	**3.47**	**1.29**

Note 1: Amounts designated for capital improvements have been utilised for the restructuring of operations (including redundancy payments to employees, and costs incurred for reinstatement/vacation of premises) for the Group's subsidiary in Singapore.

The breakdown of the amounts utilised for general corporate and working capital requirements are summarised as follows:

Description	**S$ million**
Payments to university partners, contractors and agents	0.72
Payments for manpower costs	1.15
Payments for facility-related expenses	0.51
Payments for selling, general and administrative expenses	0.70
Total	**3.08**

The above utilisations are in accordance with the intended use of proceeds as stated in the offer information statement dated 18 July 2019 lodged with the Monetary Authority of Singapore, except for the Group's reallocation of $1.3 million of the net proceeds from the Rights Issue, originally allocated to support the Group's business expansion to general corporate and working capital requirements (the "Re-allocation"). The Re-allocation was undertaken to address the cash flow requirements of the Group during the pandemic period and cash flow needs for the restructuring of operations for the Group's subsidiary in Singapore, as announced to shareholders on 11 September 2020, 9 February 2021 and 27 August 2021.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Ms Yau Su Peng ("**Retiring Director**") is seeking re-election at the AGM of the Company on 30 December 2021.

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Director as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is set out below:

Name of Director	**Ms Yau Su Peng**
Date of appointment	23 November 2012
Date of last re-appointment (if applicable)	18 July 2018
Age	54
Country of principal residence	Malaysia
The Board's comments on this re-appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company, having considered Ms Yau Su Peng's qualifications, expertise, working experience and suitability, is satisfied that the re-appointment of Ms Yau Su Peng as a Director of the Company will be beneficial to the Board and the Company.
Whether Board appointment is executive, and if so, the area of responsibility	Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member)	Executive Director
Academic / professional qualifications	University of Melbourne Bachelor of Laws, Bachelor of Arts, Law Master of Laws, Telecommunications and International Trade
Working experience and occupation(s) during the past 10 years	Borders Malaysia (Chief Operating Officer) Radioshack Malaysia (Chief Operating Officer) Berjaya Corporation Berhad (Director, Retail and Innovation)
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director/existing executive officer of the Company or any of its principal subsidiaries and/or substantial shareholder	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes
Other Principal Commitments including Directorships	
Past 5 years	None
Present	Berjaya Corporation Berhad (Director, Retail and Innovation)
Ms Yau Su Peng has confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is "No". The disclosure on prior experience as a director of an issuer listed on the Exchange and details of prior experience is not applicable as disclosure is applicable to the appointment of Director only.	

ANALYSIS OF SHAREHOLDINGS
AS AT 25 NOVEMBER 2021

Number of Issued Shares : 177,339,649
Number of Treasury Shares Held : Nil
Number of Subsidiary Holdings Held : Nil
Class of Shares : Ordinary Shares

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	352	8.14	14,824	0.01
100 - 1,000	1,724	39.90	811,308	0.46
1,001 - 10,000	1,768	40.92	6,960,395	3.92
10,001 - 1,000,000	471	10.90	25,408,700	14.33
1,000,001 AND ABOVE	6	0.14	144,144,422	81.28
	4,321	**100.00**	**177,339,649**	**100.00**

MAJOR SHAREHOLDERS LIST - TOP 20

NO.	NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	121,771,631	68.67
2	UOB KAY HIAN PRIVATE LIMITED	15,088,305	8.51
3	OCBC SECURITIES PRIVATE LTD	2,860,962	1.61
4	GOH HAN CHOON STEVE	2,300,000	1.30
5	RAFFLES NOMINEES (PTE) LIMITED	1,080,981	0.61
6	DBS NOMINEES PTE LTD	1,042,543	0.59
7	MAYBANK KIM ENG SECURITIES PTE LTD	930,365	0.52
8	CHUA KIANG HIANG	840,464	0.47
9	UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED	725,681	0.41
10	TAN HWEE JUAN AGNES	704,100	0.40
11	CHENG YIN MUI	669,375	0.38
12	TAN LIAN SENG	512,650	0.29
13	WONG FOOK SHYANG	459,700	0.26
14	TAN LYE SENG	450,100	0.25
15	LEE CHOON CHUAN (LI JUNCHUAN)	400,000	0.23
16	CIGA ENTERPRISES PTE LTD	365,400	0.21
17	OCBC NOMINEES SINGAPORE PTE LTD	342,515	0.19
18	LIN PENG KOK KELVIN	312,795	0.18
19	HENG SIEW MEI	290,000	0.16
20	LEE KUNFENG DANIEL	275,000	0.15
		151,422,567	**85.39**

ANALYSIS OF WARRANTHOLDINGS
AS AT 25 NOVEMBER 2021

Number of Issued Warrants : 35,041,371
Exercise Price : $0.05
Expiry Date : 21 August 2024
Warrant Agent : M & C Services Private Limited
112 Robinson Road #05-01, Singapore 068902

RANGE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	3	2.44	121	0.00
100 - 1,000	27	21.95	14,105	0.04
1,001 - 10,000	67	54.47	254,888	0.73
10,001 - 1,000,000	25	20.33	1,240,608	3.54
1,000,001 AND ABOVE	1	0.81	33,531,649	95.69
	123	**100.00**	**35,041,371**	**100.00**

MAJOR WARRANTHOLDERS LIST - TOP 20

NO.	NAME	NO. OF WARRANTS	%
1	PHILLIP SECURITIES PTE LTD	33,531,649	95.69
2	OCBC SECURITIES PRIVATE LTD	411,833	1.18
3	LEE CHOON CHUAN (LI JUNCHUAN)	132,633	0.38
4	HENG SIEW MEI	72,500	0.21
5	SEE CHEONG WAI	66,666	0.19
6	WONG SHAW HUAH	58,700	0.17
7	OCBC NOMINEES SINGAPORE PTE LTD	54,383	0.16
8	SARAH SOONG PHEUI-PHEUI	50,000	0.14
9	KOH CHEK SENG	41,833	0.12
10	UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED	34,387	0.10
11	LIM CHEW SIEW	33,333	0.10
12	THAM SUET PENG MRS VASOO SUSHILAN	33,333	0.10
13	NG CHEE WAN	29,333	0.08
14	SEE CHIN SHE	26,250	0.07
15	TEO SIONG PHEOW	25,000	0.07
16	KHOO MENG CHEW	22,500	0.06
17	MRS SHANU TULSIDAS ADVANI @ ADVANI PUSHPA TULSIDAS	20,000	0.06
18	WONG KWOK FAH	19,100	0.05
19	CHAN TZE LEUNG ROBERT	15,000	0.04
20	TAN AH KIN @ TAN CHOOK YUEN	15,000	0.04
		34,693,433	**99.01**

SUBSTANTIAL SHAREHOLDERS

AS AT 25 NOVEMBER 2021

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) Ltd	119,563,515	67.42		
Tan Sri Dato' Seri Vincent Tan Chee Yioun			120,493,577 (2)	67.95
Berjaya Corporation Berhad			120,493,577 (2)	67.95
Berjaya Group Berhad			120,493,577 (2)	67.95
Berjaya Land Berhad			119,563,515 (1)	67.42
Teras Mewah Sdn Bhd			119,563,515 (1)	67.42
Meriton Capital Limited	14,971,350	8.44		
Lim Eng Hock			14,971,350 (3)	8.44

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 and Rantau Embun Sdn Bhd.

(3) Deemed to be interested in the shares held by Meriton Capital Limited.

* Based on 177,339,649 ordinary shares as at 25 November 2021.

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC AS AT 25 NOVEMBER 2021

Based on the information provided, to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 23.61% of the issued ordinary shares are held in the hands of the public as at 25 November 2021. 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-Eighth Annual General Meeting ("**AGM**") of INFORMATICS EDUCATION LTD. (the "**Company**") will be held by way of electronic means on Thursday, 30 December 2021 at 3.00 p.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2021 and the Auditor's Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' Fees of S$40,000 for the financial year ended 30 June 2021 (2020: S$50,000). **(Resolution 2)**

3. To re-elect Ms Yau Su Peng, a Director retiring by rotation pursuant to Regulation 91 of the Company's Constitution. *[See Explanatory Note (a)]* **(Resolution 3)**

4. To re-appoint Ernst & Young LLP as Auditor of the Company for the financial year ending 30 June 2022 and to authorise the Directors to fix their remuneration. **(Resolution 4)**

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) options, 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

NOTICE OF ANNUAL GENERAL MEETING

(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:

(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;

Adjustments in accordance with the above Paragraph (ii)(a) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;

(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

Mr Allan Maxwell Norton
Company Secretary

15 December 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(a) Ms Yau Su Peng (“**Ms Yau**”), will, upon her re-election, remain as an Executive Director of the Company. Further information on Ms Yau can be found under the sections entitled “Board of Directors” and “Additional Information on Director seeking Re-election” in the Company’s Annual Report.

(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 AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”), and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020. The Order was amended on 29 September 2020 to extend the alternative meeting arrangements to 30 June 2021. On 6 April 2021, the Ministry of Law announced that the Order will extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. This will provide entities with greater legal certainty to plan their meetings, and the option to hold virtual meetings to minimise physical interactions, amid the COVID-19 situation.

2. Documents relating to the business of the AGM, which comprise the Company’s 2021 Annual Report for the financial year ended 30 June 2021 as well as the Notice of AGM and the Proxy Form have been published on SGXNet and the Company’s website at http://www.informaticseducation.com/investor-media-centre/ and on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of these documents will NOT be despatched to shareholders.

3. Pursuant to the Order, the Company will implement alternative arrangements relating to attendance at the AGM by electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only means), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company’s announcement dated 15 December 2021. The announcement may be accessed at the Company’s website at http://www.informaticseducation.com/investor-media-centre/ and on the SGX website at https://www.sgx.com/securities/company-announcements.

   As the Company does not allow real-time remote electronic voting through an electronic voting system to take place at the AGM, a member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The proxy form for the AGM will be published on the Company’s website at http://www.informaticseducation.com/investor-media-centre/ and on the SGX website at https://www.sgx.com/securities/company-announcements.

NOTICE OF ANNUAL GENERAL MEETING

4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 20 December 2021.

5. The Chairman of the Meeting, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (i) if submitted electronically, be submitted via email to gpe@mncsingapore.com or via the pre-registration website at https://online.meetings.vision/informatics-registration; or

   (ii) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902,

   in either case, at least 72 hours before the time for the AGM.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it electronically via email to the email address provided above or via the pre-registration website, or submitting it by post to the address provided above. In view of the current COVID-19 restriction orders in Singapore, which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy 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 or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

INFORMATICS EDUCATION LTD.
Incorporated in the Republic of Singapore
Company Registration No. 198303419G

PROXY FORM

1. The Annual General Meeting ("**AGM**") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"), and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020. The Order was amended on 29 September 2020 to extend the alternative meeting arrangements to 30 June 2021. On 6 April 2021, the Ministry of Law announced that the Order will extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. This will provide entities with greater legal certainty to plan their meetings, and the option to hold virtual meetings to minimise physical interactions, amid the COVID-19 situation.
2. Pursuant to the Order, the Company will implement alternative arrangements relating to attendance at the AGM by electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only means), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company's announcement dated 15 December 2021. The announcement may be accessed at the Company's website at http://www.informaticseducation.com/investor-media-centre/ and on the SGX website at https://www.sgx.com/securities/company-announcements.
3. **As the Company does not allow real-time remote electronic voting through an electronic voting system to take place at the AGM, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. 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.
5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 20 December 2021, being seven (7) working days before the date of the AGM.
6. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 December 2021 which may be accessed at the Company's website at http://www.informaticseducation.com/investor-media-centre/ and on the SGX website at https://www.sgx.com/securities/company-announcements.
7. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the Annual General Meeting.**

I/We ______________________ (Name) ________________ (NRIC/Passport No./Company Registration No.) of

____ (Address)

being a member/members of INFORMATICS EDUCATION LTD., hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Eighth Annual General Meeting of the Company to be held by way of electronic means on **Thursday, 30 December 2021 at 3.00 p.m.** and at any adjournment thereon in the following manner:

No.	Resolutions relating to:	For*	Against*	Abstain*
	ORDINARY BUSINESS			
1	Receive and adopt the Audited Financial Statements for the financial year ended 30 June 2021 together with the Directors' Statement and Auditor's Report			
2	Approval of Directors' Fees			
3	To re-elect Ms Yau Su Peng, a Director retiring by rotation pursuant to Regulation 91 of the Company's Constitution			
4	Re-appointment of Ernst & Young LLP as Auditor and authorise Directors to fix their remuneration			
	SPECIAL BUSINESS			
5	General Mandate to Directors to issue Shares			

(*Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided. Alternatively, please indicate the number of votes "For" or "Against" within the box provided. If you wish the Chairman of the Meeting as your proxy to "Abstain" from voting on a resolution, please indicate "X" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.)

Dated this ________ day of ________________ 2021

Total No. of Shares Held	

____
Signature(s) of Member(s) or Common Seal
*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.

2. **As the Company does not allow real-time remote electronic voting through an electronic voting system to take place at the AGM, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** Please note that a member may not vote at the AGM otherwise than by way of appointing the Chairman of the Meeting as the member's proxy.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (i) if submitted electronically, be submitted via email to gpe@mncsingapore.com or via the pre-registration website at https://online.meetings.vision/informatics-registration; or

   (ii) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902,

   in either case, at least 72 hours before the time for the AGM.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it electronically via email to the email address provided above or via the pre-registration website, or submitting it by post to the address provided above. **In view of the current COVID-19 restriction orders in Singapore, which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.**

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised.

6. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares entered against their names in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

8. Members should take note that once this proxy form is submitted electronically via email or the pre-registration website or lodged with the Company's Share Registrar, they cannot change their vote as indicated in the box provided above.

INFORMATICS EDUCATION LTD.
Registration No: 198303419G

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