

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2024

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

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note (Page 17- 19)	Group		
		First half ended 31 Dec 2024 \$'000	First half ended 31 Dec 2023 \$'000	Change %
Revenue		56,551	56,752	NM
Other operating income	F 2.1	3,082	1,432	115%
Personnel expenses	F 2.2	(22,966)	(20,694)	11%
Other operating expenses	F 2.3	(19,021)	(17,332)	10%
Finance costs	F 2.4	(8,756)	(10,441)	-16%
Depreciation and amortisation expenses		(9,265)	(8,868)	4%
Share of results of associates	F 2.5	60	(159)	-138%
Operating (loss)/profit before income tax		(315)	690	-146%
Foreign exchange gain	F 2.6	32,040	10,592	203%
Foreign exchange loss	F 2.7	(21,227)	(9,299)	128%
Profit before income tax		10,498	1,983	429%
Income tax expense	F 2.8	(5,189)	(513)	912%
Deferred tax credit	F 2.8	2,049	11	NM
Profit after tax		7,358	1,481	397%
Other comprehensive loss Items that may be reclassified subsequently to profit or loss:				
Currency exchange differences arising on translating foreign operations	F 2.9	(7,771)	(3,606)	116%
Total comprehensive loss		(413)	(2,125)	-81%
Attributable to:				
Equity holders of the Company		7,719	2,104	267%
Non-controlling interests		(361)	(623)	-42%
Net income		7,358	1,481	397%
Attributable to:				
Equity holders of the Company		559	(1,171)	-148%
Non-controlling interests		(972)	(954)	2%
Total comprehensive loss		(413)	(2,125)	-81%
Earnings per share for profit for the period attributable to the owners of the Company during the period:				
Basic (cents)		0.56	0.15	273%
Diluted (cents)		0.56	0.15	273%

Condensed Interim Statements of Financial Position

UNAUDITED STATEMENTS OF FINANCIAL POSITION	Note (Page 20 - 22)	Group		Company	
		31 Dec 2024 \$'000	30 June 2024 \$'000	31 Dec 2024 \$'000	30 June 2024 \$'000
Non-current assets					
Property, plant and equipment		468,487	468,799	255	272
Right-of-use assets	F 2.10	10,193	11,738	-	-
Investment properties		348,707	351,288	-	-
Investment in subsidiaries		-	-	419,530	419,375
Investment in joint venture		-	-	-	-
Investment in associates	F 2.11	2,911	2,499	-	-
Intangible assets		101,319	102,086	70	74
Deferred tax assets		489	479	-	-
Other receivables	F 2.12	1,365	8,400	53,533	58,901
Restricted bank balances		2,115	2,115	-	-
		935,586	947,404	473,388	478,622
Current assets					
Inventories		62	57	-	-
Trade and other receivables	F 2.13	40,591	33,831	339,052	365,300
Cash and bank balances		32,064	29,686	86	143
		72,717	63,574	339,138	365,443
Non-current assets held for sale	F 2.14	73,294	89,104	-	-
		146,011	152,678	339,138	365,443
Less:					
Current liabilities					
Trade and other payables	F 2.15	51,166	74,430	395,686	432,656
Course fees received in advance	F 2.16	42,806	21,805	-	-
Education facilities rental service fees received in advance	F 2.17	1,195	522	-	-
Income tax payable		14,888	14,931	51	51
Borrowings	F 2.18	46,690	54,432	4,183	14,135
Lease liabilities		2,094	3,339	-	-
		158,839	169,459	399,920	446,842
Net current liabilities	F 2.19	(12,828)	(16,781)	(60,782)	(81,399)
Less:					
Non-current liabilities					
Other payables		5,330	5,030	-	-
Borrowings	F 2.18	165,430	170,839	53,630	36,326
Lease liabilities		9,240	9,382	-	-
Deferred tax liabilities	F 2.20	61,192	63,516	-	-
		241,192	248,767	53,630	36,326
Net assets		681,566	681,856	358,976	360,897
Equity					
Share capital		554,599	554,599	554,599	554,599
Treasury shares		(36,398)	(37,798)	(36,398)	(37,798)
Accumulated profits/(losses) and other reserves		72,460	73,178	(159,225)	(155,904)
Equity attributable to equity holders of the Company		590,661	589,979	358,976	360,897
Non-controlling interests	F 2.21	90,905	91,877	-	-
Total equity		681,566	681,856	358,976	360,897

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 payments reserve	Accumulated profits	Total			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
FY2025												
Balance at 1 Jul 2024	554,599	(37,798)	8,304	(1,652)	5,150	(57,819)	2,642	116,553	589,979		91,877	681,856
Total comprehensive loss	-	-	-	-	-	(7,160)	-	7,719	559		(972)	(413)
Share-based payment	-	1,400	-	(1,277)	-	-	-	-	123		-	123
Balance at 31 Dec 2024	554,599	(36,398)	8,304	(2,929)	5,150	(64,979)	2,642	124,272	590,661		90,905	681,566
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	-	-	-	-	-	(3,275)	-	2,104	(1,171)		(954)	(2,125)
Issuance of ordinary shares	262	-	-	-	-	-	-	-	262		-	262
Share-based payment	-	1,019	-	(895)	-	-	-	-	124		-	124
Balance at 31 Dec 2023	554,599	(37,798)	8,304	(1,653)	5,150	(70,392)	2,642	138,326	599,178		94,908	694,086
COMPANY	Share capital	Treasury shares	Treasury shares reserve	Convertible bonds reserve	Share-based payment reserve	Accumulated losses	Total equity					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000					
FY2025												
Balance at 1 Jul 2024	554,599	(37,798)	(1,652)	5,150	2,642	(162,044)	360,897					
Total comprehensive loss	-	-	-	-	-	(2,044)	(2,044)					
Share-based payment	-	1,400	(1,277)	-	-	-	123					
Balance at 31 Dec 2024	554,599	(36,398)	(2,929)	5,150	2,642	(164,088)	358,976					
FY2024												
Balance at 1 Jul 2023	554,337	(38,817)	(758)	5,150	2,642	(154,349)	368,205					
Total comprehensive loss	-	-	-	-	-	(3,998)	(3,998)					
Issuance of ordinary shares	262	-	-	-	-	-	262					
Share-based payment	-	1,019	(895)	-	-	-	124					
Balance at 31 Dec 2023	554,599	(37,798)	(1,653)	5,150	2,642	(158,347)	364,593					

Condensed Interim Consolidated Statement of Cash Flows

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS	Note (Page 23)	First half ended 31 Dec 2024 \$'000	First half ended 31 Dec 2023 \$'000
Operating activities			
Profit before income tax		10,498	1,983
Adjustments for:			
Depreciation for property, plant and equipment		7,430	7,250
Amortisation for right-of-use assets		1,724	1,509
Reversal of loss allowance on trade receivables		(51)	(20)
Amortisation of intangible assets		111	109
Bad trade receivables written off		134	12
Finance costs		8,756	10,441
Interest income		(98)	(1,126)
Gain on disposal of property, plant and equipment		(3)	-
Loss on disposal of right-of-use assets		-	3
Property, plant and equipment written off		-	9
Loss on disposal of non-current asset held for sale		1,098	-
Gain on lease modification		-	(4)
Gain on compensation from termination on acquisition of investment properties		(768)	-
Share of results of associates		(60)	159
Unrealised foreign exchange gain, net		(13,547)	(2,235)
Operating cash flows before working capital changes		15,224	18,090
Working capital changes:			
Inventories		(4)	2
Trade and other receivables		(1,268)	7,558
Course fees received in advance		20,505	16,025
Education facilities rental service received in advance		732	151
Trade and other payables		(5,487)	(2,689)
Cash generated from operations		29,702	39,137
Interest paid		(7,867)	(8,021)
Interest received		98	1,125
Income and withholding taxes paid		(4,909)	(1,512)
Net cash generated from operating activities	F 2.22	17,024	30,729
Investing activities			
Additions for development cost and computer software		-	(3)
Additions of investment properties		(405)	(1,197)
Additions of right-of-use assets		(1)	-
Advance receipts from disposal of non-current assets held for sale	F 2.23	3,608	-
Payments for property, plant and equipment	F 2.24	(2,203)	(8,374)
Proceeds from disposal of property, plant and equipment		3	1
Proceeds from disposal of right-of-use assets		-	1
Refund from advance payment of investment properties	F 2.23	1,606	-
Net cash generated from/(used in) investing activities		2,608	(9,572)

Condensed Interim Consolidated Statement of Cash Flows (continued)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS	Note (Page 23)	First half ended 31 Dec 2024 \$'000	First half ended 31 Dec 2023 \$'000
Financing activities			
Decrease in bank balances pledged and restricted cash, net		312	18,886
Proceeds from issuance of non-convertible bonds	F 2.23	16,250	-
(Repayment of loan to)/Loan from a director - net	F 2.24	(1,015)	2,145
Repayment of advance from third party		-	(3,666)
Drawdown of bank borrowings	F 2.23	3,259	9,738
Repayment of bank borrowings	F 2.24	(33,918)	(36,355)
Repayment of principal portion of lease liabilities	F 2.24	(1,752)	(1,436)
Repayment of interest portion of lease liabilities	F 2.24	(73)	(337)
Net cash used in financing activities		(16,937)	(11,025)
Net change in cash and cash equivalents		2,695	10,132
Cash and cash equivalents at beginning of financial period		29,369	24,206
Cash and cash equivalents at end of financial period – Note A	F 2.25	32,064	34,338

Note A:

	Note (Page 23)	First half ended 31 Dec 2024 \$'000	First half ended 31 Dec 2023 \$'000
Cash and cash equivalents			
<u>Current</u>			
Fixed deposits with banks		15	13,286
Cash and bank balances		32,049	34,338
Restricted bank balances		-	-
<u>Non-current</u>			
Restricted bank balances		2,115	2,164
Cash and bank balances in the statement of financial position		34,179	49,788
Less: pledged deposits and restricted bank balances		(2,115)	(15,450)
Cash and cash equivalents in the statement of cash flow	F 2.25	32,064	34,338

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 half year ended 31 December 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 2024.

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 31 December 2024, the Group's and the Company's current liabilities exceeded its current assets by \$12.8 million and \$60.8 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 \$44.0 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, non-convertible, 5-year 10.5% unsecured bonds ("Bonds") of up to an aggregate principal amount of \$20.0 million on 24 July 2024. During the financial period, \$12.5 million Bonds were issued to First Tranche Subscribers, \$3.0 million Bonds were issued to Second Tranche Subscribers and \$0.8 million Bonds were issued to Third Tranche Subscribers. A total \$16.3 million 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)

2 Basis of Preparation (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 2024.

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 are 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				
	First half ended 31 Dec 2024				
	Education	Education Facilities Rental Service	Education Real Estate Investment & Development	Corporate & Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	51,612	4,168	771	-	56,551
Inter-segment revenue	4,894	533	51	1,718	7,196
Interest income	89	5	4	-	98
Gain on disposal of property, plant and equipment	-	3	-	-	3
Loss on disposal of non-current asset held for sale	-	(1,098)	-	-	(1,098)
Finance cost	(915)	(1,592)	(184)	(6,065)	(8,756)
Depreciation and amortisation	(6,555)	(411)	(2,278)	(21)	(9,265)
Share of results from associates	(3)	63	-	-	60
Reportable segment profit/(loss) before income tax	18,807	(3)	(3,207)	(5,099)	10,498
Net profit/(loss) for the financial period	18,465	(2,577)	(3,431)	(5,099)	7,358
<u>Other information:</u>					
Additions to property, plant and equipment	2,715	1	3	-	2,719
Additions to investment properties	-	405	-	-	405
Additions to right-of-use assets	174	-	-	-	174
Investment in associates	373	5,271	-	-	5,644
Segment assets	390,398	244,990	224,378	82,933	942,699
Segment liabilities	(87,512)	(31,241)	(47,905)	(157,293)	(323,951)

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

4.1 Reportable Segments (continued)

	Group				
	First half ended 31 Dec 2023				
	Education	Education Facilities Rental Service	Education Real Estate Investment & Development	Corporate & Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	51,657	4,500	595	-	56,752
Inter-segment revenue	227	529	802	2,209	3,767
Interest income	214	2	909	-	1,125
Finance cost	(2,025)	(1,524)	(419)	(6,473)	(10,441)
Depreciation and amortisation	(6,118)	(418)	(2,311)	(21)	(8,868)
Share of results from associates	(18)	(141)	-	-	(159)
Reportable segment profit/(loss) before income tax	11,974	(351)	(2,603)	(7,037)	1,983
Net profit/(loss) for the financial period	11,537	(451)	(2,469)	(7,136)	1,481
<u>Other information:</u>					
Additions to property, plant and equipment	3,856	12	84	302	4,254
Additions to investment properties	-	899	-	-	899
Additions to intangible assets	-	-	-	3	3
Additions to right-of-use assets	242	-	-	-	242
Investment in associates	195	3,036	-	-	3,231
Segment assets	384,394	279,103	229,952	80,139	973,588
Segment liabilities	(107,929)	(47,610)	(34,254)	(164,848)	(354,641)

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

4.2 Disaggregation of Revenue

Operating Segment	Group				
	First half ended 31 Dec 2024				
		Education	Real Estate	Corporate	Total
		Facilities Rental	Investment &	&	
	Education	Service	Development	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Course fee	45,441	-	-	-	45,441
Rental income from investment properties	-	4,168	771	-	4,939
Student accommodation fee	1,537	-	-	-	1,537
Canteen operation	792	-	-	-	792
Other fees	3,842	-	-	-	3,842
Total revenue	51,612	4,168	771	-	56,551
Geographical information	ASEAN	North Asia	South Asia	Europe	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Course fee	23,807	20,522	112	1,000	45,441
Rental income from investment properties	-	4,290	-	649	4,939
Student accommodation fee	-	1,537	-	-	1,537
Canteen operation	757	35	-	-	792
Other fees	3,563	279	-	-	3,842
Total revenue	28,127	26,663	112	1,649	56,551
Operating Segment	Group				
	First half ended 31 Dec 2023				
	Education	Real Estate	Corporate	Total	
	Facilities Rental	Investment &	&		
	Education	Service	Development	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Course fee	46,709	-	-	-	46,709
Rental income from investment properties	-	4,500	595	-	5,095
Student accommodation fee	1,583	-	-	-	1,583
Canteen operation	571	-	-	-	571
Other fees	2,794	-	-	-	2,794
Total revenue	51,657	4,500	595	-	56,752
Geographical information	ASEAN	North Asia	South Asia	Europe	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Course fee	21,143	24,078	211	1,277	46,709
Rental income from investment properties	-	4,609	-	486	5,095
Student accommodation fee	-	1,583	-	-	1,583
Canteen operation	514	57	-	-	571
Other fees	2,280	514	-	-	2,794
Total revenue	23,937	30,841	211	1,763	56,752

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

5 Financial assets and financial liabilities

	Group		Company	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<u>Financial Assets</u>				
Trade and other receivables (excluding prepayments & value added tax recoverable)	36,522	35,298	392,536	424,167
Cash and cash equivalents	34,179	31,801	86	143
<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)	45,317	51,139	395,686	432,656
Borrowings	212,120	225,271	57,813	50,461
Lease liabilities	11,334	12,721	-	-

6 Profit before taxation

	First half ended 31 Dec 2024 \$'000	First half ended 31 Dec 2023 \$'000
<u>Included in Other Operating Income</u>		
Interest income	98	1,126
Government grant	18	38
Gain on disposal of property, plant and equipment	3	-
Reversal of loss allowance on trade receivables	51	20
<u>Included in Other Operating Expenses</u>		
Loss on disposal of right-of-use assets	-	(3)
Trade receivables written off	(134)	(12)
Lease expenses	(196)	(349)
Property, plant and equipment written off	-	(9)
Loss on disposal of non-current asset held for sale	(1,098)	-

ADJUSTED EBITDA	First half ended 31 Dec 2024 \$'000	First half ended 31 Dec 2023 \$'000
Profit after tax	7,358	1,481
<u>Add/(less):</u>		
Government grant	(18)	(38)
Finance costs	8,756	10,441
Net income tax and deferred tax expense	3,140	502
Depreciation and amortisation	9,265	8,868
Net foreign exchange gain	(10,813)	(1,293)
Property, plant and equipment written off	-	9
Gain on disposal of property, plant and equipment	(3)	-
Adjusted EBITDA	17,685	19,970

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

7 Taxation

The Group calculates income tax expense for the period ended 31 December 2024 using tax rate that would be 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:

	First half ended 31 Dec 2024 \$'000	First half ended 31 Dec 2023 \$'000
<u>Income tax expense</u>		
Current financial period	(5,189)	(632)
Overprovision of income tax expense in prior financial periods	-	119
<u>Deferred tax credit</u>		
Current financial period	2,049	11

8 Net asset value

	Group		Company	
	As at 31 Dec 2024 \$	As at 30 Jun 2024 \$	As at 31 Dec 2024 \$	As at 30 Jun 2024 \$
Net asset value to equity holders of the Company (million)	590.661	589.979	358.976	361.897
Net asset value per ordinary share (cents)	42.48	42.52	25.82	26.01

The calculation of net asset value per ordinary share was based on 1,390,461,472 shares (excluding treasury shares) as at 31 Dec 2024 (30 Jun 2024: 1,387,646,472).

9 Property, plant and equipment

During the period, the Group acquired assets amounting to \$2,719,000 (31 Dec 2023: \$4,254,000).

10 Investment Properties

	Group	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Beginning of financial period/year	351,288	381,908
Additions	405	1,569
Transfer to non-current assets held for sale	(4,302)	(20,722)
Fair value loss recognised in profit or loss, net	-	(14,518)
Currency translation differences	1,316	3,051
Balance at end of financial period/year	348,707	351,288

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.

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

10 Investment Properties (continued)

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	3.4% - 8.0% per annum (2024: 3.4% - 8.0% per annum)	Increase in capitalisation rate would result in lower fair value.
	Monthly rental rate	\$3.3 - \$70.5 per sqm (2024: \$3.3 - \$70.5 per sqm)	Increase in monthly rental rate would result in higher fair value.
Direct comparison approach	Price per square metre	\$111.3 - \$1,203.6 per sqm (2024: \$111.3 - \$1,203.6 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 2024	100,450	2,281	2,826	133	105,690
Write off	-	-	-	(18)	(18)
Currency translation differences	(729)	100	109	(1)	(521)
At 31 Dec 2024	99,721	2,381	2,935	114	105,151

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 2024	-	695	2,804	105	3,604
Amortisation	-	93	5	13	111
Write off	-	-	-	(18)	(18)
Currency translation differences	-	28	108	(1)	135
At 31 Dec 2024	-	816	2,917	99	3,832
Carrying amount					
At 31 Dec 2024	99,721	1,565	18	15	101,319
Company					
			Trademarks & licenses \$'000	Computer software \$'000	Total \$'000
Cost					
At 1 Jul 2024 and 31 Dec 2024			228	51	279
Accumulated amortisation & impairment					
At 1 Jul 2024			170	35	205
Amortisation			-	4	4
At 31 Dec 2024			170	39	209
Carrying amount					
At 31 Dec 2024			58	12	70

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%
- Terminal growth rate range from 2.0% to 3.4%

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

12 Borrowings

	Group	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<u>Amount repayable in one year or less, or on demand:</u>		
Secured ^{1,2,3}	46,563	54,217
Unsecured	127	215
	46,690	54,432
<u>Amount repayable after one year:</u>		
Secured ^{1,2,3}	111,800	134,513
Unsecured convertible bonds	37,380	36,308
Unsecured non-convertible bonds	16,250	-
Unsecured	-	18
	165,430	170,839
Total borrowings	212,120	225,271
RE Company	57,813	50,461
RE Group (exclude RE Company, OUCHK Group, Hong Kong GEM listed)	106,381	119,824
OUCHK Group (75% owned by RE)	47,926	54,986
Total borrowings	212,120	225,271

Details of securities

1. Property mortgage loans of \$139,813,000.
2. Bank borrowings of \$14,494,000 were secured by certain properties in Switzerland and restricted bank balances of \$2,115,000.
3. Bank borrowing of \$4,056,000 was secured on shares of a subsidiary and a director's personal guarantee.

13 Share Capital

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

The total number of issued shares was 1,390,461,472 (excluding treasury shares) as at 31 December 2024 (30 June 2024: 1,387,646,472). The increase was due to transfer of 2,815,000 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 2024.

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

13 Share Capital (continued)

There was a decrease to 73,185,300 treasury shares as at 31 December 2024 (30 June 2024: 76,000,300) following the transfer of 2,815,000 treasury shares as mentioned above.

As at 31 December 2024, there was unexercised share option for 1,780,000 unissued ordinary shares (30 June 2024: 1,780,000) under the Raffles Education Corporation Employees' Share Option Scheme (Year 2011).

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 31 December 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 6-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 HALF YEAR ENDED 31 DECEMBER 2024

(1) Other operating income

Increase in other operating income to \$3.1 million for 1st half FY2025 from \$1.4 million for 1st half FY2024 was mainly due to:

- (a) Compensation for termination of RMB4.2 million (approximately \$0.8 million) on acquisition of investment properties in Mongolia by Oriental University Holdings (H.K.) Limited ("OUCHK") from Misheel Lifestyle LLC; and
- (b) Deposits received of USD1.5 million (approximately \$2.1 million) for the Group's sale of shares in associate have been forfeited by the buyer upon cancellation of the sales and purchase agreement (refer F 2.15c below); and

Offset by:

- (c) Decrease in interest income received from matured fixed deposits pledged with bank.

(2) Personnel expenses

Increase in personnel expenses to \$23.0 million for 1st half FY2025 from \$20.7 million for 1st half FY2024 was due to increase in staff headcount and increase in average staff salary.

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

COMMENTARY ON THE GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(3) Other operating expenses

Increase in other operating expenses to \$19.0 million in 1st half FY2025 from \$17.3 million in 1st half FY2024 were mainly due to:

- (a) Loss on disposal of non-current asset held for sale in 1st half by OUCHK; and
- (b) Increase in camp expenses as a result of increase in participants.

(4) Finance costs

Decrease in finance costs to \$8.8 million for 1st half FY2025 from \$10.4 million for 1st half FY2024 were mainly due to:

- (a) Decrease in interest expenses incurred by Raffles Assets (Singapore) Pte Ltd as a result of repayments of borrowing and decrease in average borrowing rate to 5.8% in 1st half FY2025 from 6.2% in 1st half FY2024 which arose due to decrease in SORA rate; and
- (b) Decrease in interest expenses incurred by Raffles K12 Sdn Bhd and Raffles Iskandar Sdn Bhd as a result of repayments of borrowings to Affin Bank.

(5) Share of results of associates

Increase in share of results of associate to \$0.1 million for 1st half FY2025 from (\$0.2) million for 1st half FY2024 was mainly due to the profit generated by Axiom Properties Limited ("Axiom"), an associate of OUCHK in 1st half FY2025. Axiom is listed on Australian Securities Exchange (ASX: AXI).

(6) Foreign exchange gain

The foreign exchange gain in 1st half FY2025 were mainly due:

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

(7) Foreign exchange loss

The foreign exchange loss in 1st half FY2025 were mainly due:

- (a) During periods when Singapore Dollar strengthened against Renminbi for foreign currency denominated financial assets;
- (b) During periods when Singapore Dollar weakened against Renminbi and United States Dollar for foreign currency denominated financial liabilities; and
- (c) During periods when Singapore Dollar strengthened against Malaysia Ringgit 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 HALF YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(8) Income tax & deferred tax credit

Increase in income tax and deferred tax expense to \$3.1 million for 1st half FY2025 from \$0.5 million for 1st half FY2024 was mainly due to:

(a) Recognition of income tax expense and land appreciation tax by OUCHK arising from completion of sale of property located in Langfang; and

Offset by:

(b) Increase in deferred tax credit by OUCHK arising from sale of property located in Langfang.

(9) Currency translation differences

Currency translation differences for 1st half FY2025 of \$7.8 million loss (mainly due to Chinese Renminbi weaken 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 31 DECEMBER 2024 AND 30 JUNE 2024)

- (10) Decrease in right-of-use assets to \$10.2 million in 1st half FY2025 from \$11.7 million in FY2024 was mainly due to amortisation charge during the period.
- (11) Increase in investment in associates to \$2.9 million in 1st half FY2025 from \$2.5 million in FY2024 is mainly due foreign currency translation movement by Axiom, an associate of OUCHK in 1st half FY2025.
- (12) Non-current other receivables balances were mainly in relation of loan to an employee.

Decrease in non-current other receivables to \$1.4 million in 1st half FY2025 from \$8.4 million in FY2024 was mainly due to reclassification to current other receivables arising from the termination of OUCHK's acquisition of investment properties in Mongolia from Misheel Lifestyle LLC (refer F 2.13a below) and refund of prepayment for renovation of investment properties by OUCHK.

- (13) Current trade and other receivables breakdown as follows:

	31/12/24 \$'000	30/06/24 \$'000
Current trade receivables:		
Third parties, (net)	5,705	5,396
Current other receivables:		
Third parties ^(a)	7,726	947
Prepayments	5,316	5,147
Deposits	3,375	3,386
Joint ventures and associates	18,267	18,661
Tax recoverable	55	73
Others	147	221
	34,886	28,435
Total current trade and other receivables	40,591	33,831

- (a) Increase in amount owing from third parties was mainly due to termination payment of RMB 32.6 million (approximately \$6.1 million) of OUCHK's acquisition of investment properties in Mongolia was reclassified from non-current other receivables to current other receivables (refer F 2.12 above).

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

COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (AS AT 31 DECEMBER 2024 AND 30 JUNE 2024) (CONTINUED)

(14) Decrease in non-current assets held for sale to \$73.3 million in 1st half FY2025 from \$89.1 million in FY2024 was due to the completion of sale of property in Langfang by OUCHK.

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

	31/12/24 \$'000	30/06/24 \$'000
Current trade payables:		
Third parties	2,758	2,546
Current other payables:		
Other accruals ^(a)	13,612	14,347
Accruals for property and land use tax	4,740	4,714
Accruals for business tax	2,810	2,770
Accruals for capital expenditure	2,122	1,834
Amount due to a Director	5,099	6,011
Deposit received from non-current assets held for sale ^(b)	3,629	20,837
Other payables ^(c)	16,396	21,371
	48,408	71,884
Total current trade and other payables	51,166	74,430

(a) Decrease in other accruals was mainly due to payments made to students' admission expenses and payments of accrued interest on borrowings. The decrease in other accruals was offset by the increase in the commission fees payable to agents for enrolment of new students and increase in management fees payable to joint venture university.

(b) The deposit received from non-current assets held for sale of RMB19.3 million (approximately \$3.6 million) in 1st half FY2025 was in relation to proposed sale of properties by OUCHK and Oriental University City (Cayman) Limited's Group ("OUCCY").

The deposit received from non-current assets held for sale of RMB110.0 million (approximately \$20.8 million) in FY2024 was in relation to sale of property by OUCHK. This sale was completed in 1st half FY2025.

(c) Decrease in other payables was mainly due to:

i. Decrease in student scholarship and bursary received by Wanbo Institute of Science & Technology ("Wanbo") as Wanbo has returned the over-allocated student scholarship to the government and disbursed student scholarship and bursary to the students; and

ii. Deposits received for the Group's sale of shares in associate have been forfeited by the buyer upon cancellation of the sales and purchase agreement (refer F 2.1b above).

(16) Increase in course fees received in advance to \$42.8 million in 1st half FY2025 from \$21.8 million in FY2024 was mainly due to annual fee collections from students in Tianjin University of Commerce Boustead College and Wanbo. This deferred income will be recognised as revenue over the next 2 financial quarters in FY2025.

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

COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (AS AT 31 DECEMBER 2024 AND 30 JUNE 2024) (CONTINUED)

(17) Increase in education facilities rental service fees received in advance to \$1.2 million in 1st half FY2025 from \$0.5 million in FY2024 was mainly due to collections of education facilities rental fees from third parties in OUCHK. This deferred income will be recognised as revenue over the next 2 financial quarters in FY2025.

(18) Decrease in total borrowings to \$212.1 million in 1st half FY2025 from \$225.3 million in FY2024 was mainly due to:

(a) Repayment of borrowings during the period of \$33.9 million; and

Offset by:

(b) Issuance of non-convertible bonds of \$16.3 million; and

(c) Drawdown of bank borrowings of \$3.3 million.

The Group's net gearing ratio decreased to 30% in 1st half FY2025 from 33% in FY2024 was calculated by net borrowing divided by equity.

(19) Net current liabilities as at 31 December 2024 was mainly non-refundable course fees received in advance of \$42.8 million and education facilities rental service fees received in advance of \$1.2 million which will be recognised as revenue over the following 2 quarters in the financial year of FY2025.

The Group's current ratio increased to 0.92 in 1st half FY2025 from 0.90 in FY2024 was calculated by current assets divided by current liabilities.

(20) Deferred tax liabilities breakdown for 1st half FY2025 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 Jul 2024	2,033	40,915	20,727	(159)	63,516
(Credited)/Charged to profit or loss	(45)	(1,921)	-	(83)	(2,049)
Reclassification	(16)	-	-	16	-
Foreign currency realignment	(2)	(74)	(191)	(8)	(275)
Balance at 31 Dec 2024	1,970	38,920	20,536	(234)	61,192

(21) Non-controlling interests for both 1st half FY2025 and FY2024 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

(22) Net cash from operating activities amounted to \$17.0 million.

(23) Major contributors of cash inflows were:

- (a) Advance receipts from disposal of non-current assets held for sale of \$3.6 million;
- (b) Refund from advance payment of investment properties of \$1.6 million;
- (c) Proceeds from issuance of non-convertible bonds of \$16.3 million; and
- (d) Drawdown of bank borrowings of \$3.3 million.

(24) Major cash outflows were for:

- (a) Repayment of bank borrowings of \$33.9 million;
- (b) Payments for property, plant and equipment of \$2.2 million;
- (c) Repayment of lease liabilities of \$1.8 million; and
- (d) Repayment of loan to a director of \$1.0 million.

(25) The Group's cash position was \$32.1 million at the end of 1st half FY2025 (1st half FY2024: \$34.3 million).

OTHER DISCLOSURE

The amounts due to the Group by 4 Vallees Pte Ltd ("4 Vallees") (other than the OUCHK) amounted to CHF2,818,777 as at 31 December 2024 (approximately \$4,258,045 based on an exchange rate CHF1.00:S\$1.51060). These amounts represent amounts due to the Group of CHF 3,142,228 (other than the OUCHK) owing by 4 Vallees, which were netted against amounts due from the Group of CHF 323,451 (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 item F 4 of the Group's results announcement for the financial year ended 30 June 2024.

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.

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 first half year ended 31 December 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)

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the financial results for half year ended 31 December 2024 to be false or misleading in any material aspect. A statement signed by two directors is on record.

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.

BY ORDER OF THE BOARD

**Chew Hua Seng
Chairman
12 February 2025**