Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Informatics Education Ltd.

Stock code: BOU

Meeting details:
Date: 30 December 2021
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. On 15 December 2021, the company announced the proposed disposal of Informatics Academy Pte. Ltd. (IAPL) for $320,000 in cash. As noted in the chairman's message, Informatics Academy ceased its operations after over 37 years in Singapore mainly due to the loss of the 4-year EduTrust award that was critical in recruiting overseas students.

(i) **Can management elaborate further on the IAPL's inability to obtain a 4-year renewal of the EduTrust award by the Committee for Private Education (CPE)? In particular, did IAPL fall short in the standards set by CPE? If so, what were they?**

(ii) **What guidance did the board provide to management in prior years leading up to the EduTrust renewal application?**

(iii) **Did the board review management's performance and hold management accountable in areas where it has fallen short?**

As noted in the company's announcement dated 15 December 2021, IAPL was incorporated in 1989 and has an issued and paid-up share capital of approximately $52.66 million. In considering and approving the sale of IAPL, the board has stated that the disposal of IAPL will "unlock value that has been accumulated for the benefit of the shareholders".

(iv) **Can the board clarify how much value has been accumulated and unlocked with the proposed sale of IAPL given that the share capital was approximately $52.66 million and that the sale consideration is just $320,000?**

(v) **Has the board reviewed its own performance, especially in the areas of reviewing and setting business plans; providing entrepreneurial leadership; and ensuring that the necessary human resources are in place for the group to meet its objectives? (Principle 1 and 5 of the 2018 Code of Corporate Governance)**

(vi) **Can management provide shareholders with a holistic overview of its strategy (including growth prospects) for NCC Education and Informatics Education (HK) Ltd?**

(vii) **What guidance has the board given to management to improve on the group's profitability?**

(viii) **Given that the Singapore government is focused on skills training/retraining, is the group in the right position to seize such the opportunities?**

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Q2. The independent auditor has included a material uncertainty related to going concern in the independent auditor's report (page 43 of the annual report). It is noted that the group continued to incur net loss of $(1.54) million and recorded net cash outflows of $(0.84) million 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.

Notwithstanding the above, the financial statements were 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 it liabilities as and when they fall due.

(i) **Can the board disclose the amount/limit of financial support given by the penultimate holding company?**

(ii) **Has the board reviewed the group's financial position and re-evaluated its capital structure? In particular, does the group have the necessary financial resources to meet its objectives?**

During the 2019 rights cum warrants issue, valid acceptances and valid excess applications amounted to just 28.57% and 19.95% respectively. Total acceptances and excess applications added up to 48.52% of the total available.

(iii) **Did the board carry out a review to understand the market's perception of and confidence in the group? What changes, if any, did the group make in the past 2 years?**

(iv) **Given that the company and the group are in net liability positions, will the board be carrying out a strategic review?**

Q3. Would the board provide shareholders with greater clarity on the following governance matters? Specifically:

(i) **Attendance at board meetings:** As shown on page 22, Dato' Sri Robin Tan Yeong Ching attended 2 out of 5 board meetings in the year. Dato' Sri Robin Tan Yeong Ching is the non-executive chairman of the board.

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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

In the previous year, Dato' Sri Robin Tan Yeong Ching attended 4 out of 7 board meetings. In FY2019, his attendance was 2 out of 5 board meetings. In the last 3 years, Dato' Sri Robin Tan Yeong Ching attended just 8 out of 17 board meetings.

Were there any extenuating circumstances that led the chairman to miss more than half of the board meetings in the past 3 years? How effective is the chairman given that he attended less than half of the meetings in the past 3 years even as the group suffered losses year after year? Is the chairman setting the appropriate tone-from-the-top and giving sufficient time, energy and attention to the affairs of the group? How can the company secretary and the company work together with the board to improve the attendance of directors at board and board committee meetings?

(ii) **Internal audit:** On page 33, the company has disclosed that 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. **Can the audit committee (AC) confirm that no internal audit has been carried out by the group in the past 2 years or more? Did the AC consider appointing overseas professional audit firms to carry out the internal audit? As no internal audit was carried out, on what basis did the board satisfy itself that there are adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems?**

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)