

RAFFLES EDUCATION LIMITED

Company registration Number: 199400712N

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED AND FINANCIAL YEAR ENDED 30 JUNE 2024

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Notes (Page 21-25)	Group					
		6 months ended 30/06/24 \$'000	6 months ended 30/06/23 \$'000	Change %	12 months ended 2024 \$'000	12 months ended 2023 \$'000	Change %
Revenue		55,720	57,049	-2%	112,472	110,891	1%
Other operating income	F 2.1	2,062	1,500	37%	3,494	2,115	65%
Personnel expenses		(21,638)	(21,562)	NM	(42,332)	(42,500)	NM
Other operating expenses	F 2.2	(19,732)	(20,457)	-4%	(37,064)	(41,901)	-12%
Finance costs	F 2.3	(9,852)	(10,577)	-7%	(20,293)	(19,935)	2%
Depreciation and amortisation expenses	F 2.4	(9,148)	(10,714)	-15%	(18,016)	(20,044)	-10%
Reversal of impairment on investment in associate	F 2.5	-	519	NM	-	519	NM
Impairment loss on property, plant and equipment	F 2.6	-	(1,180)	NM	-	(1,180)	NM
Fair value loss on investment properties, net	F 2.7	(14,518)	(4,394)	230%	(14,518)	(4,394)	230%
Share of results of associates	F 2.8	(689)	(296)	133%	(848)	(573)	48%
Operating loss before income tax		(17,795)	(10,112)	76%	(17,105)	(17,002)	1%
Foreign exchange gain	F 2.9	3,239	22,527	-86%	13,831	46,715	-70%
Foreign exchange loss	F 2.10	(9,989)	(20,626)	-52%	(19,288)	(31,574)	-39%
Loss before income tax		(24,545)	(8,211)	199%	(22,562)	(1,861)	NM
Income tax expense	F 2.11	(2,724)	(5,471)	-50%	(3,237)	(6,491)	-50%
Deferred tax credit/(expense)	F 2.11	1,794	(686)	362%	1,805	(645)	380%
Net loss after tax		(25,475)	(14,368)	77%	(23,994)	(8,997)	167%
Other comprehensive loss, net of tax							
Items that may be reclassified subsequently to profit or loss:							
Currency exchange differences arising on translating foreign operations	F 2.12	13,244	(25,430)	152%	9,638	(85,659)	111%
Total comprehensive loss		(12,231)	(39,798)	-69%	(14,356)	(94,656)	-85%
Net loss attributable to:							
Equity holders of the Company		(21,365)	(11,581)	84%	(19,261)	(5,305)	263%
Non-controlling interests		(4,110)	(2,787)	47%	(4,733)	(3,692)	28%
Net loss after tax		(25,475)	(14,368)	77%	(23,994)	(8,997)	167%
Total comprehensive loss attributable to:							
Equity holders of the Company		(8,792)	(33,663)	-74%	(9,963)	(80,463)	-88%
Non-controlling interests		(3,439)	(6,135)	-44%	(4,393)	(14,193)	-69%
Total comprehensive loss		(12,231)	(39,798)	-69%	(14,356)	(94,656)	-85%
Loss per share for loss for the period/year attributable to the owners of the Company during the period/year:							
Basic (cents)		(1.54)	(0.84)	83%	(1.39)	(0.38)	266%
Diluted (cents)		(1.54)	(0.84)	83%	(1.39)	(0.38)	266%

NM – Not meaningful

Condensed Interim Statements of Financial Position

UNAUDITED STATEMENTS OF FINANCIAL POSITION	Notes (Page 26-29)	Group		Company	
		30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Non-current assets					
Property, plant and equipment	F 2.13	468,799	475,316	272	4
Right-of-use assets	F 2.14	11,738	12,580	-	-
Investment properties	F 2.15	351,288	381,908	-	-
Investment in subsidiaries	F 2.16	-	-	419,375	427,548
Investment in associates	F 2.17	2,499	3,435	-	-
Intangible assets		102,086	101,119	74	83
Deferred tax assets		479	742	-	-
Other receivables	F 2.18	8,400	14,535	58,901	46,597
Restricted bank balances		2,115	2,188	-	-
		947,404	991,823	478,622	474,232
Current assets					
Inventories		57	61	-	-
Trade and other receivables	F 2.19	33,831	33,577	365,300	334,257
Cash and bank balances		29,686	56,311	143	536
		63,574	89,949	365,443	334,793
Non-current assets held for sale	F 2.15	89,104	68,267	-	-
		152,678	158,216	365,443	334,793
Less:					
Current liabilities					
Trade and other payables	F 2.20	74,430	52,656	432,656	377,895
Course fees received in advance	F 2.22	21,805	21,219	-	-
Education facilities rental service fees received in advance		522	1,496	-	-
Income tax payables		14,931	15,631	51	51
Borrowings	F 2.21	54,432	176,002	14,135	27,970
Lease liabilities		3,339	2,793	-	-
		169,459	269,797	446,842	405,916
Net current liabilities	F 2.22	(16,781)	(111,581)	(81,399)	(71,123)
Less:					
Non-current liabilities					
Trade and other payables	F 2.23	5,030	9,592	-	-
Borrowings	F 2.21	170,839	99,516	36,326	34,904
Lease liabilities		9,382	10,377	-	-
Deferred tax liabilities	F 2.24	63,516	64,932	-	-
		248,767	184,417	36,326	34,904
Net assets		681,856	695,825	360,897	368,205
Equity					
Share capital		554,599	554,337	554,599	554,337
Treasury shares		(37,798)	(38,817)	(37,798)	(38,817)
Accumulated profits/(losses) and other reserves		73,178	84,443	(155,904)	(147,315)
Equity attributable to equity holders of the Company		589,979	599,963	360,897	368,205
Non-controlling interests	F 2.25	91,877	95,862	-	-
Total equity		681,856	695,825	360,897	368,205

Condensed Interim Statements of Changes in Equity

GROUP	Attributable to equity holders of the Company									Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Revaluation reserve	Treasury shares reserve	Convertible bonds reserve	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
FY2024											
Balance at 1 Jul 2023	554,337	(38,817)	8,304	(758)	5,150	(67,117)	2,642	136,222	599,963	95,862	695,825
Total comprehensive loss	-	-	-	-	-	9,298	-	(19,261)	(9,963)	(4,393)	(14,356)
Dilution of interest in existing subsidiary without loss of control	-	-	-	-	-	-	-	(408)	(408)	408	-
Share-based payment	-	1,019	-	(894)	-	-	-	-	125	-	125
Issuance of ordinary shares	262	-	-	-	-	-	-	-	262	-	262
Balance at 30 June 2024	554,599	(37,798)	8,304	(1,652)	5,150	(57,819)	2,642	116,553	589,979	91,877	681,856
FY2023											
Balance at 1 Jul 2022	554,337	(39,683)	8,304	-	-	8,041	2,642	141,527	675,168	110,055	785,223
Total comprehensive loss	-	-	-	-	-	(75,158)	-	(5,305)	(80,463)	(14,193)	(94,656)
Share-based payment	-	866	-	(758)	-	-	-	-	108	-	108
Issuance of convertible bonds	-	-	-	-	5,150	-	-	-	5,150	-	5,150
Balance at 30 June 2023	554,337	(38,817)	8,304	(758)	5,150	(67,117)	2,642	136,222	599,963	95,862	695,825

COMPANY	Share Capital	Treasury Shares	Treasury shares reserve	Convertible bonds reserve	Share-based payment reserve	Accumulated Losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FY2024							
Balance at 1 Jul 2023	554,337	(38,817)	(758)	5,150	2,642	(154,349)	368,205
Total comprehensive loss	-	-	-	-	-	(7,695)	(7,695)
Share-based payment	-	1,019	(894)	-	-	-	125
Issuance of ordinary shares	262	-	-	-	-	-	262
Balance at 30 June 2024	554,599	(37,798)	(1,652)	5,150	2,642	(162,044)	360,897
FY2023							
Balance at 1 Jul 2022	554,337	(39,683)	-	-	2,642	(165,534)	351,762
Total comprehensive income	-	-	-	-	-	11,185	11,185
Share-based payment	-	866	(758)	-	-	-	108
Issuance of convertible bonds	-	-	-	5,150	-	-	5,150
Balance at 30 June 2023	554,337	(38,817)	(758)	5,150	2,642	(154,349)	368,205

Condensed Interim Consolidated Statement of Cash Flows

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS	Note (Page 30)	12 months ended 30 Jun 2024 \$'000	12 months ended 30 Jun 2023 \$'000
Operating activities			
Loss before income tax		(22,562)	(1,861)
Adjustments for:			
Depreciation for property, plant and equipment		14,508	17,157
Fair value loss on investment properties, net		14,518	4,394
Amortisation for right-of-use assets		3,290	2,645
Loss allowance on trade receivables		176	69
Impairment loss on property, plant and equipment		-	1,180
Reversal of impairment loss on investment in associate		-	(519)
Loss on disposal of investment properties		-	3,571
Amortisation of intangible assets		218	242
Bad trade and other receivables written off		226	201
Finance costs		20,293	19,935
Interest income		(2,420)	(1,433)
Gain on disposal of property, plant and equipment, net		(14)	(8)
Loss on disposal of right-of-use assets, net		4	-
Gain on lease modification		(4)	(61)
Property, plant and equipment written off		9	2
Share of results of associates		848	573
Unrealised foreign exchange loss/(gain), net		4,600	(22,069)
Operating cash flows before movement in working capital		33,690	24,018
Working capital changes:			
Inventories		4	3
Trade and other receivables		(573)	5,493
Course fees received in advance		635	(3,107)
Education facilities rental service received in advance		(988)	(832)
Trade and other payables		2,922	1,409
Cash generated from operations		35,690	26,984
Interest paid		(14,689)	(16,192)
Interest received		2,420	1,554
Income and withholding taxes paid		(4,025)	(8,084)
Net cash generated from operating activities	F 2.26	19,396	4,262
Investing activities			
Additions for intangible assets		(21)	(5)
Advance payment for construction project		(166)	(1,802)
Advance payment for investment properties, net		(1,807)	(10,638)
Refund from advance payment for investment properties	F 2.27	8,374	-
Payments for property, plant and equipment	F 2.28	(13,502)	(14,527)
Additions of investment properties		(1,569)	(4,113)
Additions of right-of-use assets		(7)	(52)
Proceeds from disposal of subsidiary		-	14,370
Consideration paid for acquisition of subsidiary	F 2.20	(1,146)	-
Deposit received from non-current assets held for sale	F 2.27	20,722	-
Proceeds from disposal of property, plant and equipment		56	36
Proceeds from disposal of investment properties		-	18,920
Proceeds from disposal of right-of-use assets		90	-
Return of capital from joint venture		-	218
Net cash generated from investing activities		11,024	2,407

Condensed Interim Consolidated Statement of Cash Flows (continued)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS	Note (Page 30)	12 months ended 30 Jun 2024 \$'000	12 months ended 30 Jun 2023 \$'000
Financing activities			
Decrease/ (increase) in bank balances pledged and restricted cash, net	F 2.27	32,099	(8,445)
(Repayment to)/advance from third party	F 2.28	(4,804)	7,953
Proceeds from convertible bonds, net		-	37,800
Advance from/(repayment to) a director, net	F2.27	6,011	(4,366)
Drawdown of bank borrowings	F 2.27	9,768	22,273
Repayment of bank borrowings	F 2.28	(64,588)	(73,091)
Repayment of principal portion of lease liabilities		(3,033)	(1,448)
Repayment of interest portion of lease liabilities		(710)	(562)
Net cash used in financing activities		(25,257)	(19,886)
Net change in cash and cash equivalents		5,163	(13,217)
Cash and cash equivalents at beginning of financial year		24,206	37,423
Cash and cash equivalents at end of financial year – Note A	F 2.29	29,369	24,206

Note A:

Cash and cash equivalents	Note	12 months ended 30 Jun 2024 \$'000	12 months ended 30 Jun 2023 \$'000
<u>Current</u>			
Fixed deposits with banks		14	22,748
Cash and bank balances		29,355	24,206
Restricted bank balances		317	9,357
<u>Non-current</u>			
Restricted bank balances		2,115	2,188
Cash and bank balances in the statement of financial position		31,801	58,499
Pledged fixed deposits and bank balances		-	(22,748)
Restricted bank balances		(2,432)	(11,545)
Cash and cash equivalents in the statement of cash flow	F 2.29	29,369	24,206

N. Notes to the Condensed Interim Consolidated Financial Statements

1 Corporate Information

Raffles Education Limited (the Company) is incorporated and domiciled in the Republic of Singapore (Registration Number: 199400712N), and its registered office and principal place of business at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164.

The principal activities of the Company are those of an investment holding and provision of business and management consultancy services.

The principal activities of the subsidiaries are:

- (a) provision of educational services ranging from pre-school to tertiary education;
- (b) leasing of educational facilities and supporting facilities; and
- (c) investing in education properties.

2 Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

Going Concern

As at 30 June 2024, the Group's and the Company's current liabilities exceeded its current assets by \$16.8 million and \$81.4 million respectively. These condensed interim financial statements of the Group and the Company have been prepared on a going concern basis taking into consideration the following:

1. Non-refundable Course fees and Education facilities rental service fees received in advance, amounting to \$22.3 million, which over time will be recognised as revenue;
2. Positive cash flow generation from its operations based on the cash flow forecast;
3. The Group is confident that its lenders will continue to give support to the Group;
4. The Group's ability to refinance its existing borrowings when necessary with financial institutions;
5. The Group's ability to realise certain of its assets through sale/lease of its properties. The proposed sale process of the Group's property located at 51 Merchant Road is on-going;
6. The Company announced a proposed issue of unlisted, 5-year 10.5% unsecured bonds ("Bonds") of up to an aggregate principal amount of S\$20,000,000 on 24 July 2024. Certain subscribers had agreed to subscribe for S\$12,500,000 of the Bonds of which S\$2,500,000 of Bonds had been issued till date; and
7. The Company has the ability to tap funds from its shareholders and the capital markets.

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

Going Concern (continued)

With the above mitigating factors, the net current liabilities position will not likely pose material uncertainty on the ability of the Group and of the Company as a going concern.

Should the Group and the Company be unable to achieve the above-mentioned plans and measures and operate as a going concern, 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 may differ significantly from the amounts at which they are currently recorded in the financial statements and to provide for any future liabilities which might arise. Such adjustments have not been made to the financial statements.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- **Note 7** – Provision for income taxes in respective jurisdictions of which the taxes arose
- **Note 9 & 10** – Classification between investment property & property, plant and equipment

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- **Note 10** – Determination of fair value of investment property using significant unobservable inputs
- **Note 11** – Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts

3 Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4 Segment and revenue information

The Group has four reportable segments as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different skill sets and marketing strategies.

For each of the strategic business units, the Group's Chief Executive Officer reviews internal management reports on a regular basis. The following summary describes the operations in each of the Group's reportable segments:

Education

The Group offers a wide range of educational services ranging from pre-school to tertiary education through our subsidiaries in Asia and European Countries.

Education Facilities Rental Service

Through our HK-listed subsidiary – Oriental University City Holdings (H.K.) Limited ("OUCHK"), the Group owns and leases out certain investment properties to colleges in Oriental University City, located at Langfang Economic and Technology Development Zone, Hebei Province, the People's Republic of China.

Education Real Estate Investment & Development

The Group participates in opportunistic Education Real Estate Investments and Development. The ownership of these properties generates a stream of stable and recurring rental income. When the opportunity arises, the Group may divest these properties.

Corporate & Others

Includes corporate headquarter and consolidation adjustments which are not directly attributable to a particular reporting segment above.

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.1 Reportable Segments

	Group				Total \$'000
	6 months ended 30 Jun 2024				
	Education \$'000	Education Facilities Rental Service \$'000	Education Real Estate Investment & Development \$'000	Corporate & Others \$'000	
Revenue from external customers	50,471	4,263	986	-	55,720
Inter-segment revenue	4,473	517	(390)	1,884	6,484
Interest income	2	1	1,291	1	1,295
Gain on disposal of property, plant and equipment, net	14	-	-	-	14
Reversal of impairment on investment in associates	-	-	-	-	-
Net fair value (loss)/gain on investment properties	-	(17,099)	826	1,755	(14,518)
Finance cost	(1,609)	(1,401)	(423)	(6,419)	(9,852)
Depreciation and amortisation	(6,388)	(403)	(2,336)	(21)	(9,148)
Share of results from associates	(7)	(682)	-	-	(689)
Reportable segment profit/ (loss) before income tax	9,058	(18,460)	(1,890)	(13,253)	(24,545)
Net profit/(loss) for the financial period	7,381	(16,638)	(2,477)	(13,741)	(25,475)
<u>Other information:</u>					
Additions to property, plant and equipment	2,240	10	79	1	2,330
Additions to right-of-use assets	2,342	-	-	-	2,342
Additions to investment properties	-	670	-	-	670
Additions to intangible assets	21	-	-	(3)	18
Investment in associates	196	2,303	-	-	2,499
Segment assets	372,182	268,062	227,335	95,637	963,216
Segment liabilities	(32,303)	(67,229)	(81,085)	(159,162)	(339,779)

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.1 Reportable Segments (continued)

	Group				Total \$'000
	6 months ended 30 Jun 2023				
	Education \$'000	Education Facilities Rental Service \$'000	Education Real Estate Investment & Development \$'000	Corporate & Others \$'000	
Revenue from external customers	49,330	6,892	827	-	57,049
Inter-segment revenue	430	619	950	1,812	3,811
Interest income	55	12	1,214	1	1,282
Reversal of impairment on investment in associates	-	519	-	-	519
Net fair value (loss)/gain on investment properties	(1,972)	(3,092)	37	633	(4,394)
Loss on disposal of investment properties	-	(3,571)	-	-	(3,571)
Finance cost	(2,771)	(1,401)	(530)	(5,875)	(10,577)
Depreciation and amortisation	(6,932)	(429)	(2,361)	(992)	(10,714)
Impairment loss on property, plant and equipment	(1,180)	-	-	-	(1,180)
Share of results from associates	(7)	(289)	-	-	(296)
Reportable segment (loss)/ profit before income tax	(2,181)	(3,860)	417	(2,587)	(8,211)
Net loss for the financial period	(4,673)	(5,632)	(40)	(4,023)	(14,368)
<u>Other information:</u>					
Additions to property, plant and equipment	1,267	41	-	-	1,308
Additions to right-of-use assets	1,031	-	-	-	1,031
Additions to investment properties	-	3,003	-	-	3,003
Investment in associates	217	3,218	-	-	3,435
Segment assets	388,425	286,855	230,739	80,225	986,244
Segment liabilities	(115,805)	(52,078)	(39,478)	(165,927)	(373,288)

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.1 Reportable Segments (continued)

	Group				Total \$'000
	12 months ended 30 Jun 2024				
	Education \$'000	Education Facilities Rental Service \$'000	Education Real Estate Investment & Development \$'000	Corporate & Others \$'000	
Revenue from external customers	102,128	8,763	1,581	-	112,472
Inter-segment revenue	4,700	1,046	412	4,093	10,251
Interest income	216	3	2,200	1	2,420
Gain on disposal of property, plant and equipment, net	14	-	-	-	14
Net fair value (loss)/gain on investment properties	-	(17,099)	826	1,755	(14,518)
Finance cost	(3,634)	(2,925)	(842)	(12,892)	(20,293)
Depreciation and amortisation	(12,506)	(821)	(4,647)	(42)	(18,016)
Share of results from associates	(25)	(823)	-	-	(848)
Reportable segment profit/(loss) before income tax	21,032	(18,811)	(4,493)	(20,290)	(22,562)
Net profit/(loss) for the financial year	18,918	(17,089)	(4,946)	(20,877)	(23,994)
<u>Other information:</u>					
Additions to property, plant and equipment	6,096	22	163	303	6,584
Additions to right-of-use assets	2,584	-	-	-	2,584
Additions to investment properties	-	1,569	-	-	1,569
Additions to intangible assets	21	-	-	-	21
Investment in associates	196	2,303	-	-	2,499
Segment assets	372,182	268,062	227,335	95,637	963,216
Segment liabilities	(32,303)	(67,229)	(81,085)	(159,162)	(339,779)

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.1 Reportable Segments (continued)

	Group				
	12 months ended 30 Jun 2023				
	Education	Education Facilities Rental Service	Education Real Estate Investment & Development	Corporate & Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	98,523	10,825	1,542	1	110,891
Inter-segment revenue	497	1,254	1,573	4,273	7,597
Interest income	191	15	1,222	5	1,433
Gain on disposal of property, plant and equipment, net	8	-	-	-	8
Reversal of impairment on investment in associates	-	519	-	-	519
Net fair value (loss)/gain on investment properties	(1,972)	(3,092)	37	633	(4,394)
Loss on disposal of investment properties	-	(3,571)	-	-	(3,571)
Finance cost	(6,303)	(2,919)	(754)	(9,959)	(19,935)
Depreciation and amortisation	(12,388)	(864)	(4,800)	(1,992)	(20,044)
Impairment loss on property, plant and equipment	(1,180)	-	-	-	(1,180)
Share of results from associates	(14)	(559)	-	-	(573)
Reportable segment profit/(loss) before income tax	4,205	(4,550)	(5,250)	3,734	(1,861)
Net profit/(loss) for the financial year	813	(6,339)	(5,625)	2,154	(8,997)
<u>Other information:</u>					
Additions to property, plant and equipment	2,056	123	36	66	2,281
Additions to right-of-use assets	13,521	-	-	-	13,521
Additions to investment properties	-	4,113	-	-	4,113
Additions to intangible assets	5	-	-	-	5
Investment in associates	217	3,218	-	-	3,435
Segment assets	388,425	286,855	230,739	80,225	986,244
Segment liabilities	(115,805)	(52,078)	(39,478)	(165,927)	(373,288)

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.2 Disaggregation of Revenue

Operating Segment	Group					Total \$'000
	6 months ended 30 Jun 2024					
	Education \$'000	Education Facilities Rental Service \$'000	Education Real Estate Investment & Development \$'000	Corporate & Others \$'000		
Course fee	45,120	-	-	-		45,120
Rental income from investment properties	-	4,263	986	-		5,249
Student accommodation fee	1,600	-	-	-		1,600
Canteen operation	626	-	-	-		626
Other fees	3,125	-	-	-		3,125
Total revenue	50,471	4,263	986	-		55,720
Geographical information	ASEAN \$'000	North Asia \$'000	South Asia \$'000	Australasia \$'000	Europe \$'000	Total \$'000
Course fee	19,604	24,832	210	-	474	45,120
Rental income from investment properties	-	4,376	-	-	873	5,249
Student accommodation fee	-	1,600	-	-	-	1,600
Canteen operation	575	51	-	-	-	626
Other fees	2,654	471	-	-	-	3,125
Total revenue	22,833	31,330	210	-	1,347	55,720
Operating Segment	Group					Total \$'000
	6 months ended 30 Jun 2023					
	Education \$'000	Education Facilities Rental Service \$'000	Education Real Estate Investment & Development \$'000	Corporate & Others \$'000		
Course fee	45,411	-	-	-		45,411
Rental income from investment properties	-	6,891	827	-		7,718
Student accommodation fee	1,523	-	-	-		1,523
Canteen operation	489	-	-	-		489
Other fees	1,908	-	-	-		1,908
Total revenue	49,331	6,891	827	-		57,049
Geographical information	ASEAN \$'000	North Asia \$'000	South Asia \$'000	Australasia \$'000	Europe \$'000	Total \$'000
Course fee	17,477	26,354	190	-	1,390	45,411
Rental income from investment properties	-	7,008	-	-	710	7,718
Student accommodation fee	-	1,523	-	-	-	1,523
Canteen operation	412	77	-	-	-	489
Other fees	1,468	440	-	-	-	1,908
Total revenue	19,357	35,402	190	-	2,100	57,049

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.2 Disaggregation of Revenue (continued)

Operating Segment	Group					Total \$'000
	12 months ended 30 Jun 2024					
	Education \$'000	Education Facilities Rental Service \$'000	Education Real Estate Investment & Development \$'000	Corporate & Others \$'000		
Course fee	91,829	-	-	-	-	91,829
Rental income from investment properties	-	8,763	1,581	-	-	10,344
Student accommodation fee	3,183	-	-	-	-	3,183
Canteen operation	1,197	-	-	-	-	1,197
Other fees	5,919	-	-	-	-	5,919
Total revenue	102,128	8,763	1,581	-	-	112,472
Geographical information	ASEAN \$'000	North Asia \$'000	South Asia \$'000	Australasia \$'000	Europe \$'000	Total \$'000
Course fee	40,747	48,910	421	-	1,751	91,829
Rental income from investment properties	-	8,985	-	-	1,359	10,344
Student accommodation fee	-	3,183	-	-	-	3,183
Canteen operation	1,089	108	-	-	-	1,197
Other fees	4,934	985	-	-	-	5,919
Total revenue	46,770	62,171	421	-	3,110	112,472
Operating Segment	Group					Total \$'000
	12 months ended 30 Jun 2023					
	Education \$'000	Education Facilities Rental Service \$'000	Education Real Estate Investment & Development \$'000	Corporate & Others \$'000		
Course fee	91,319	-	-	-	-	91,319
Rental income from investment properties	-	10,825	1,542	1	-	12,368
Student accommodation fee	3,129	-	-	-	-	3,129
Canteen operation	920	-	-	-	-	920
Other fees	3,155	-	-	-	-	3,155
Total revenue	98,523	10,825	1,542	1	-	110,891
Geographical information	ASEAN \$'000	North Asia \$'000	South Asia \$'000	Australasia \$'000	Europe \$'000	Total \$'000
Course fee	35,517	52,942	421	-	2,439	91,319
Rental income from investment properties	1	11,204	-	-	1,163	12,368
Student accommodation fee	-	3,129	-	-	-	3,129
Canteen operation	761	159	-	-	-	920
Other fees	2,384	771	-	-	-	3,155
Total revenue	38,663	68,205	421	-	3,602	110,891

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.3 A breakdown of sales

	Group		Increase/ (Decrease) %
	Financial year ending 30 Jun 2024 \$'000	Financial year ending 30 Jun 2023 \$'000	
	(a) Sales reported for first half year	56,752	
(b) Profit after tax reported for first half year	1,481	5,371	-72
(c) Sales reported for second half year	55,720	57,049	-2
(d) Loss after tax reported for second half year	(25,475)	(14,368)	77

5 Financial assets and financial liabilities

	Group		Company	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
<u>Financial Assets</u>				
Trade and other receivables (excluding prepayments & value added tax recoverable)	35,301	34,326	424,167	380,786
Cash and cash equivalents	31,801	58,499	143	536
<u>Financial Liabilities</u>				
Trade and other payables (excluding accruals for business, property and land taxes and deposit received from non-current asset held for sale)	51,139	52,965	432,656	377,895
Borrowings	225,271	275,518	50,461	62,874
Lease liabilities	12,721	13,170	-	-

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

6 Loss before taxation

	6 months ended 30 Jun 2024 \$'000	6 months ended 30 Jun 2023 \$'000	12 months ended 30 Jun 2024 \$'000	12 months ended 30 Jun 2023 \$'000
<u>Included in Other Operating Income</u>				
Interest income	1,295	1,282	2,420	1,433
Government grant	51	64	89	208
Gain on disposal of property, plant and equipment	16	2	16	10
Reversal of loss allowance on trade receivables	(20)	(7)	-	-
<u>Included in Other Operating Expenses</u>				
Loss allowance on trade receivables	(176)	(69)	(176)	(69)
Bad trade and other receivables written off	(214)	(78)	(226)	(201)
Loss on disposal of property, plant and equipment	(2)	(2)	(2)	(2)
Loss on disposal of right-of-use assets	(1)	-	(4)	-
Loss on disposal of investment property	-	(3,571)	-	(3,571)
Lease expenses	(220)	(255)	(569)	(642)
Property, plant and equipment written off	-	(2)	(9)	(2)
<u>Included in Personnel Expenses</u>				
Share-based payment	(125)	(125)	(125)	(125)

ADJUSTED EBITDA	6 months ended 30 Jun 2024 \$'000	6 months ended 30 Jun 2023 \$'000	12 months ended 30 Jun 2024 \$'000	12 months ended 30 Jun 2023 \$'000
Loss after tax	(25,475)	(14,368)	(23,994)	(8,997)
<u>Add/(less):</u>				
Government grant	(51)	(64)	(89)	(208)
Finance costs	9,852	10,577	20,293	19,935
Net income tax and deferred tax expense	930	6,157	1,432	7,136
Depreciation and amortisation	9,148	10,714	18,016	20,044
Net foreign exchange loss/(gain)	6,750	(1,901)	5,457	(15,141)
Property, plant and equipment written off	-	2	9	2
Net gain on disposal of property, plant and equipment	(14)	-	(14)	(8)
Adjusted EBITDA	1,140	11,117	21,110	22,763

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

7 Taxation

The Group calculates income tax expense for the period ended 30 Jun 2024 using tax rate that would applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 30 Jun 2024 \$'000	6 months ended 30 Jun 2023 \$'000	12 months ended 30 Jun 2024 \$'000	12 months ended 30 Jun 2023 \$'000
<u>Income tax expense</u>				
Current financial period	(2,853)	(4,760)	(3,485)	(5,872)
Over/(under)provision of income tax expense in prior financial periods	129	(711)	248	(619)
<u>Deferred tax credit/(expense)</u>				
Current financial period	1,794	(686)	1,805	(658)
Overprovision of income tax expense in prior financial periods	-	-	-	13

8 Net asset value

	Group		Company	
	As at 30 Jun 2024 \$	As at 30 Jun 2023 \$	As at 30 Jun 2024 \$	As at 30 Jun 2023 \$
Net asset value to equity holders of the Company (million)	589.979	599.963	361.897	368.205
Net asset value per ordinary share (cents)	42.52	43.46	26.01	26.67

The calculation of net asset value per ordinary share was based on 1,387,646,472 shares (excluding treasury shares) as at 30 Jun 2024 (30 Jun 2023: 1,380,397,472).

9 Property, plant and equipment

During the year, the Group acquired assets amounting to \$6,584,000 (30 Jun 2023: \$2,281,000), reclassification of \$nil (30 Jun 2023: \$68,267,000) to non-current asset held for sale at net book value and foreign currency translation movement of \$1,407,000 (30 Jun 2023: \$43,168,000).

10 Investment Properties

	Group	
	2024 \$'000	2023 \$'000
Beginning of financial year	381,908	435,109
Additions	1,569	4,113
Disposal	-	(21,924)
Transfer to non-current assets held for sale	(20,722)	-
Fair value loss recognised in profit or loss, net	(14,518)	(4,394)
Currency translation differences	3,051	(30,996)
Balance at end of financial year	351,288	381,908

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

10 Investment Properties (continued)

Investment properties are stated at fair value, determined based on professional valuation carried out by firms of independent professional valuation specialists holding recognised and relevant professional qualifications and recent experience in the locations and categories of the properties being valued. The valuation conforms to International Valuation Standards and is based on the assets' highest and best use, which is in line with actual use.

For valuations performed by independent professional valuation specialist, the management reviews the appropriateness of the valuation methodologies and assumptions adopted including reliability of the inputs used in the valuations.

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than 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.

The fair value of the investment properties is considered Level 3 recurring fair value measurements.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Valuation techniques	Key unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Income approach	Capitalisation rate	3.2% - 8.0% per annum (2023: 3.2% - 8.0% per annum)	Increase in capitalisation rate would result in lower fair value.
	Monthly rental rate	\$3.3 - \$70.5 per sqm (2023: \$3.3 - \$77.6 per sqm)	Increase in monthly rental rate would result in higher fair value.
Direct comparison approach	Price per square metre	\$111.3 - \$1,203.5 per sqm (2023: \$89.9 - \$1,107.9 per sqm)	Increase in price per square metre would result in higher fair value.

11 Intangible assets

Group	Goodwill on Consolidation \$'000	Trademarks & licenses \$'000	Development Costs \$'000	Computer software \$'000	Total \$'000
Cost					
At 1 Jul 2023	99,286	2,286	2,842	113	104,527
Additions	-	-	-	21	21
Currency translation differences	1,164	(5)	(16)	(1)	1,142
At 30 Jun 2024	100,450	2,281	2,826	133	105,690

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

11 Intangible assets (continued)

Group	Goodwill on Consolidation \$'000	Trademarks & licenses \$'000	Development Costs \$'000	Computer software \$'000	Total \$'000
Accumulated amortisation & impairment					
At 1 Jul 2023	-	515	2,799	94	3,408
Amortisation	-	185	21	12	218
Currency translation differences	-	(5)	(16)	(1)	(22)
At 30 Jun 2024	-	695	2,804	105	3,604
Carrying amount at 30 Jun 2024	100,450	1,586	22	28	102,086

Company

	Trademarks & licenses \$'000	Computer software \$'000	Total \$'000
Cost			
At 1 Jul 2023 / 30 June 2024	228	51	279
Accumulated amortisation & impairment			
At 1 Jul 2023	168	28	196
Amortisation	2	7	9
At 30 Jun 2024	170	35	205
Carrying amount at 30 Jun 2024	58	16	74

11.1 Goodwill impairment

Goodwill arising from business combination are tested for impairment annually regardless of the existence of impairment indicator. No impairment was made on the goodwill as the Cash-Generating Units' (CGUs') recoverable amount (its value-in-use) is higher than the carrying amount.

The recoverable amounts of the CGUs are determined based on the higher of its value-in-use and fair value less cost of disposal.

For value-in-use calculations, the recoverable amounts are determined by applying the discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by the management covering a period of up to five years, including terminal value.

The following are the key assumptions were used in the discounted cash flow model:

- Pre-tax discount rate of 7.0% to 7.5%
- Revenue growth rate range from 9.1% to 13.2%

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

12 Borrowings

	Group	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
<u>Amount repayable in one year or less, or on demand:</u>		
Secured ^{1, 2, 3}	54,217	175,795
Unsecured	215	207
	54,432	176,002
<u>Amount repayable after one year:</u>		
Secured ^{1,2,3}	134,513	64,612
Unsecured convertible bonds	36,308	34,670
Unsecured	18	234
	170,839	99,516
Total borrowings	225,271	275,518
REC Group (exclude OUCHK Group, Hong Kong GEM listed)	170,285	226,881
OUCHK Group (75% owned by REC)	54,986	48,637
Total borrowings	225,271	275,518

Details of securities

1 Property mortgage loans of \$160,319,000.

2 Bank borrowings of \$14,492,000 were secured by certain properties and restricted bank balances of \$2,115,000.

3 Bank borrowing of \$13,920,000 (FY2023: \$7,920,000) was secured on shares of a subsidiary and a director's personal guarantee (FY2023: was secured by a director's personal guarantee).

13 Share Capital

	Group and Company			
	30 Jun 2024		30 Jun 2023	
	No. of Shares '000	Amount \$'000	No. of Shares '000	Amount \$'000
<u>Issued and paid up:</u>				
At beginning of the financial year	1,458,446	554,337	1,458,446	554,337
Issuance of ordinary shares	5,200	262	-	-
At the end of the financial year	1,463,646	554,599	1,458,446	554,337

The total number of issued shares increased to 1,387,646,472 (excluding treasury shares) as at 30 June 2024 (30 June 2023: 1,380,397,472). The increase was due to:

1. Issuance of 5,000,000 new ordinary shares pursuant to conversion of placement bonds on 10 August 2023;
2. Issuance of 200,000 new ordinary shares pursuant to conversion of right issue bonds on 25 October 2023; and

N. Notes to the Condensed Interim Consolidated Financial Statements (continued)

13 Share Capital (continued)

3. Transfer of 2,049,000 treasury shares to Directors as settlement of the share component of the directors' fees of its non-executive directors for the financial year ended 30 June 2023.

There was a decrease to 76,000,300 treasury shares as at 30 June 2024 (30 June 2023: 78,049,300) following the transfer of 2,049,000 treasury shares as mentioned above.

As at 30 June 2024, there was unexercised share option for 1,780,000 unissued ordinary shares (30 June 2023: 1,860,000) under the Raffles Education Corporation Employees' Share Options Scheme.

F. Other Information Required by Listing Rule Appendix 7.2

1 Whether the figures have been audited or reviewed and in accordance with the auditing standards or practice.

The condensed consolidated statements of financial position of Raffles Education Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the applicable six months and twelve month period then ended and certain explanatory notes have not been audited or reviewed.

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

COMMENTARY ON THE GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS AND 12 MONTHS ENDED 30 JUNE 2024

(1) Other operating income

2H FY24 vs 2H FY23

Increase in other operating income to \$2.1 million for 2nd half FY2024 from \$1.5 million for 2nd half FY2023 was mainly due to amount received from Mr Dennis Lui ("Dennis") pursuant to a court order in a Suit against Mr Shantanu Prakash ("Shantanu") and Dennis.

FY24 vs FY23

Increase in other operating income to \$3.5 million for FY2024 from \$2.1 million for FY2023 was mainly due to:

(a) Interest income received from matured fixed deposits pledged with a bank; and

(b) Amount received from Dennis Lui pursuant to a court order in a Suit against Shantanu and Dennis.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS AND 12 MONTHS ENDED 30 JUNE 2024 (CONTINUED)

(2) Other operating expenses

2H FY24 vs 2H FY23

Decrease in other operating expenses to \$19.7 million for 2nd half FY2024 from \$20.5 million for 2nd half FY2023 was mainly due to:

- (a) Loss on disposal of investment properties in 2nd half FY2023; and

Offset by:

- (b) Reversal of provision of estimated expenses payable upon receipt of sale proceeds of Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd. ("LOIT") in 2nd half FY2023.

FY24 vs FY23

Decrease in other operating expenses to \$37.1 million for FY2024 from \$41.9 million for FY2023 was mainly due to:

- (a) Provision of estimated expenses payable upon receipt of sale proceeds of LOIT in FY2023;
(b) Loss on disposal of investment properties in FY2023; and

Offset by:

- (c) Increase in marketing expenses which is in tandem with the increase in student numbers for some of the Group's education institutions in FY2024.

(3) Finance costs

2H FY24 vs 2H FY23

Decrease in finance costs to \$9.9 million for 2nd half FY2024 from \$10.6 million for 2nd half FY2023 was mainly due to:

- (a) Decrease in interest expenses incurred by Raffles K12 Sdn Bhd ("RK12") and Raffles Iskandar Sdn Bhd ("RU") as a result of repayments of borrowings; and

Offset by:

- (b) Increase in interest expenses incurred by Raffles Assets (Singapore) Pte Ltd ("RA") as a result of increase in average borrowing rate from 6.06% in 2nd half FY2023 to 6.13% in 2nd half FY2024 which arose due to increase in SIBOR rate or SORA rate.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS AND 12 MONTHS ENDED 30 JUNE 2024 (CONTINUED)

(4) Depreciation and amortisation expenses

2H FY24 vs 2H FY23

Decrease in depreciation and amortisation expenses to \$9.1 million for 2nd half FY2024 from \$10.7 million for 2nd half FY2023 was mainly due to:

- (a) Decrease in depreciation expenses for property, plant and equipment in RA as it was classified as non-current assets held for sale in June 2023 and hence no depreciation expense is recognised during the period in relation to assets classified as non-current held for sale; and
- (b) Decrease in amortisation expenses for right of use assets in Raffles College of Higher Education Pte. Ltd. ("RCHE") as higher amortisation expenses for right of use assets was recognised for office rent at 111 Somerset Road in Singapore in 2nd half FY2023.

	6 months ended 30/06/24 \$'000	6 months ended 30/06/23 \$'000
Depreciation expenses for property, plant and equipment	7,258	8,435
Amortisation expenses for right-of-use assets	1,781	2,159
Amortisation expenses for intangible assets	109	120
Total depreciation and amortisation expenses	9,148	10,714

FY24 vs FY23

Decrease in depreciation and amortisation expenses to \$18.0 million for FY2024 from \$20.0 million for FY2023 was mainly due to:

- (a) Decrease in depreciation expenses for property, plant and equipment in RA as it has classified as non-current assets held for sale in June 2023 and hence no depreciation expense is recognised during the year in relation to assets classified as non-current held for sale; and

Offset by:

- (b) Increase in amortisation expenses for right of use assets was mainly due to office rent at 111 Somerset Road in Singapore.

	12 months ended 30/06/24 \$'000	12 months ended 30/06/23 \$'000
Depreciation expenses for property, plant and equipment	14,508	17,157
Amortisation expenses for right-of-use assets	3,290	2,645
Amortisation expenses for intangible assets	218	242
Total depreciation and amortisation expenses	18,016	20,044

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS AND 12 MONTHS ENDED 30 JUNE 2024 (CONTINUED)

(5) Reversal of impairment of investment in associates

A reversal of impairment loss in an associate, Axiom Properties Limited ("Axiom"), of \$0.5 million was recognised in 2nd half FY2023 and FY2023. This reversal is mainly due to an increase in its fair value less cost of disposal as at 30 June 2023.

(6) Impairment loss on property, plant and equipment

The impairment loss on property, plant and equipment of \$1.2 million for 2nd half FY2023 and FY2023 was incurred by RU as the fair value less cost of disposal of property, plant and equipment was lower than its carrying amount.

(7) Fair value loss on investment properties

Fair value loss on investment properties of \$14.5 million for 2nd half FY2024 and FY2024 were mainly attributable by the revaluation of investment properties in Oriental University City Holdings (H.K.) Limited ("OUCHK"). The fair value loss on investment properties was offset by increase in fair value of investment properties in Trophy Land Global Limited, Thailand ("TLG") and Raffles College of Design and Business (Private) Limited, Sri Lanka ("RUSL").

Fair value loss on investment properties of \$4.4 million for 2nd half FY2023 and FY2023 were mainly attributable by the revaluation of investment properties in OUCHK and RU. The fair value loss on investment properties was offset by increase in fair value of investment properties in TLG and RUSL.

(8) Share of results of associates

Increase in share of results of associate in 2nd half FY2024 and FY2024 was mainly due to the loss incurred by Axiom, an associate of OUCHK in FY2024. Axiom is listed on Australian Securities Exchange (ASX: AXI).

(9) Foreign exchange gain

The foreign exchange gain in 2nd half FY2024 was mainly due:

- (a) During periods when Malaysia Ringgit strengthened against Singapore Dollar for foreign currency denominated financial liabilities; and
- (b) During periods when Renminbi strengthened against Singapore Dollar for foreign currency denominated financial assets.

The foreign exchange gain in FY2024 was mainly due:

- (a) During periods when Singapore Dollar strengthened against Renminbi and United States Dollar for foreign currency denominated financial liabilities;
- (b) During periods when Renminbi strengthened against Singapore Dollar for foreign currency denominated financial assets; and
- (c) During periods when Malaysia Ringgit and Thai Baht strengthened against Singapore Dollar for foreign currency denominated financial liabilities.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS AND 12 MONTHS ENDED 30 JUNE 2024 (CONTINUED)

(10) Foreign exchange loss

The foreign exchange loss in 2nd half FY2024 and FY2024 were mainly due to:

- (a) During periods when Singapore Dollar weakened against Renminbi and United States Dollar for foreign currency denominated financial liabilities; and
- (b) During periods when Singapore Dollar strengthened against Malaysia Ringgit and Thai Baht for foreign currency denominated financial liabilities.

(11) Income tax & deferred tax credit/(expense)

2H FY24 vs 2H FY23 and FY24 vs FY23

Decrease in income tax expenses and deferred tax net expenses to \$0.9 million for 2nd half FY2024 from \$6.2 million for 2nd half FY2023 and to \$1.4 million for FY2024 from \$7.1 million for FY2023 was due to:

- (a) Recognition land appreciation tax by OUCHK arising from disposal of investment properties located in Oriental University City, Langfang Development Zone, Hebei, the People's Republic of China in FY2023; and
- (b) Increase in deferred tax credit by OUCHK arising from fair value loss on investment properties in FY2024.

(12) Currency translation differences

2H FY24 vs 2H FY23 and FY24 vs FY23

Currency translation differences for 2nd half FY2024 of \$13.2 million gain and for FY2024 of \$9.6 million gain (mainly due to Chinese Renminbi strength against Singapore Dollar) arose from the consolidation of operations and translation of net asset values in China.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (AS AT 30 JUNE 2024 AND 30 JUNE 2023)

- (13) Decrease in property, plant and equipment (“PPE”) to \$468.8 million in FY2024 from \$475.3 million in FY2023 was mainly due to:
- (a) Depreciation charge for PPE amounting to \$14.5 million;
- Offset by:
- (b) Additions of \$6.6 million; and
 - (c) Foreign currency translation movement of \$1.4 million.
- (14) Decrease in right-of-use assets (“ROU”) to \$11.7 million in FY2024 from \$12.6 million in FY2023 was mainly due to:
- (a) Amortisation charge for ROU amounting to \$3.3 million; and
- Offset by:
- (b) Additions of \$2.6 million.
- (15) Decrease in investment properties to \$351.3 million in FY2024 from \$381.9 million in FY2023 was mainly due to:
- (a) Reclassification of property in Langfang by Oriental University City Holdings (H.K.) Limited (“OUCHK”) of \$20.7 million as non-current asset held for sale;
 - (b) Fair value loss on investment properties of \$14.5 million; and
- Offset by:
- (c) Foreign currency translation movement of \$3.1 million.
- (16) Decrease in investment in subsidiaries is mainly due to derecognition of investment in 4 Vallees Pte Ltd (“4 Vallees”) as the Company had completed the disposal of its entire 75.39% of issued share capital in 4 Vallees in FY2024.
- (17) Decrease in investment in associates is mainly due to loss incurred by Axiom, an associate of OUCHK in FY2024.
- (18) The other receivables balances are mainly in relation of progressive payments for the acquisition of investment properties in Mongolia and prepayment for refurbishment and construction works of investment properties by OUCHK.
- Decrease in non-current other receivables to \$8.4 million in FY2024 from \$14.5 million in FY2023 was mainly due to revision of contract terms which resulted in a refund of prepayment for refurbishment and construction works of investment properties by OUCHK.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (AS AT 30 JUNE 2024 AND 30 JUNE 2023) (continued)

(19) Current trade and other receivables breakdown as follows:

	30/06/24 \$'000	30/06/23 \$'000
Current trade receivables:		
Third parties, (net) ^(a)	5,396	3,394
Current other receivables:		
Third parties	947	931
Prepayments	5,147	5,127
Deposits ^(b)	3,386	4,782
Joint ventures	18,661	18,914
Tax recoverable	73	165
Others	221	264
	28,435	30,183
Total current trade and other receivables	33,831	33,577

(a) Increase in trade receivables was mainly in relation of education facilities leasing and commercial leasing in OUCHK which majority of trade receivables are current.

(b) Decrease in deposits is mainly due to expense off deposit for consultancy service in Oriental University City (Cayman) Limited ("OUCCY").

(20) Current trade and other payables breakdown as follows:

	30/06/24 \$'000	30/06/23 \$'000
Current trade payables:		
Third parties	2,546	2,291
Current other payables:		
Other accruals ^(a)	14,347	12,791
Accruals for property and land use tax	4,714	4,577
Accruals for business tax ^(b)	2,770	4,706
Accruals for capital expenditure	1,834	1,203
Amount due to a Director	6,011	-
Deposit received from non-current asset held for sale ^(c)	20,837	-
Payable for purchase of Campus Facilities by Boustead College ("BC") ^(d)	-	7,029
Payable for acquisition of 35.9% equity interest in Hezhong ^(e)	-	1,138
Other payables ^(f)	21,371	18,921
	71,884	50,365
Total current trade and other payables	74,430	52,656

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (AS AT 30 JUNE 2024 AND 30 JUNE 2023) (continued)

- (a) Increase in other accruals is mainly due to increase in professional fees and increase in the commission fee payable to agents for enrolment of new students.
 - (b) Decrease in accruals for business tax was mainly due to payment of expenses payable upon the receipt of proceeds from the sale of Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd. of RMB11.9 million (\$2.2 million) during the year.
 - (c) The deposit received from non-current assets held for sale of RMB110.0 million (\$20.8 million) is in relation to sale of property in Langfang by OUCHK.
 - (d) The amount payable for purchase of Campus Facilities by BC has been fully paid during the year.
 - (e) The amount payable for acquisition of 35.9% equity interest in Hezhong has been fully paid during the year.
 - (f) Increase in other payables is mainly due to:
 - i. Increase in student scholarship and bursary received by Wanbo from the government which will be disbursed to students;
 - ii. Increase in payables to vendors mainly attributable to other operating expenses and construction projects.
- (21) Decrease in total borrowings to \$225.3 million in FY2024 from \$275.5 million in FY2023 was mainly due to:
- (a) Repayment of borrowings of \$64.6 million; and
 - (b) Offset by drawdown of bank borrowings of \$9.8 million.
- The Group's net gearing ratio decreased from 36% in FY2023 to 33% in FY2024 was calculated by net borrowing divided by equity.
- (22) Net current liabilities as at 30 June 2024 mainly due to non-refundable course fees received in advance of \$21.8 million which will be recognised as revenue in FY2025.
- The Group's current ratio increased to 0.90 in FY2024 from 0.59 in FY2023 was calculated by current assets divided by current liabilities.
- (23) Decrease in non-current trade and other payables to \$5.0 million in FY2024 from \$9.6 million in FY2023 was mainly due to repayment for advance from third party in OUCCY.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (AS AT 30 JUNE 2024 AND 30 JUNE 2023) (continued)

(24) Deferred tax liabilities breakdown for FY2024 as follows:

	Accelerated tax depreciation on PPE \$'000	Fair value adjustment on investment properties \$'000	Divestment of land and properties \$'000	Others \$'000	Total \$'000
Balance at 1 July 2023	2,047	42,493	20,474	(82)	64,932
Reclassification	36	-	-	(36)	-
Credited to profit or loss	(71)	(1,956)	-	(40)	(2,067)
Foreign currency realignment	21	378	253	(1)	651
Balance at 30 June 2024	2,033	40,915	20,727	(159)	63,516

(25) Non-controlling interests as at 30 June 2024 represent mainly the non-controlling shareholders' equity interests in Oriental University Holdings (H.K.) Limited.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

COMMENTARY ON THE GROUP STATEMENT OF CASHFLOWS

(26) Net cash from operating activities amounted to \$19.4 million.

(27) Major contributors of cash inflows were:

- (a) Decrease in restricted bank balance pledged and restricted cash of \$32.1 million;
- (b) Drawdown of bank borrowings of \$9.8 million;
- (c) Advance received from a director \$6.0 million;
- (d) Deposit received from non-current asset held for sale of \$20.7 million; and
- (e) Refund from advance payment for investment properties of \$8.4 million.

(28) Major cash outflows were for:

- (a) Repayment of bank borrowings of \$64.6 million;
- (b) Payments for property, plant & equipment of \$13.5 million;
- (c) Repayment of advance from third party of \$4.8 million;

(29) The Group's cash position was \$29.4 million at the end of FY2024 (FY2023: \$24.2 million).

OTHER DISCLOSURE

The amounts due to the Group by 4 Vallees Pte Ltd ("4 Vallees") (other than the OUCHK) amounted to CHF 6,054,391 as at 30 June 2024 (approximately \$9,144,552 million based on an exchange rate CHF1.00:S\$1.51040). These amounts represent amounts due to the Group of CHF 6,406,701 (other than the OUCHK) owing by 4 Vallees, which were netted against amounts due from the Group of CHF 352,310 (other than OUCHK) to 4 Vallees.

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast was made. The Group's operations are generally in line as stated in F 4 of the Group's results announcement for the financial period ended 31 December 2023.

4 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The economic and geo-political uncertainty will influence our recruitment of foreign students.

The challenging global education landscape, with increasing competition and increasing restrictive policies in the countries that we operate in will continue to affect the Group.

Prevailing interest rate environment continue to influence our cost of borrowing and increasing currency volatility will continue to affect the Group.

The Group continues to streamline and restructure its operations for better cost management and improvement in efficiency.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

5 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6 If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the 12 months ended 30 June 2024 in order to preserve the Group's working capital.

7 If the Company has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the SGX-ST Listing Manual. If no IPT mandate has been obtained, a statement to that effect

Not applicable as the Group does not have in place a general mandate for interested person transactions.

8 Negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual. (Not required for announcement of full year results)

Not Applicable.

9 Confirmation that the company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual

The Board confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

10 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

11 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Doris Chung Gim Lian	55	Spouse of Mr. Chew Hua Seng, Chairman and CEO of Raffles Education Limited ("RE")	Director of Operations since 1 st September 2018	Nil
Chew Han Wei	34	Son of Mr. Chew Hua Seng, Chairman and CEO of RE	Vice President (Europe & India Operations since 1 st Dec 2017)	Nil
Chew Han Qiang	31	Son of Mr. Chew Hua Seng, Chairman and CEO of RE	Vice President (Thailand) since 1 st Nov 2019	Nil

BY ORDER OF THE BOARD

Chew Hua Seng
Chairman
23 August 2024