



# EDUCATION

## WITHOUT BORDERS

ANNUAL REPORT 2024

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# LETTER TO SHAREHOLDERS

*Dear Shareholders,*

On behalf of the Board of Directors (the “Board”), I am pleased to present the Annual Report and Audited Accounts of Raffles Education Limited (the “Company”) together with its subsidiaries (the “Group”) for the financial year ended 30th June 2024.

As we reflect on the past year performance, I must address the significant challenges we have faced within the industry.

The landscape of education is evolving rapidly, influenced by technological advancements, changing student needs, geopolitics as well as external economic pressures. These shifts have presented unforeseen challenges that will have impact on our operation.

Despite these difficulties, I want to emphasize our unwavering dedication to our mission of Education without Borders as well as to provide quality education that empowers students all around the globe. We are actively fine tuning our strategies, refining our offerings, and exploring new opportunities to ensure our long-term viability. Looking ahead, we recognize the importance of adaptability. As technology continues to evolve, we are also committed to integrating digital tools that enhance learning experiences. Our goal is to empower educators and students alike, ensuring they are equipped to thrive in a dynamic world.

## **Performance Review of Financial Year Ended 30 June 2024**

We would like to take this opportunity to highlight to our valued shareholders that even though the Company’s net current liabilities exceeded our current assets by \$16.8 million for the financial year ended 30 June 2024, the Company has generated net cash from operating activities amounted to \$19.4 million during the financial year and has better cash position of \$29.4 million as at 30 June 2024. The Group has also taken prudent steps and actions by significantly lowering the Group’s overall gearing ratio to 33% from 36% during the financial period as compared to financial year ended 30 June 2023. Moving forward, we firmly believe that with the current management team that is focusing on running a tight ship, the Company will be in a better position in the years to come.

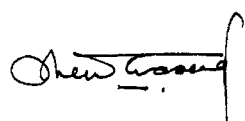
The Group also remains committed to effectively managing operating costs and business risks to stay competitive. While this period is undeniably difficult, I am confident and optimistic in our team’s resilience and our ability will navigate through these challenges. Together, we will work diligently for a better future for the Company and its dedicated staff and to deliver an excellent educational experience to our students.

## **Appreciation and acknowledgment**

I would like to express my sincere gratitude to my fellow members of the Board for their stewardship in assuring the highest standards of governance, supervision and direction on strategic matters that are essential to the Group.

To all of our shareholders and on behalf of the board of directors, I sincerely thank you for your confidence, trust, continuous support and belief in our vision throughout these years.

Sincerely,



Mr Chew Hua Seng  
Chairman and CEO





# CORPORATE PROFILE

**RafflesEducation** is a premier education Group.

Since establishing its first college in Singapore in 1990, **RafflesEducation** has grown to provide a full spectrum of education services through a vast network of 16 educational institutions across 9 countries in Asia Pacific and Europe: Cambodia, India, Indonesia, Italy, Malaysia, Saudi Arabia, Singapore, Thailand, and the People's Republic of China.

More than 22,683 students enrolled in **RafflesEducation**'s programmes benefit from a quality education that provides them with a well-rounded hands-on experience that is relevant to the industry.

The Group, through its Hong Kong Stock Exchange listed subsidiary, Oriental University City Holdings (H.K.) Ltd., leases education facilities to 10 educational institutions, offering a wide variety of vocational and technical courses, catering to a student population of 12,000.

## OUR VISION

Our vision is to be the premier education Group.

## OUR MISSION

We are committed to provide quality education and related services through our network of institutions.

## OUR VALUES & CULTURE

We provide a learning environment that leads to successful careers through educational experiences that promote:

- Social responsibility
- Professional excellence for employability
- Analytical thinking for problem solving
- Creativity to encourage innovation
- Entrepreneurship



Raffles Milano International Design Institute, Milan





Raffles University, Johor

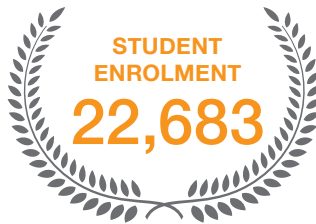


Raffles College of Higher Education, Singapore



Raffles Design International, Mumbai

# COMPANY HIGHLIGHTS & AWARDS



Singapore Good  
Design Awards  
(Fashion Education)  
2023

Singapore Good  
Design Awards  
(Sustainable  
Fashion  
Collection)  
2023

Singapore Good  
Design Awards  
(Design With(Out)  
Senses)  
2023

Super Golden  
Bull Awards  
2018

International  
Crown  
Awards  
2018

Influential  
Brands  
• Top Brand  
Private  
Education  
2018

World  
Branding  
Awards  
2017-18

World  
Branding  
Awards  
2016-17





LEADER IN  
DESIGN  
EDUCATION

GLOBAL  
PRESENCE  
IN ASIA AND  
EUROPE

SINGAPORE'S  
BEST  
EMPLOYER  
AWARD 2024

EXCELLENCE  
IN  
QUALITY

IAIR Best  
Company  
Awards  
2016

IAIR Best  
Company  
Awards  
2015

World  
Branding  
Awards  
2015

ESQR Quality  
Choice Prize  
2015

International Diamond  
Prize for Excellence  
in Quality Awards  
2015

International  
Star Quality  
Awards  
2014

Asian Couture  
Federation  
Awards  
2014



Milan



Riyadh



Mumbai



## REGIONAL INSIGHT

ORIENTAL  
UNIVERSITY CITY  
10 Educational Institutions



16

EDUCATIONAL  
INSTITUTIONS



14

CITIES



9

COUNTRIES



Tianjin

Hefei

Suzhou

Shanghai

Guangzhou

Bangkok

Phnom Penh

Kuala Lumpur

Johor

Singapore

Jakarta

# FINANCIAL HIGHLIGHTS

For the year ended 30 June (S\$'000)

2022

2023

2024

## Operating Results

Revenue	105,371	110,891	112,472
Profit/(loss)			
Adjusted EBITDA*	67,917	22,771	21,124
Operating	26,133	23,702	13,097
Before Tax	22,387	(1,861)	(22,562)
After Tax	7,771	(8,997)	(23,994)
Attributable to shareholders	9,612	(5,305)	(19,261)
Operating Cashflow	16,772	4,262	19,396
Earnings per Share (cents) - Basic	0.70	(0.38)	(1.39)
- Diluted	0.70	(0.38)	(1.39)
Shares used in calculating EPS (millions) - Basic	1,379	1,379	1,385
- Diluted	1,379	1,379	1,385

## Financial Position

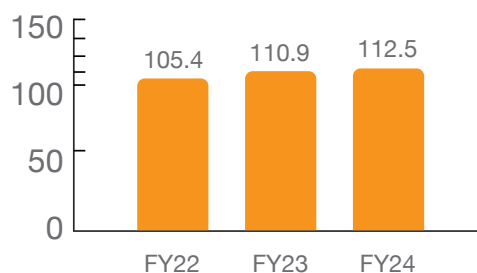
Issued Share Capital**	514,654	515,520	516,801
Shareholders Funds	675,168	599,963	589,979
Non-current Assets	1,164,119	991,823	947,404
Current Assets	116,742	158,216	152,678
Current Liabilities	275,324	269,797	169,459
Non-current Liabilities	220,314	184,417	248,767
Net Asset Value per Share (cents)	48.97	43.46	42.52

## Return On Shareholders Funds

Return on Equity (%)	1.4%	(0.9%)	(3.3%)
Net Profit/(Loss) Margin (%)	9.1%	(4.8%)	(17.1%)

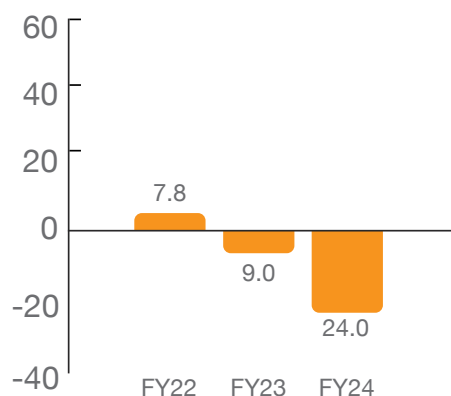
### Revenue

S\$ millions



### Net Profit/(Loss) After Tax

S\$ millions



Notes:

\* Net fair value gain/(loss) on investment properties and loss on disposal of investment properties were included in the adjusted EBITDA as the real estate investment and development segment is part of our core business.

\*\* Net of treasury shares.



**For the year ended 30 June (\$'000)**

**Operating Results**

	2023	2024	Change
Revenue	110,891	112,472	1.4%
Profit/(loss)			
Adjusted EBITDA*	22,771	21,124	(7.2%)
Operating	23,702	13,097	(44.7%)
Before Tax	(1,861)	(22,562)	NM
After Tax	(8,997)	(23,994)	166.7%
Attributable to shareholders	(5,305)	(19,261)	263.1%
Operating Cashflow	4,262	19,396	355.1%
Earnings per Share (cents) - Basic	(0.38)	(1.39)	265.8%
- Diluted	(0.38)	(1.39)	265.8%
Shares used in calculating EPS (millions) - Basic	1,379	1,385	0.4%
- Diluted	1,379	1,385	0.4%

**Financial Position**

Issued Share Capital**	515,520	516,801	0.2%
Shareholders Funds	599,963	589,979	(1.7%)
Non-current Assets	991,823	947,404	(4.5%)
Current Assets	158,216	152,678	(3.5%)
Current Liabilities	269,797	169,459	(37.2%)
Non-current Liabilities	184,417	248,767	34.9%
Net Asset Value per Share (cents)	43.46	42.52	(2.2%)

**As at 30 June**

**2023 2024**

**Revenue Contribution by Regions**

Asean	34.9%	41.6%
North Asia	61.5%	55.3%
Australasia	0.0%	0.0%
South Asia	0.4%	0.4%
Europe	3.2%	2.7%

<b>Total</b>	<b>100%</b>	<b>100%</b>
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**Revenue Contribution by Segments**

**Earnings Contribution by Segments**

(\$'000)	2023	2024	(\$'000)	2023	2024
Education	98,523	102,128	Education	813	19,090
Education Facilities			Education Facilities		
Rental Service	10,825	8,763	Rental Service	(6,339)	(17,089)
Corporate & Others	1	-	Corporate & Others	2,154	(21,049)
Real Estate Investment			Real Estate Investment		
& Development	1,542	1,581	& Development	(5,625)	(4,946)

<b>Total</b>	<b>110,891</b>	<b>112,472</b>	<b>Total</b>	<b>(8,997)</b>	<b>(23,994)</b>
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Notes:

\* Net fair value gain/(loss) on investment properties and loss on disposal of investment properties were included in the adjusted EBITDA as the real estate investment and development segment is part of our core business.

\*\* Net of treasury shares.

NM Not meaningful.

# FY2024 FINANCIAL REVIEW

- (1) Increase in interest income to \$2.4 million for FY2024 from \$1.4 million for FY2023 was mainly due to interest income received from matured fixed deposits pledged with a bank.
- (2) Other operating income for FY2024 of \$14.9 million was mainly due to foreign exchange gain of \$13.8 million as a result of:
  - (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.
- (3) Other operating expense decreased to \$56.4 million for FY2024 from \$73.4 million for FY2023 mainly due to:
  - (a) Provision of estimated expenses payable upon receipt of sale proceeds of Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd. in FY2023;
  - (b) Loss on disposal of investment properties in FY2023;
  - (c) Decrease in foreign exchange loss during periods when Singapore Dollar weakened against Renminbi and United States Dollar for foreign currency denominated financial liabilities and during periods when Singapore Dollar strengthened against Malaysia Ringgit and Thai Baht for foreign currency denominated financial liabilities; and

Offset by:

  - (d) Increase in marketing expenses which is in tandem with the increase in student numbers for some of the Group's education institutions in FY2024.
- (4) 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 Raffles Assets (Singapore) Pte Ltd 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.
- (5) Fair value loss on investment properties of \$14.5 million for 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 FY2023 were mainly attributable by the revaluation of investment properties in OUCHK and Raffles Iskandar Sdn Bhd. The fair value loss on investment properties was offset by increase in fair value of investment properties in TLG and RUSL.
- (6) Decrease in income tax expenses and deferred tax net expenses 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.
- (7) FY2024 Group net loss was 24.0 million and net asset value per share was 42.52 cents.
- (8) Net cash from operating activities amounted to \$19.4 million.
- (9) 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.
- (10) Major contributors of cash outflows were:
  - (a) Repayment of bank borrowings of \$64.6 million;
  - (b) Payments for property, plant and equipment of \$13.5 million; and
  - (c) Repayment of advance from third party of \$4.8 million.
- (11) The Group's cash position was \$29.4 million at the end of FY2024 (FY2023: \$24.2 million).

A satellite view of the Earth, showing the Atlantic Ocean, Europe, and Africa. A large orange circle is centered over the Atlantic Ocean, containing text.

“

**RafflesEducation** is committed to provide quality education and education-related services through its network of institutions.

”



# BOARD OF DIRECTORS



**Mr. CHEW Hua Seng**

Chairman  
and CEO

Mr. CHEW Hua Seng is the founder, controlling shareholder, Chairman and CEO of Raffles Education Limited (the “Company”). Under his astute leadership, the Company has grown to become a premier private education provider, with 16 institutions of learning, including two universities, spread across nine different countries. Mr. Chew founded the Company in 1990, and led it to be listed on the Stock Exchange of Singapore in 2002.

Mr. CHEW is Executive Chairman of Oriental University City Holdings (H.K.) Limited (“OUCHK”), listed on the Growth Enterprise market of the Stock Exchange of Hong Kong. Mr. CHEW’s role in OUCHK is primarily to oversee overall strategic planning and management of OUCHK group of companies.

Mr. CHEW was appointed as a Non-Executive Chairman of Sitra Holdings (International) Limited, a company listed on the Stock Exchange of Singapore, with effect from 21 October 2019.

Mr. CHEW holds a Bachelor’s Degree in Business Administration from the University of Singapore (now known as the National University of Singapore) obtained in May 1979 and was awarded the National University of Singapore Business School Eminent Business Alumni Award in November 2010 for his outstanding achievements. Mr. CHEW was also conferred the Public Service Medal in 2010 by the President of Singapore for his contribution to community service.



**Mrs. NG Siew Mun**

Lead Independent  
Non-Executive Director

Ms. LIM Siew Mun (Mrs. NG Siew Mun) joined the Board of Raffles Education Limited on 1 July 2021 and designated to Lead Independent Non-Executive Directors on 28 February 2022. Mrs. NG is currently a member of charitable and religious organizations, a consultant and a mental health professional.

Mrs. NG held various senior positions in finance. She was CEO of Credit Suisse First Boston Southeast Asia, Director of Credit Suisse First Boston Asia and Head of Capital Markets of BNP Paribas. Mrs. NG was also CEO and Vice Chair of the Board of Olivant Asia, Director of Stonehage Asia, and Founder of Strategic Access Pte Ltd.

Mrs. NG holds a Bachelor of Business Administration from National University of Singapore, a Masters in Arts from Singapore Bible College and an Advanced Certificate in Trust Services from the Wealth Management Institute.





**Mr. LIM How Teck**

Independent  
Non-Executive Director

Mr. LIM How Teck is currently Chairman of Redwood International Pte Ltd. (an investment & consultancy company). Mr LIM sits on the Board of Aetherium Acquisition Corporation and Trident Digital Tech Pte Ltd. He is also an adviser to many private companies and family offices.

Mr. LIM has in-depth knowledge of the shipping industry, having been with the NOL Group from 1979 to 2005, where he held various positions from Executive Director, Group CFO, Group COO, and Group Deputy CEO.

Mr. LIM has extensive international qualifications and experience in business finance and accounting. Prior to joining NOL, he worked in Coopers & Lybrand (an international accounting firm) and Plessey Singapore (a multi-national trading and manufacturing company).

Mr. LIM had previously served as Chairman of the Singapore Commodity Exchange Ltd (SICOM), PSA Marine Pte Ltd, Certis Cisco Security Pte Ltd, Cisco Recall Total Information Management Pte Ltd, Lloyds Syndicate 1965, Heliconia Capital Management Pte Ltd, NauticAWT Pte Ltd, ARA Trust Management (Cache) Ltd, Pacific King Shipping Holding Pte Ltd, Integra2000 Ltd, Tuas Power Ltd, Swissco Holdings Ltd and 33 Ventures Pte Ltd.

Mr. LIM holds a Bachelor of Accountancy Degree from the University of Singapore. He is a Fellow of the Chartered Institute of Management Accountants of UK (FCMA), a Fellow of the Certified Public Accountants of Australia (FCPA Aust), a Fellow of the Institute of Certified Public Accountants of Singapore (FCPA ICPAS), and a Fellow of the Singapore Institute of Directors (FSID). He is a graduate of Harvard Graduate School of Business in Corporate Financial Management Course and Advanced Management Programme in 1983 and 1989 respectively.

Mr. LIM was awarded the Public Service Medal (PBM) National Day Award in 1999 and the Public Service Star (BBM) National Day Award in 2014.



**Mr. NG Kwan Meng**

Independent  
Non-Executive Director

Mr. NG Kwan Meng joined the Board of Raffles Education Limited in February 2021. Mr. NG's other directorships at present include Tasek Jurong Limited, and British and Malayan Holdings Limited. Mr. NG is the Chairman of Taman Jurong Citizens' Consultative Committee.

Mr. NG was previously the Managing Director and Head, Group Global Markets at United Overseas Bank Limited. He was also an Executive Director and CEO of UOB Bullion and Futures Ltd, as well as UOBF Schneider Trading Pte Ltd. He was Director of SP Group and Chairman of SP Group Treasury and Director of Tuas Power Limited. He was a member of the Singapore Foreign Exchange Market Committee, the working group on Financial Industry Competency Standards and National Integration Working Group for the Community.

Mr. NG holds a Bachelor of Social Science (Honours) degree from the National University of Singapore.

Mr. NG was awarded the Public Service Medal (PBM) National Day Award in 2020.



**BG(Retd)  
CHUA Chwee Koh**

Independent  
Non-Executive Director

BG(Retd) CHUA Chwee Koh joined the Board of Raffles Education Limited in March 2022 as an Independent Non-Executive Director. BG(Retd) CHUA brings with him a wealth of experience, having spent 17 years with Certis CISCO, leading and transforming the business, where he was the Chief Operating Officer for 13 years. He played a key role in integrating operations and technology in the security business and was leading the digital transformation in the last three years. Prior to joining Certis in 2004, Mr. CHUA served 22 years in the Singapore Armed Forces and retired with the rank of Brigadier General. In addition, he is also a Director of Addvalue Technologies Ltd (listed on the Singapore Stock Exchange), an Independent Director of Trident Digital Tech Holdings Ltd (listed on Nasdaq), a member of Audit Committee of Dementia Singapore (a charity), and a council member at the RHT G.R.A.C.E. Institute (a social enterprise that promotes ethical leadership).

BG(Retd) CHUA graduated with a Bachelor of Science in Mechanical Engineering & Economics with First Class Honours from University of Birmingham in 1985. He holds a Master of Public Administration from Harvard University and has also completed the Advanced Management Programme at Harvard Business School.



**Mr. Joseph HO Yan Jun**

Non-Independent  
Non-Executive Director

Mr. Joseph HO Yan Jun is a Partner in the China Practice and Mergers & Acquisitions Practice at WongPartnership LLP. His main practice areas are corporate finance, equity capital markets, foreign investment, mergers and acquisitions and property development in the People's Republic of China.

Mr. HO presents and participates in panel discussions at regional and local conferences on PRC-related topics. He is a member of The Law Society of Singapore's Inquiry Panel.

Mr. HO graduated with a Bachelor of Arts from Yunnan University (PRC) and obtained Master of Laws from both China University of Political Science and Law in Beijing and McGeorge School of Law, University of the Pacific (U.S.). He was also a Visiting Scholar at the School of Law, Columbia University (U.S.) from 1990 to 1991. He is admitted to the Bar of the People's Republic of China.

# BUSINESS OVERVIEW

**RafflesEducation** is a premier education Group that is committed to providing quality education and education-related services through its network of institutions across Asia-Pacific and Europe.

Our strategic goal is to nurture and groom skilled professionals through the transfer of industry-relevant knowledge and technical know-how to succeed in the globalised economy. The Group strives to provide a well-balanced education that encourages creative and critical thinking, thus allowing students to realise their potential and aspirations, while enjoying the learning process at our colleges.

Since its founding in 1990, **RafflesEducation** has grown its portfolio from one college in Singapore to 16 educational institutions in 14 cities across 9 countries.

Our colleges offer a comprehensive range of internationally recognised programmes leading to Diploma, Advanced Diploma, Degree, Masters and Doctorate qualifications. The diagram below illustrates the structure of **RafflesEducation**:

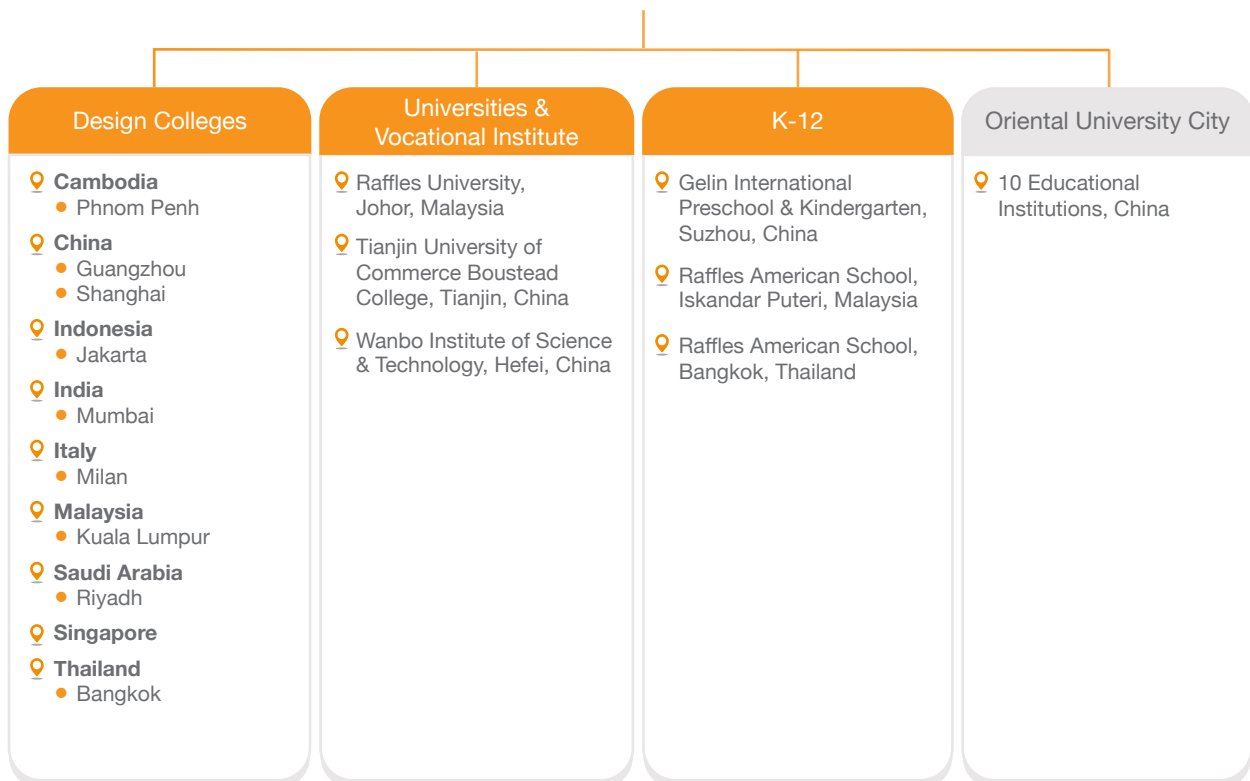
Our journey to success was a corporate journey crafted with great foresight and a well-designed roadmap.

The foundation of an excellent educational institution comprises a superior curriculum, an outstanding faculty and an intellectual environment. For years, these remained as the Group's core competencies.

**RafflesEducation** seeks sustainable growth that creates value for its stakeholders. The trusted Raffles brand name and its network of institutions support the Group's continued organic growth. The Group also owns valuable education assets across Asia-Pacific and Europe that can be realised for reinvestment into its education business.

Capitalising on its strong fundamentals, the Group will continue to build breadth and depth at its existing colleges, expand its network of institutions, grow its university group, create value at its university city and strengthen its academic quality.

## RafflesEducation







# STRATEGY



## BUILD BREADTH AND DEPTH OF EXISTING COLLEGES

**RafflesEducation** enjoys a reputation as a provider of quality education that focuses on practical training and academic excellence. Therefore, the Group is relentless in implementing initiatives and efforts to fortify its education business.

Resources are invested to continually enhance and expand programme offerings to cater to a diverse community of students, as well as to attract and retain exceptional faculty. The Group also strives to deepen its ties with industry partners to better prepare students for the dynamic workplace and therefore increase their employability. Together, these efforts enable the Group to build breadth and depth of its existing colleges for greater growth.



## STRENGTHEN ACADEMIC QUALITY

**RafflesEducation** places a strong emphasis on curriculum development that is relevant to industry trends and needs.

The ultimate goal of an education with **RafflesEducation** is to groom skilled professionals through the transfer of industry-relevant knowledge and technical know-how to succeed in the globalised economy. Quality Assurance & Enhancement Unit (QAEU) is the corporate unit responsible for all academic matters and adheres strictly to a rigorous reporting and audit system to ensure quality standards and assurance, as well as operational compliance.

Through QAEU, the Group grows its intellectual property portfolio and strengthens its accreditations and academic credibility.





### CREATE VALUE AT ORIENTAL UNIVERSITY CITY

The Group owns and leases education facilities, comprising primarily teaching buildings and dormitories to educational institutions in the People's Republic of China (PRC), Malaysia and the Republic of Indonesia ("Indonesia\*"). The Group's education facilities are located in the OUC Campus; Kuala Lumpur, Malaysia; and Jakarta, Indonesia. In addition, the Group also leases commercial properties in the OUC Campus to commercial tenants operating a range of supporting facilities, including a shopping centre, supermarket, cafe and cafeterias, bank, telecommunication companies, dental and polyclinic, amongst others, to serve the needs of students in the campus and the residents of adjacent housing estates.



### EXPAND NETWORK OF INSTITUTIONS

One of the unique advantages of **RafflesEducation** is the opportunity for students to complete their studies in any institutions within the Raffles network. Given the Group's extensive global presence, students can receive international exposure to enrich their personal outlook and learning experience.

**RafflesEducation** currently has higher educational institutions in the People's Republic of China and Malaysia.

The expansion of Raffles' network of colleges is significant, as it will eventually translate into a larger market share for **RafflesEducation**.



# EDUCATION WITHOUT BORDERS

Education Without Borders is a strategic initiative designed to foster academic exchanges among faculties and students, establish cross borders research and collaborations, and internationalise the learning environment and student experiences between our colleges in the People's Republic of China, India, Malaysia, Thailand, and Singapore.

Through sharing of innovative teaching methods and pedagogy, appreciation of cultural diversity, and connecting Raffles faculties and students across the group, we equip our educators and learners with a global perspective for their contribution to the global community at large.

**JANUARY 2024**

## **TIANJIN UNIVERSITY OF COMMERCE BOUSTEAD COLLEGE'S VISIT TO RAFFLES UNIVERSITY IN MALAYSIA**



*Tianjin University of Commerce Boustead College Delegates at Raffles University.*





Li Jin and Greg PRITCHARD exchanged gifts.



JANUARY 2024

## TIANJIN UNIVERSITY OF COMMERCE BOUSTEAD COLLEGE'S VISIT TO RAFFLES COLLEGE OF HIGHER EDUCATION IN SINGAPORE



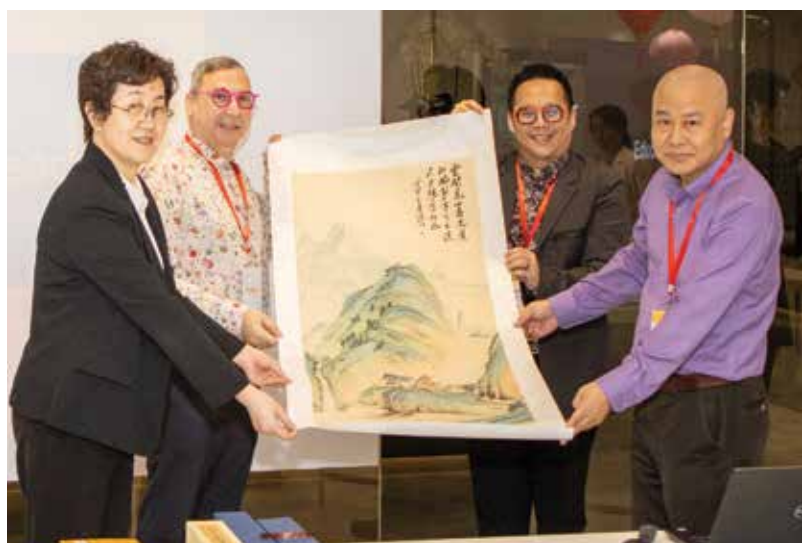
Tianjin University of Commerce Boustead College Delegates at Raffles College of Higher Education.







Delegates at RISIS ION boutique.



Giuseppe (Joe) SPINELLI and Ong Kai How receiving gift from LI Jin and ZHANG Li.



JANUARY 2024

## WANBO INSTITUTE OF SCIENCE AND TECHNOLOGY'S VISIT TO RAFFLES UNIVERSITY IN MALAYSIA



*Wanbo Institute of Science and Technology Delegates at Raffles University.*







ZHANG Jin and Greg PRITCHARD exchanged gifts.



JANUARY 2024

## WANBO INSTITUTE OF SCIENCE AND TECHNOLOGY'S VISIT TO RAFFLES COLLEGE OF HIGHER EDUCATION IN SINGAPORE



*Wanbo Institute of Science and Technology Delegates at Raffles College of Higher Education.*







ZHANG Jin and Giuseppe (Joe) SPINELLI exchanged gifts.



JUNE 2024

## RAFFLES DESIGN INTERNATIONAL MUMBAI VISITS RAFFLES COLLEGE OF HIGHER EDUCATION IN SINGAPORE







*Raffles Design International Mumbai Delegates and Students at Raffles College of Higher Education.*

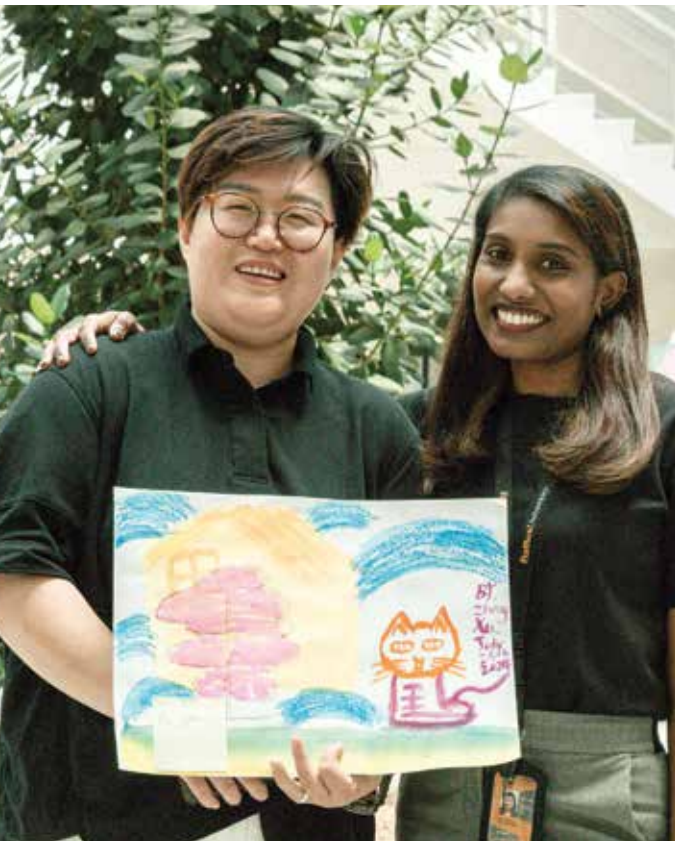


JULY 2024

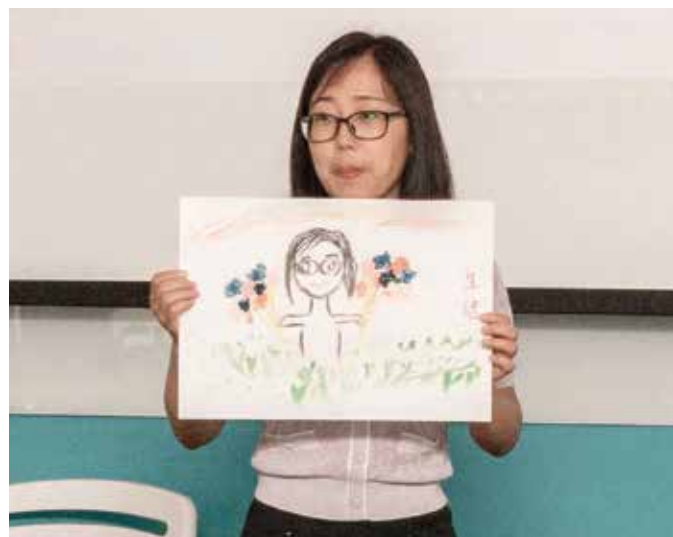
## TIANJIN UNIVERSITY OF COMMERCE BOUSTEAD COLLEGE'S VISIT TO RAFFLES UNIVERSITY IN MALAYSIA



*Tianjin University of Commerce Boustead College Delegates at Raffles University.*







Dr TAN Wee Chuen and ZHAO Zhiwen exchanged gifts.



JULY 2024

## TIANJIN UNIVERSITY OF COMMERCE BOUSTEAD COLLEGE'S VISIT TO RAFFLES COLLEGE OF HIGHER EDUCATION IN SINGAPORE



*Tianjin University of Commerce Boustead College Delegates at Raffles College of Higher Education.*





SEPTEMBER 2024

## RAFFLES COLLEGE OF HIGHER EDUCATION DELEGATES' VISIT TO TIANJIN UNIVERSITY OF COMMERCE BOUSTEAD COLLEGE



*Raffles College of Higher Education Delegates at Tianjin University of Commerce Boustead College.*







ONG Kai How addressing to the students at Tianjin University of Commerce Boustead College.





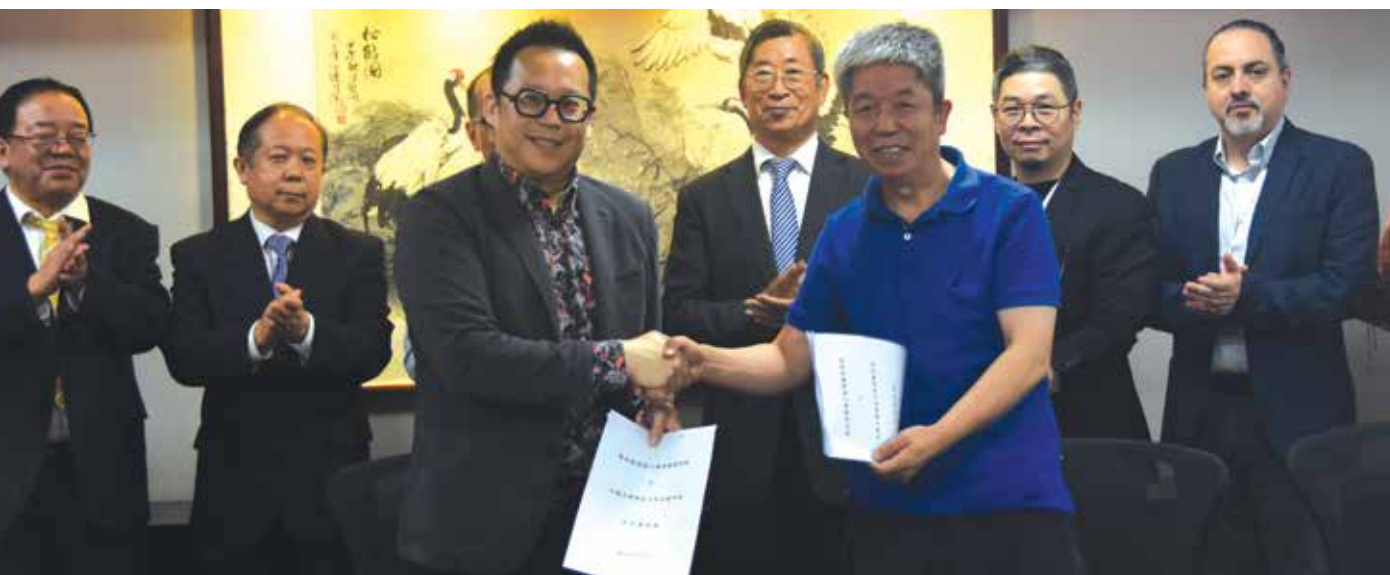


LI Jin and ONG Kai How exchanged gifts.





ONG Kai How and ZHAO Zhiwen signing the Memorandum of Understanding (MOU).





SEPTEMBER 2024

## RAFFLES COLLEGE OF HIGHER EDUCATION DELEGATES' VISIT TO WANBO INSTITUTE OF SCIENCE AND TECHNOLOGY



Raffles College of Higher Education Delegates at Wanbo Institute of Science and Technology.



# EDUCATION WITHOUT BORDERS

## STUDY BEYOND BORDERS AT BENITHEM

The College is honoured to have Raffles Product Designer and Operation Manager of Benithem, **Genevieve TEO** to receive fellow Raffles Product and Interior Design students at Benithem headquarters in Malaysia to share the furniture design and application process, manufacturing technology, in designing sustainable products in a better living and business environment.

Benithem® is a luxury office furniture manufacturer in Malaysia and a global brand, dedicated to incorporating quality handcraftsmanship paired with modern technology and creating contemporary seating solutions for corporate offices or home offices through internationally certified products.

Studying at Raffles goes beyond borders!







# EDUCATION WITHOUT BORDERS

## RAFFLES FASHION DESIGNERS AND MARKETERS GO GLOBAL

As part of fulfilling their module, Global Experience in Art and Design, Raffles-Coventry University's Bachelor of Arts (Honours) in Fashion and International Fashion Business students embarked on international field trips to experience the cultures, arts, and designs in different countries.

These international experiences broaden Raffles-Coventry BA (Hons) students' horizons so they are culturally aware, better appreciate cross-borders businesses and use of good designs as common "language" to compete in the global market, and prepare them to be global Raffles Designers and Marketers.









# RAFFLES WINS

## ELI.J FINE JEWELLERY 2023

Raffles Jewellery Designers win at the Raffles x Eli.J. Jewellery Design Competition 2023.

The College is honoured to have Mr Isaac YUAN, Co-founder of Eli.J, on campus to announce the two winning designs by Raffles Jewellery Designers **LI Xiaojia** and **Catherine SANTOSA**.

In October 2023, **Ms Joanne SIM**, Co-founder and Designer of Eli.J Fine Jewellery, a bespoke fine jewellery brand specialising in crafting heirloom jewelleries for clients, launched a design competition exclusively with Raffles College of Higher Education. **Ms Sim** provided the opportunity for Raffles Jewellery Designers to design an art nouveau-inspired collection. Winning designs will be made and retailed at the Eli.J Fine Jewellery boutique located at 111 Somerset.

A successful collaboration by Design!



Catherine SANTOSA



Catherine SANTOSA



LI Xiaojia







## THE GRAND PRIX OF AKOYA PEARL JEWELLERY IN ISE SHIMA 2023

The College would like to congratulate Raffles Jewellery Designer, **NGUYEN Thi Hong Hac, Jura** for winning The Grand Prix Akoya Pearl Jewellery in Ise Shima 2023.

Akoya Pearl Jewellery Grand Prix 2023 is the 6th annual competition organised by Pearl FALCO and the theme was Earth, which symbolised unity and harmony, promoting sustainability in the face of environmental challenges.

**Jura's** design, titled Terra, received the Good Design Award, and we are honoured to have **Ms Maiko MAKITO**, Managing Director of Pearl FALCO, on campus to present the award to Jura.



## C-IDEA DESIGN AWARD 2024

The College would like to extend our heartfelt congratulations to **SONPAVARAPONG Sasipim (Hunny)** on winning the prestigious C-IDEA Design Award 2024.

The C-IDEA Design Award is the world's annual juried design competition. It aims to recognize and promote visionary talents in a wide array of categories ranging from communication design, industrial design, architecture, interior design, fashion design, and new media. The Award hopes to create more opportunities for excellent designers to communicate and cooperate with exhibitions, awards ceremonies, and international events.

**Hunny's** exceptional talent and innovative vision have been brilliantly showcased in her collection, "Lucid, Lucent, Realities," which captivated the judges with its vibrant colours, bold designs, and profound commitment to sustainable fashion.



SONPAVARAPONG Sasipim





## ASIA YOUNG DESIGNER AWARDS 2023

Raffles Interior Designer **Rossalinda** wins the Best Colour Choice Award (NIPPON) and Young Achiever Award (Honorary) at Asia Young Designer Awards (AYDA) 2023.

This award serves as a platform to inspire Architectural and Interior Design students to develop their skills through cross-learning opportunities and networking with key industry players and fellow Architectural and Interior Design peers in the region. Titled “Symphony of Borneo”, **Rossalinda** designed a youth performance art and cultural centre to preserve and revitalise Indonesian heritage through interactive and immersive experiential design. This is a cultural entertainment centre that blends both traditional wisdom and modern innovation. This fusion bridges arts and culture with the younger generation.





## AS SUSTAINABLE AS POSSIBLE 2024

“As Sustainable As Possible” (A.S.A.P), organised by Raffles-Coventry University’s BA (Honours) in International Fashion Business students, was a spectacular exhibition at Design Orchard showcasing the culmination of their final projects.

In this exhibition, innovative marketing campaigns and business plans centred around sustainable fashion products and designs, providing an insight into the students’ deep commitment towards integrating sustainability into the fashion industry, demonstrating both creativity and strategic thinking.





## MID-AUTUMN FESTIVAL LIGHT UP 2024

With the theme “Celebrating Mid-Autumn Across Generations | 跨越世代庆中秋” the festival was officially launched by Jalan Besar GRC MPs – **Mrs Josephine TEO, Ms Denise PHUA Lay Peng, Mr HENG Chee How, Dr Wan RIZAL, and Mr SITOH Yih Pin** – and Chief Executive Director of People’s Association (PA), **Mr Jimmy TOH**, at Kreta Ayer Square.

Following the successful collaboration with the Chinatown Festival Committee on last year’s Mid-Autumn Festive Lighting Design, Raffles College of Higher Education is honoured to be invited to design this year’s festive lighting. This year’s theme of “Celebrating Mid-Autumn Across Generations” explores the journey of family and community through three eras: “Kampong Nostalgia (Grandparents’ Era)”, “Heartlands Harmony (Parents’ Era)”, and “Modern Celebration (Children’s Present Day)”.



## OPERA GALLERY'S 30TH ANNIVERSARY 2024

To mark Opera Gallery's 30th anniversary in Singapore, Raffles Design engaged Raffles Graphic Designers to design a 30th anniversary logo for the art gallery.

Out of 12 entries, Raffles Graphic Designer, **Vanezza TAN's** design was handpicked by Opera Gallery Headquarters in Paris, France to be the winning design.

The design titled "Progress & Expansion" highlights Opera Gallery's three-decade journey and its evolution through various phases of growth. The intertwining curves symbolise not only this growth but also the unity shared between the gallery, its esteemed artists, and dedicated collectors. The incomplete circle serves as a poignant reminder of continuity, signifying Opera Gallery's ongoing journey as it adapts and flourishes within the ever-evolving art scene.

The College would like to extend our warmest congratulations to Opera Gallery Singapore on the momentous occasion of their 30th anniversary. Happy Anniversary!







## ASIAN OUTSTANDING UNIVERSITY AWARD 2024

Raffles University received the Asian Outstanding University Award at the 2024 National Education & Learning Summit! This recognition is a testament to the university's commitment to excellence in education and its significant contributions to the academic community.



## QS STAR 2023 - RAFFLES UNIVERSITY

Raffles University has achieved a successful 4-star QS rating, with 5-stars in Employability, Teaching, Online Learning, and Inclusiveness categories.



## INDIGO DESIGN AWARD

Raffles University is proud to announce that **LEE Wan Yu**, a student pursuing a Bachelor of Graphic Design (Honours), has won the Gold Award in Branding at the Indigo Design Awards. **LEE Wan Yu's** project, titled "Be a Fish In Kukup," shines among the submissions, showcasing exceptional talent and creativity in the field of branding. Congratulations to **LEE Wan Yu** and all the winners at the Indigo Design Awards for their outstanding achievements in the field of design.



**Gold Award in Branding**  
 "Be A Fish In Kukup" by **LEE Wan Yu**  
 Bachelor of Graphic Design (Honours)

## TALENTBANK

Raffles University has been named one of the Employers' Choice of Universities in 2024 by TalentBank! Our performance in employability across a variety of fields underscores the strength of our academic programs. We have received a 6-star rating in employability for Fashion and Interior Design, and have been recognized as the champion in the field of Fashion.





## A1 DESIGN COMMERCIALISATION

The first commercialisation of Raffles University is a collaboration with A.K.Koh Enterprise Sdn Bhd (also known as A1). It began as a packaging design competition for the A1 product among Raffles' graphic students. The competition's satisfying results led the company to commercialise the first and second prize designs as the actual packaging of the A1 product.



The students who won the opportunity to commercialise the packaging design are:

### 1st Prize

**LOKE Chong Sheng**  
**SONG Jia Hui**  
**Joelle LIM Hui Xin**

Diploma in Visual Communication

### 2nd Prize

**TAI Ke Ning**  
**JOON Yu Xuan**  
**ONG Xing Yin**

Diploma in Visual Communication



## KANCIL AWARDS 2023

Raffles University is proud to announce the remarkable achievements of our talented Bachelor of Graphic Design (Honours) and Bachelor of Multimedia Design (Honours) students at the prestigious Kancil Awards 2023. The annual awards, recognized as Malaysia's largest and esteemed advertising competition, have once again showcased the exceptional creativity and innovation fostered within our Bachelor of Graphic Design (Honours) and Bachelor of Multimedia Design (Honours) programs.



**Merit in Best Idea for Social Good**  
 "A New Leaf"  
 by **LIM Zi Hui**  
 Bachelor of Graphic Design (Honours)



**Bronze Award in Best Self-promotion**  
 "My Design Pizza"  
 by **CHO Jia Sin**  
 Bachelor of Graphic Design (Honours)



**Gold Award in Brand Identity and Art Direction**  
 "Be A Fish In Kukup"  
 by **LEE Wan Yu**  
 Bachelor of Graphic Design (Honours)

**Merit in Best Use of Cultural Insights**  
 "The Lost Of W/Me"  
 by **LEE Wan Yu**  
 Bachelor of Graphic Design (Honours)





## CROWBAR AWARD 2023

Raffles University's talented design students have once again showcased their exceptional skills and creativity at the recent Crowbar Awards. Their outstanding achievements have brought great honour to Raffles University, and we couldn't be prouder of their accomplishments.



From left to right: LEE Wan Yu and CHEN Jia En



**Silver Award in Design**  
 “Elves Kingdom” by **CHEN Jia En**  
 Diploma in Visual Communication



**Gold Award in Communication**  
**Silver Award in Branding**

“Be A Fish In Kukup” by **LEE Wan Yu**  
 Bachelor of Graphic Design (Honours)

## ED RANKS 2023

Raffles University's students have showcased their brilliance, leaving an indelible mark in various categories. We are incredibly proud of this achievement and are determined to continue nurturing and inspiring creativity, innovation, and excellence within our institution. As we celebrate our success in Ed Ranks 2023, we are more motivated than ever to raise the bar for creativity and innovation in the field of education. Congratulations to all the students, lecturers, and staff who have contributed to this remarkable accomplishment.



**Gold Award in Digital Campaign**  
 “Hoo Hoo Aid”  
 by **NG Sin Yee**  
 Bachelor of Graphic Design (Honours)



**Gold Award in Digital Campaign**  
 “The Secret of Shan Hai Jing”  
 by **LEK Yu Xuan**  
 Bachelor of Multimedia Design (Honours)





**Silver Award in 2D Design Campaign**  
**"Sleepcatcher"**  
 by **CHO Jia Sin**  
 Bachelor of Graphic Design (Honours)



**Silver Award in Digital Campaign**  
**Heineverse"**  
 by **Devon LIM Zhi Qi**  
 Diploma in Visual Communication



**Silver Award in Digital Campaign**  
**"Quixotica"**  
 by **TANG Yan Tiong**  
 Diploma in Digital Game Art



## ED RANK TOP CREATIVE SCHOOL

Raffles University has yet again proven its commitment to creativity and innovation by clinching the title of "Top Creative School in Malaysia" in Ed Ranks 2023. This remarkable achievement is a testament to our unwavering dedication to nurturing creative minds and fostering a culture of innovation within our institution.



# DAIKIN YOUTH DESIGN COMPETITION


**Best Aircond Design (Commercial Category)**  
 “Embrace the Nature” by **Chin Kegan**  
 Bachelor of Interior Design (Honours)



Bachelor of Interior Design (Honours)  
**Chin Kegan**

Portfolio Name  
**Embrace the Nature**

**Congratulations on being the winner of  
 Best Aircond Design  
 (Commercial Category)  
 DAIKIN Youth Design Competition**




**EMBRACE THE NATURE**

SDG'S DESIGN APPROACHES

REFLECTED CEILING PLAN

FURNITURE LAYOUT PLAN

3 Sustainable Design Goals

1. Good health and well-being  
 The office space will be designed to promote good health and well-being by providing a healthy and safe environment for the employees.

2. Gender Equality  
 The office space will be designed to promote gender equality by providing a safe and secure environment for all employees.

3. Affordable and Clean Energy  
 The office space will be designed to promote affordable and clean energy by using sustainable materials and energy-efficient lighting.

**BREAKOUT AREA**

Area in total: 288.00 sqft (26.7 sqm)  
 Model: Ceiling Mounted Cassette (Round New with Removable Panel) (PRTS200A19)  
 Coverage calculation: 288.00 x 0.065 = 19.95 (20hp)  
 Cooling Capacity: 1 hp

**WORKING ZONES**

Area in total: 187.47 sqft (17.3 sqm)  
 Model: Ceiling Mounted Cassette (Round New with Removable Panel) (PRTS200A19)  
 Coverage calculation: 187.47 x 0.065 = 13.8 (14 hp)  
 Cooling Capacity: 1 hp

**DISCUSSION AND PRIVATE ROOMS**

Area in total: 104.77 sqft (9.7 sqm)  
 Model: Ceiling Mounted Cassette (Round New with Removable Panel) (PRTS200A19)  
 Coverage calculation: 104.77 x 0.065 = 6.8 (7 hp)  
 Cooling Capacity: 1 hp

**CAFE & PANTRY**

Area in total: 110.00 sqft (10.2 sqm)  
 Model: High Durability Moisture Control Kitchen Ceiling Mounted Cassette (PRTS230A19)  
 Coverage calculation: 110.00 x 0.065 = 7.15 (7 hp)  
 Cooling Capacity: 1 hp

**ISOMETRIC PERSPECTIVE**

42.00m  
 38.00m  
 12.00m  
 1.00m  
 2.00m  
 4.00m  
 8.00m  
 12.00m  
 16.00m  
 20.00m  
 24.00m  
 28.00m  
 32.00m  
 36.00m  
 40.00m  
 44.00m  
 48.00m  
 52.00m  
 56.00m  
 60.00m  
 64.00m  
 68.00m  
 72.00m  
 76.00m  
 80.00m  
 84.00m  
 88.00m  
 92.00m  
 96.00m  
 100.00m

**CAFE & PANTRY**

**KITCHEN**

Area in total: 110.00 sqft (10.2 sqm)  
 Model: High Durability Moisture Control Kitchen Ceiling Mounted Cassette (PRTS230A19)  
 Coverage calculation: 110.00 x 0.065 = 7.15 (7 hp)  
 Cooling Capacity: 1 hp

The application of DAIKIN High Durability Moisture Control Kitchen Ceiling Mounted Cassette to provide a direct airflow for cooling as well as filter out the grease or excess water vapour inside the area.



## SUPERNOVA ARTPIECE

As Raffles Kuala Lumpur commemorates its 30th anniversary, the Interior Design department is celebrating World Interior Design Day on a grander scale this year by collaborating with the esteemed artist **WONG Kai Yi**. An art installation titled “Supernova: Organized Chaos” has been unveiled atop one of the Raffles Kuala Lumpur structures in order to underscore the significance of connectivity and networking in the design industry. Esteemed ID alumni have graciously returned to contribute to the completion of this remarkable artwork.





## GELLY WEE WEDDING COMPETITION 2024

20 students from the Fashion Design Programme participated in Dreamland's Wedding Gown Design Competition, organized by Gelly Wee Wedding Gown, held at Starhill in Kuala Lumpur on March 16th, 2024. Among the participants, 11 students were selected as finalists, showcasing the exceptional talent and creativity nurtured within the program. Notably, **TONG Chi Mun** emerged as the winner of the prestigious Best Creative Award, affirming the program's commitment to fostering innovative design talent in the field of wedding gown design.

### Top 11 Finalists:

**LAU Kah Yee | Alice TENG Ke Nie |  
LIM Zi Ying | GOH Shern Jim  
KHONG Li Yu | Calista Angelica  
TONG Chi Mun | Steffani ZUANG  
Dickson MAH | LIAU Hao Hei  
Alex PANG Jia Jian**



**Best Creative Award:  
TONG Chi Mun**





## PSG JEWELLERY DESIGN AWARD 2023

The Penang Signature Gold, Gems & Jewellery Fair (PSG) is one of Malaysia's premier trade exhibitions and is a highly anticipated annual trade expo, showcasing the latest trends and innovations in the gold and jewellery industry. Held annually since 2016, the fair has quickly become one of the most prestigious events of its kind in Malaysia, attracting exhibitors and visitors from around the world. Malaysia's premier gold and jewellery exhibition took place on 18 – 20 August 2023 at the Setia Spice Convention Centre in Penang.

Congratulation to our student **Aye Myint Myat** on her achievement in PSG Jewellery Design 2023 Award as a winner for Earring Category.



**Earring Category**  
**Aye Myint Myat**



## MALAYSIA INTERIOR DESIGN CHALLENGE

We had the honor of showcasing the top 3 winners of the Malaysia Interior Design Challenge 2023 at the Shorea Park Sales Gallery on 29th March 2024. Our Raffles College students' remarkable talent and dedication were on full display, thanks to the collaborative efforts of our Interior Design Department and the generous sponsorship from OSK property. Congratulations to all participants!

### Top 3 winners:

**Alice Dinh Phuong Thao**  
**YUM Siew Wah**  
**TAN Wenyi**





## COLORWALK - GAMIFIED HEALTH APP (MERIT)



ColorWalk is a gamified fitness app to encourage individuals to walk or run outdoors more and consistently. Inspired by coloring books, this app colors the map wherever you walk or run to, as if you are a physical pencil, coloring a giant blank map. The more places you conquered, the more consistently you walked, the more reward points, strikes, achievements, etc. you will get as an incentive.

This app also allows you to share your progress with family, friends and your neighborhood, hence hoping to create a healthy atmosphere among your circles.

Lecturer:  
**Alice TEOH**

UI Design:  
**Kan CALEB**

## MAMI'S TREATS DUMPLING KIT (BRONZE)



In Chinese families, parents rarely say words of love, but they express them in actions. This insight inspired Mami's Treats Dumpling Kit, which represents a mother's point of view. The kit resembles the love and care of a mother during Duan Wu Festival. The package contains zongzi dumplings and handed down recipes as well as words of wisdom "nagging" from mum, which is how she expresses her love.

Lecturer:  
**Dora CHUA**

UI Design:  
**HO Zhi Yan**





## UNDER/STAND (GOLD)



Under the surface, all animals have a stand, but do we understand? All animal life is valuable; they each have their own feelings and perspectives. However, we as humans frequently disregard their viewpoint and harm them because we don't care or know how they are feeling. But what if we can? This is a notion that entails seeing the world through the eyes of the endangered, comprehending their views, listening to what they have to say, and, ultimately, being more sympathetic.

Lecturer:  
**Dora CHUA**

Design / Illustrated:  
**Kan CALEB**  
**Sylvia Carmen PHANG**  
**Sandra LIM Mun Xuan**  
**LAU Xin Yi**

## CELEBRATING SUCCESS: TIEO MEI XUAN'S TRIUMPH AT KL FASHION WEEK 2024

Raffles Kuala Lumpur proudly celebrates the remarkable achievement of our student, **TIEO Mei Xuan**, who recently clinched the top spot in the prestigious Designer Search Category at KL Fashion Week 2024. This highly competitive category showcases emerging talents, challenging young designers to present visionary collections that push creative boundaries. **Mei Xuan's** innovative designs captivated the judges with their bold fusion of modern aesthetics and cultural inspiration. Her victory not only highlights her immense potential but also reaffirms Raffles Kuala Lumpur's commitment to nurturing the next generation of fashion leaders.





## MITTELMODA INTERNATIONAL FASHION AWARD 2023 (MILAN)

Year 2 Raffles Fashion Design student, **Angelique Keizia** won the award for the Finest Shirt during the 2023 International Lab of Mittelmoda - The Fashion Award in Milan, Italy. Mittelmoda - The Fashion Award is a well-known fashion competition at an international level, attracting fashion designers from all over the world.

Out of 600 participants, **Angelique** competed against 26 designers from 15 countries worldwide and emerged as the winner of the Finest Shirt Award.

**Winner of the finest shirt in 29th edition of Mittelmoda international fashion award, 2023 (Milan):**

**Angelique Keizia**

Advanced Diploma in Fashion Design 2023



## LOMBA PERANCANG MODE AWARD 2023

Competing against 300 participants from across the nation, the collection stood out among the top 10 finalists at the prestigious Jakarta Fashion Week, Lomba Perancang Mode 2023. The theme “Authenticity” challenged designers to express their unique perspectives through innovative designs, and this collection did just that, earning the 2nd Prize.

The collection was showcased during Jakarta Fashion Week, one of the most significant fashion events in Indonesia, offering a platform for emerging talent. Throughout the competition, the finalists were mentored by some of the most respected figures in the Indonesian fashion industry.

### WINNER:

**Caroline Devina**

Advanced Diploma in Fashion Design 2024







## ECCELLENZE LOMBARDE 2023

The ADI Design Index is an annual publication by the Italian Association for Industrial Design (ADI), which highlights the best Italian designs across different sectors, including products, services, and projects. The designs featured in the index are candidates for the prestigious Compasso d'Oro award, one of the oldest and most influential design awards in the world. The ADI Design Index represents a snapshot of Italian innovation and creativity, emphasizing functionality, aesthetics, and sustainability in design.

### WINNER:

**Daniele de VECCHI**

Diploma in Product Design 2023





## PENTAWARDS 2023

Pentawards is an international competition that recognizes excellence in packaging design. Founded in 2007, it celebrates creativity, innovation, and effectiveness in packaging across various industries, including food, beverage, cosmetics, and luxury goods. The Pentawards serves as a prestigious platform for designers and brands to showcase their work, setting global benchmarks for outstanding design while promoting the importance of packaging in shaping consumer experiences and brand identity.

**BRONZE**  
in **Student Concepts** category,  
sub-category **Body, skin and beauty**:

“Swan Lake, Odette & Odile

**Luna SILINGARDI**

Diploma in Product Design 2023



A satellite view of the Earth, showing the Atlantic Ocean, Europe, and Africa. A large orange circle is centered over the Atlantic Ocean, containing a quote.

“

Inspiring the next generation of designers to forge their own path and leave their mark on the world.

”



# RAFFLES STUDENTS SPEAK



**ANGELIQUE KEIZIA**

Indonesian  
Raffles Jakarta  
Fashion Design  
Class of 2023

I decided to pursue a course with Raffles because I wanted an education that was directly aligned with the demands of the fashion industry. Additionally, the diverse and dynamic environment at Raffles promised a rich learning experience that I felt would help me grow both personally and professionally. Here, each mentor has their own unique approach to fashion design, whether it's in innovative techniques, sustainable practices, or cultural storytelling. Their dedication to push creativity and boundaries has encouraged me to experiment and develop my own distinct style. They are easily approached by students and always give us a clear instruction. Through their guidance, I've gained confidence in my abilities and a clearer vision for my future as a designer. I am very grateful to be taught by these mentors.



**CALISTA LEE**

Indonesian  
Raffles Jakarta  
Digital Media Design  
Class of 2023

My passion is to bring ideas to life, whether physically or digitally. I thrive on the creative process of transforming abstract concepts into tangible realities, whether it's through building physical prototypes, crafting intricate digital designs, or developing immersive software applications. This drive to materialize ideas fuels my dedication to continuously learning and innovating in both the physical and digital realms. Through attending seminars and workshops, I found that Raffles offers an intriguing major in Digital Media Design (DMD). The program is renowned for its academic quality, featuring a rigorous curriculum that ensures students are well-versed in both theoretical and practical aspects of digital media design. The industry-relevant curriculum is continually updated to reflect the latest trends and technologies, providing students with hands-on experience in creating games, websites, apps, and more. Furthermore, Raffles' global presence offers students the opportunity to connect with a diverse network of professionals and alumni worldwide, enhancing their learning experience and career prospects.

**CAROLINE DEVINA**

Indonesian  
Raffles Jakarta  
Fashion Design  
Class of 2024

I chose Raffles Design Institute Jakarta for its commitment to excellence, global presence, and fast-paced learning. The academic quality and industry-relevant curriculum make it the ideal place to pursue my passion for fashion design. The lecturers at Raffles profoundly inspired me with their kindness and support. Their focus on creating collections with deep meaning encouraged me to continually brainstorm and refine my ideas. They taught me to produce collections that are not only unique but also carry significant, thoughtful messages.

**CHUA ZHI QING**

Malaysian  
Raffles Kuala Lumpur  
Fashion Marketing  
Class of 2023

My passion for fashion and beauty has always driven me to excel in the business world. While many schools focus on design, Raffles uniquely offers fashion marketing and business courses. I discovered Raffles because of its unique offering and industry-relevant curriculum. The journey at Raffles has been incredibly fulfilling, enriched with practical experiences working alongside local brands. The Creative Practitioners at Raffles have been nothing short of inspiring. For instance, working on a marketing project with a local brand under the guidance of an experienced mentor was transformative. It showed me the real-world impact of fashion marketing.

**DEANNA JESSICA  
CHRISLAY**

Indonesian  
Raffles Jakarta  
Interior Design  
Class of 2023

Having a passion for arts and design, as well as aesthetics, inspired me to major in Interior Design. With high-quality education and enriching learning experiences offered, Raffles is one of my top picks for my education network. The fast-paced learning environment may be challenging at times; however, starting with challenges builds strength and ends with who I am today. Studying Interior Design at Raffles Design Institute Jakarta provided me with a wealth of insights into the world of design, not only theoretical, but also practical and technical. With the constant guidance of well-qualified lecturers, I have been nourished with plenty of knowledge by dynamic faculties.



**DIANNE MADELEINE  
LLORENTE CONDECIDO**

Filipino (Singapore PR)  
Raffles Singapore  
Interior Architecture & Design  
Class of 2024

My learning journey here has been great. I've been given a lot of opportunities to work with real clients to take part in competitions as well as collaborations. I chose Raffles because it is a school specialized in design and the lecturers here all have industry experience so that the skills that we have learned from them is very applicable and practical in the real world.

**GOH JIN WENG**

Malaysian  
Raffles Kuala Lumpur  
Fashion Marketing  
Class of 2024

As a fashion marketing student at Raffles College, I have had the incredible opportunity to immerse myself in a curriculum that is both comprehensive and innovative. From day one, the college has offered a supportive environment where creativity and academic excellence are at the forefront. Raffles College stands out for its exceptional faculty, who are not only experts in their fields but also mentors who inspire us to reach our fullest potential. The hands-on learning experiences, such as industry collaborations and live projects, have allowed me to apply theoretical knowledge in real-world scenarios. This practical approach has been instrumental in shaping my understanding of fashion design, merchandising, and marketing.

**HLA SANDAR WIN**

Burmese  
Raffles Singapore  
International Fashion Business  
Class of 2024

Raffles provides students with a unique blend of knowledge and practical training, enabling them to develop skills and become more reflective while preparing for graduation. Despite facing challenges in my home country and attending online for the first few terms, I'm grateful to Raffles for offering the opportunity for students to study online. I'd like to express my gratitude to my brother, parents, and lecturers for their support and guidance. The lecturers and the rigorous Raffles curriculum have been instrumental in guiding me through this journey, ensuring my success.

**IRENE C.T. SALCEDO**

Indonesian  
Raffles Singapore  
Digital Media  
Class of 2024

Joining Raffles has provided me with numerous opportunities to discover more about the digital media design industry and meet wonderful lecturers who have greatly contributed to my personal and professional growth. It has also helped me improve my skills to a higher level.

**JESSICA RIGANTI**

Italian  
Raffles Milano  
Fashion Design  
Class of 2024

I chose Raffles because it is an academy that gave me the opportunity to learn as much as I could, in the field of Fashion and Design, allowing me to have an entire view of the industry at a 360°.

Thanks to my professors, who always gave me time, commitment and patience, the more things I learned the more my curiosity about them grew. Every subject is taught with commitment and passion, and these are the two qualities that are conveyed during classes, working on projects and growing... day by day.

**LEE WAN YU**

Malaysian  
Raffles University  
Arts & Design  
Class of 2024

At Raffles University, some assignments are real projects that help me understand what the market truly needs. After each semester, I feel that I have learned a lot, including both software and design skills, which enable me to work faster and better in my job. I would like to suggest to prospective or new students not to give up easily on anything because we don't know our limits.

My favorite module at Raffles University is Drawing for Designers. I like drawing but wasn't skilled at it, and through this module, I really improved my drawing skills. I felt connected through various events and assignments related to Raffles University, such as the RU Green project, where my friends and I could work and discuss the project together. I never thought that my Final Year Project could become a real project and win many awards.



**MARCO BALSAMO**

Italian  
Raffles Milano  
Visual Design  
Class of 2024

I decided to enroll mainly for the educational plan, but also for the avant-garde structure that allows a continuous exchange between the people of the various courses.

I think the most important inspiration and advice the teachers have taught me is to never produce anything just for aesthetic taste, but always based on a concept that can guide you in the realization.

If I had to use 3 words to describe my experience I would use:  
Challenging, fun and educational.

**PREETI JIT KAUR A/P  
PERMINDERJIT SINGH**

Malaysian  
Raffles University  
Business  
Class of 2024

Choosing Raffles University for my Master of Business Administration was a decision driven by several key factors: academic reputation, program offerings and specialisations, and industry connections.

Strategic Management is a favourite module as it provides a comprehensive understanding of how organizations formulate and execute strategies to achieve their goals. This module is appreciated for its real-world applicability, helping students develop skills in analysing business environments, making informed decisions, and understanding the long-term vision of an organization. Some programs offer hands-on experiences or internships that allow students to apply theoretical knowledge in real-world scenarios, leading to unexpected skill development.

**SABRINA LIM**

Singaporean  
Raffles Singapore  
Illustration & Animation  
Class of 2024

I joined Raffles College of Higher Education's Illustration and Animation BA program at a point in my life where I wanted to challenge myself and improve on my portfolio for work. Raffles provided me the space and creativity to try new things while also providing enough encouragement from the lecturers to finish my projects faithfully. It was a pleasant experience studying here and meeting like-minded peers.

**TEO LI TING**

Malaysian  
Raffles University  
Arts & Design  
Class of 2024

Raffles University's teaching has integrated the design industry process into our daily learning. From project proposal to confirming style to design progress, followed by mentor checking, programme director checking, and client review, this sequence is how we complete projects during the study period. This method is very helpful for fresh graduates to get started quickly and adapt to the design industry in a step-by-step manner.

My favorite module during my time at Raffles University is Identity System because I am more into Branding Design. I felt connected at RU during my studies, especially during my final year project. The lecturers were very supportive, helping me find solutions such as a suitable display table for my project and assisting me in video production during weekends. Everyone was helping and guiding me to ensure I could present my project at its best.

**VANEZZA TAN**

Indonesian  
Raffles Singapore  
Graphic Design  
Class of 2024

Studying Visual Communication Design at Raffles Singapore has been an amazing journey. Through hands-on projects and comprehensive modules, I've gained both theoretical knowledge and practical skills. Talented lecturers and a dynamic learning environment have pushed my creative boundaries and refined my design skills. As I graduate, I am grateful for the invaluable lessons learned and believe the solid foundation I've built will guide me towards a fulfilling design career.

**YANG KUNLIN**

Chinese  
Raffles Singapore  
Product Design  
Class of 2024

My name is Yang Kunlin and I studied Product Design at Raffles College. Over the three years of my education here, I gained a wealth of knowledge and experiences. Raffles provided me with a solid foundation in design principles and techniques. I had the opportunity to participate in various design exhibitions and events, which greatly enriched my learning journey. Studying at Raffles has truly equipped me with the skills and confidence needed for a successful career in product design.



**YEO XIN JIE**

Malaysian  
Raffles Kuala Lumpur  
Fashion Design  
Class of 2024

My experience at Raffles College of Higher Education KL has been transformative. Pursuing a Diploma in Fashion Design and set to graduate in 2024, I, Yeo Xin Jie, have gained invaluable knowledge and skills that have shaped my design journey. The program's rigorous curriculum and supportive faculty have nurtured my creativity, allowing me to develop a distinctive style focused on high-quality, made-to-order garments. The exposure to industry practices and the emphasis on innovation have prepared me to confidently enter the fashion world. Raffles has truly provided a solid foundation for my career in fashion design.

**YOGENDRAN A/L  
GOVIKRISHNAN**

Malaysian  
Raffles University  
AI & Robotics  
Class of 2024

The practical experience gained through modules like Intelligent Agent Design directly translates into my work, allowing me to develop innovative solutions for real-world challenges. Throughout my studies at RU, I felt a strong sense of connection to the university. This was largely due to the inclusive environment fostered by the institution, where students from various faculties and courses could collaborate and work together. This sense of community created a supportive network and encouraged meaningful interactions. Through the programme, I gained opportunities to network with industry professionals, which enriched my understanding of AI's real-world applications and prepared me for future career prospects. The top three reasons for my selection of Raffles University were the specialized AI course, expert guidance, and proximity. Raffles University offers a unique AI course that aligns perfectly with my academic interests and career goals.

**ZECHARIAH RAJ  
A/L KUMAR**

Malaysian  
Raffles University  
Social Sciences  
Class of 2024

My entire study time at Raffles University has always been enjoyable, and I have learned so much not only about the field of psychology but also about how it applies in our lives. Studying at Raffles was smooth as the lecturers are really friendly and supportive towards the students. Furthermore, Raffles also offers cross-faculty electives that help me discover different fields of study. My favorite module at RU is Cross-Cultural Psychology because I get to learn about people from all types of backgrounds through the lens of psychology. Being a part of Student Representative Council has also developed my skills to be a competent leader and to bring change to the community.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS :

**Mr. Chew Hua Seng**

Chairman and CEO

**Mrs. Ng Siew Mun**

Lead Independent Non-Executive Director

**Mr. Lim How Teck**

Independent Non-Executive Director

**Mr. Ng Kwan Meng**

Independent Non-Executive Director

**BG(Retd) Chua Chwee Koh**

Independent Non-Executive Director

**Mr Joseph Ho Yan Jun**

Non-Independent Non-Executive Director

## COMPANY SECRETARY :

**Mr. Keloth Raj Kumar**

## REGISTERED OFFICE :

111 Somerset Road,  
#15-22, 111 Somerset,  
Singapore 238164  
Telephone : +65 6338 5288  
Facsimile : +65 6338 5167  
Website : [www.Raffles.Education](http://www.Raffles.Education)

## SHARE REGISTRAR :

**B.A.C.S. Private Limited**

77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896

## AUDITOR :

**BDO LLP**

Public Accountants and Chartered Accountants  
600 North Bridge Road  
#23-01 Parkview Square  
Singapore 188778

Audit Partner-in-charge: Mr. Yeo Siok Yong  
(Appointed since financial year ended 30 June 2024)

## PRINCIPAL BANKERS :

**United Overseas Bank Limited**

80 Raffles Place  
UOB Plaza  
Singapore 048624

**Citibank N.A. Singapore Branch**

8 Marina View #17-01  
Asia Square Tower 1  
Singapore 018960



# CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the “Board”) of Raffles Education Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to excellence in corporate governance, transparency and accountability, seen as essential for the long-term performance and sustainability of the Group, and to protect and enhance the interests of shareholders and other stakeholders.

The Group’s corporate governance practices and processes are guided by the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and are continually reviewed for relevance and effectiveness by reference to the legal and regulatory environment in which the Group operates. We confirm that the Group has complied with the principles and provisions of the Code during the financial year ended 30 June 2024 and where there are deviations from the Code, appropriate explanation is provided within this Statement.

## I. BOARD MATTERS

### PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

#### **Board Responsibility and Conflicts of Interest**

The Board directs the Group in the conduct of its affairs, exercising its fiduciary role at all times in the interests of the Group to ensure that corporate responsibility and ethical standards are met. The Board is collectively responsible for the activities of the Group, its strategy and governance, risk management and financial performance.

All Directors exercise due diligence and independent judgement and are obliged to act in good faith and consider at all times the best interests of the Company. Where there are conflicts of interest, directors recuse themselves from discussions and decisions involving the issues of conflict.

The principal roles and responsibilities of the Board are as follows:

- reviews and adopts a strategic plan, as developed by Management, taking into account the sustainability of the businesses of the Company and its subsidiaries (“Group”), with attention given to climate-related and environmental, social, and governance (“ESG”) aspects of the operations;
- oversees the conduct of the Group’s businesses, including monitoring Management’s performance to determine whether the business is being properly managed;
- identifies principal business risk faced by the Group and ensures the implementation of appropriate internal controls and mitigating measures to manage such risks;
- decides on matters that require its approval and clearly communicates this to Management in writing;
- reviews the adequacy and integrity of the Group’s management information and internal control systems, ensuring there is a sound framework for reporting internal controls and regulatory compliance; and
- ensures the integrity of the Group’s financial and non-financial reporting.

# CORPORATE GOVERNANCE STATEMENT

## Matters requiring the Board's approval

The Board decides on matters that require its approval and clearly communicates this to Management in writing.

Key matters requiring the Board's approval are as follows:

- Setting the strategic direction and long-term goals for the Group and ensuring adequate resources to meet these objectives.
- Approving and monitoring capital and financial plans to ensure alignment with the Group's strategic directions.
- Approving the annual budget, annual and interim financial statements, major funding proposals and capital expenditures, and strategic acquisitions and divestments.
- Ensuring the adequacy and integrity of the internal controls and setting risk appetites, establishing a risk strategy and a framework for risks to be assessed and managed.
- Approving appointments of suitable candidates to the Board and endorsing the appointments of key personnel, internal and external auditors.
- Monitoring and reviewing management performance.
- Making succession plans for itself and key persons to ensure continuity of leadership.

## Delegation by the Board

The Board delegates certain functions to committees to enable the Board to manage more effectively its stewardship and fiduciary responsibilities. However, the ultimate responsibility and decision on all matters still lies with the Board. The Board is assisted by five committees, namely, the Audit Committee, Nominating Committee, Remuneration Committee, Risk Management Committee and Independent Committee, each constituted with clear written terms of reference. Each Board Committee has direct access to management and the discretion to hire independent advisers as it deems necessary.

## Board Meetings and Board Committees

The schedule for all meetings of the Board and Board Committees for the next calendar year is planned well in advance in consultation with the Directors. The Board meets at least four times a year at regular intervals. Additional meetings are convened where necessary to address significant transactions or issues that arise. Where exigencies prevent a member from attending a Board meeting in person, telephonic attendance and conference via audio-visual communication are allowed under the Constitution of the Company. Board and Board Committees' decisions are also obtained through circulation of written resolutions. The Constitution of the Company allow written resolutions that are signed by any two members, being the quorum necessary for transaction of the business of the Directors, to be as effective as if they were passed at physical meetings.



# CORPORATE GOVERNANCE STATEMENT

The attendance at meetings of the Board and Board Committees held in the financial year ended 30 June 2024 are as follows:-

	Board	Audit Committee	Nominating Committee	Remuneration Committee	Risk Management Committee	Independent Committee
No. of meetings held	4	4	1	1	2	1
No. of meetings attended by respective Directors						
Mr Chew Hua Seng	4	*4	1	*1	*2	1
Mdm Lim Siew Mun	4	4	1	1	*1	1
Mr Lim How Teck	4	4	1	1	-	1
Mr Ng Kwan Meng	4	4	1	1	2	1
Mr Joseph Ho Yan Jun	3	*3	*1	1	2	1
BG Chua Chwee Koh	4	4	*1	*1	2	1

\* Attendance at invitation of the Committees.

## Board Induction

New Directors are appointed by the Board upon recommendation of the Nominating Committee. Newly appointed Directors will be issued with a formal letter of appointment or service agreement setting out, *inter alia*, the scope of their duties and responsibilities as a Director under the various relevant Singapore laws.

In addition, a newly appointed Director is given an orientation to the Group's businesses and governance practices. As Directors are appointed based on their existing knowledge, skills and experience that are expected to enhance the effectiveness of the Board, any further training after appointment is for continual professional development.

The Company will, as and when required or necessary, arrange and fund the training for a first-time Director of a listed company in areas of accounting, legal and compliance such as Directors' duties and responsibilities under statute and common law, and a broad overview on the rules of SGX-ST Listing Manual.

To facilitate the further development of the competencies of the members of the Board, all Directors are also updated regularly on key accounting and other regulatory changes that have a significant impact on the Group either during Board meetings or via electronic mail.

# CORPORATE GOVERNANCE STATEMENT

## Access to Information

Agendas for Board meetings are set in advance with items proposed by the CEO and management. Directors have separate and independent access to senior management and the Company Secretary and are provided with complete and relevant information in a timely manner. Directors are entitled to request from management such additional information as is needed in order to make informed and timely decisions. Directors also have the discretion to seek independent professional advice at the expense of the Group.

## Company Secretary

The Company Secretary attends all meetings of the Board and ensures that applicable rules, regulations and Board procedures are complied with. Under the Constitution of the Company, the appointment and removal of the Company Secretary require the approval of the Board.

## **PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE**

### Independence of Judgement

The present Board comprises six members who are business leaders or professionals with financial or other technical backgrounds. Amongst them are four independent Directors, one non-executive and non-independent Director, and one executive Director. There is a strong independent element on the Board as the majority of the Board and its four Board Committees are independent Directors.

An “independent Director” is defined in the Code as one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment in the best interests of the Company.

All Directors are required to officially disclose their interests in the Company including any interested person transactions with the Company. Any Director who has an interest that may present a conflict between his obligation with the Company and his personal business or other interests will either recuse himself from participating in the deliberations and voting on the matter or declare his interest and abstain from decision-making. All Directors practise good governance by updating the Company with the changes to their interests in a timely manner.

The Nominating Committee assesses and determines the independence of a Director upon appointment and on an annual basis. Please refer to the section on “Board of Directors” in the Annual Report for key information on each director.



# CORPORATE GOVERNANCE STATEMENT

## Annual Review of Director's Independence

The Nominating Committee reviews the independence of each Non-Executive Director annually in August by taking into consideration the information collected through the confirmation of independence completed by each Director which is addressed to the Nominating Committee. The Director is required to declare any circumstances in which he may be considered non-independent. The Nominating Committee will review each confirmation of independence before affirming the independence of a Director. The Nominating Committee adopts the materiality thresholds and independence criteria as defined in the Code.

Name of Director	Appointment	Date of Initial Appointment	Last Re-election
Mr Chew Hua Seng	Chairman and Chief Executive Officer Member of Nominating Committee	25 November 1999	30 October 2021
Mdm Lim Siew Mun**	Lead Independent and Non-Executive Director Chairman of Independent Committee Member of Audit and Remuneration Committees	1 July 2021	27 October 2023
Mr Lim How Teck	Independent and Non-Executive Director Chairman of Audit and Remuneration Committees Member of Nominating Committee	6 March 2018	25 October 2022
Mr Ng Kwan Meng**	Independent and Non-Executive Director Chairman of Nominating and Risk Management Committees Member of Audit Committee	25 February 2021	27 October 2023
Mr Joseph Ho Yan Jun	Non-Independent and Non-Executive Director Member of Remuneration and Risk Management Committees	5 November 2018	25 October 2022
BG Chua Chwee Koh	Independent and Non-Executive Director Member of Audit, Risk Management, Independent and Nominating Committees	4 March 2022	25 October 2022

Note:

\*\* retired in Annual General Meeting held on 27 October 2023.

The Nominating Committee is tasked by the Code to undertake a “particularly rigorous review” of the independence of a Director that has served on the Board for a continuous period of nine years or longer from the date of his first appointment. If the Nominating Committee decides to regard such a Director as independent, it shall disclose its explanation in the Company's Annual Report.

As of now, there are no Independent Directors and Non-Executive Directors on the Board who have served beyond nine years from the date of their appointment.

# CORPORATE GOVERNANCE STATEMENT

## Board Composition and Diversity

The Company acknowledges and values the significance and advantages of having a Board and Board Committees that are structured, sized, and composed appropriately, with directors who collectively offer a balanced and diverse range of perspectives. The Company also recognises the need and benefits of embracing diversity at the Board level to enhance stewardship and decision-making capabilities that commensurate with the Company's ever-evolving operating environment.

The Company is doing its best to carry out the recommendations by the Singapore Council for Board Diversity for women representation in the listed companies. The current percentage of the female Board member in the Company is 16.7% and this will be reviewed from time to time based on such recommendation. The Nominating Committee reviews the composition of the Board in the process of new appointments and on an annual basis. The Nominating Committee is satisfied that the current Board comprises persons of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, taking into account the nature and scope of the Company's operations.

The information of current composition, date of initial appointment and last re-election of each member of the Board and Board Committees are presented in a table in the preceding page.

## Role of Non-Executive Directors

The non-executive Directors of the Company, who are also independent, together with the non-executive and non-independent Director, constructively challenge and assist in developing proposals on strategy. They also assist the Board in reviewing the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

## Meeting of Directors without Management

The Non-Executive Directors meet without the presence of management or Executive Directors at least once a year or hold *ad hoc* meetings as circumstances dictate, to review and discuss any matters required to be raised privately. The meetings are chaired by the Chairman of the Independent Committee who is also the Lead Independent Director. The Chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

## PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### Separation of the Role of Chairman and the Chief Executive Officer ("CEO")

Mr Chew Hua Seng is both the Chairman and CEO of the Company. He bears executive responsibility for the overall management and strategic development of the Group in addition to overseeing the activities of the Board and ensuring that procedures are in place for compliance with the Code.

Although the roles and responsibilities for both Chairman and CEO are vested in Mr Chew, major decisions are made in consultation with the Board which comprises a majority of non-executive and independent Directors. The Board believes that there are adequate measures in place to ensure a degree of checks and balances.



# CORPORATE GOVERNANCE STATEMENT

In addition, the Board has appointed an Independent Director to be the Lead Independent Director as recommended by Provision 3.3 of the Code. The Lead Independent Director acts as the principal liaison between the Independent Directors of the Company and the Chairman of the Board, and between the Independent Directors of the Company and senior management. The Lead Independent Director chairs all the meetings of Independent Directors and provides feedback on such meetings to the Chairman of the Board.

As the Chairman, Mr Chew is responsible for:

- ensuring that Board meetings are held when necessary and preparing the meeting agendas (with the assistance of the Company Secretary) to enable the Board to perform its duties effectively having regard to the flow of the Group's businesses and operations.
- reviewing board papers before they are presented to the Board to ensure that information provided is adequate.
- ensuring sufficient allocation of time for members of the Board to engage in constructive debate on strategic issues and business planning.
- controlling the quality, quantity and timeliness of information flow between the Board and management.
- fostering constructive dialogue between shareholders, the Board and management during annual general meetings and other shareholder meetings.
- promoting high standards of corporate governance.

## **Lead Independent Director**

The Board has appointed Ms Lim Siew Mun as the Lead Independent Director and she will be available to address any shareholders' concerns when contact through the normal channels via the Chairman, CEO or other management executive have failed to provide satisfactory resolution or when such contact is inappropriate or inadequate.

The Lead Independent Director also responds to queries and comments that shareholders of the Company have directed to her or to the Independent Directors of the Company collectively, in consultation with the Chairman of the Board and the other Non-Independent Director, as she may deem appropriate.

## **PRINCIPLE 4: BOARD MEMBERSHIP**

### **Nominating Committee**

The Nominating Committee (the "NC") has put in place a formal and transparent process for the appointment and re-appointment of Directors to the Board.

# CORPORATE GOVERNANCE STATEMENT

The current composition of the NC comprises four members, of whom three are non-executive and independent Directors and one executive director:

1. Mr Ng Kwan Meng, Chairman of NC (Independent Director)
2. Mr Lim How Teck (Independent Director)
3. Mr Chew Hua Seng (Chairman and Chief Executive Officer)
4. BG (Retd) Chua Chwee Koh (Independent Director)

The NC's responsibilities include, but are not limited to, the following:

- regularly reviewing the composition of the Board and Board Committees, taking into consideration the size and independence requirements, amongst others.

Please refer to Principle 2 for details of the "Annual Review of Director's Independence".

- reviewing the Board's succession plans for Directors, in particular, the Chairman and the CEO.
- identifying, reviewing and recommending Board appointments for approval by the Board, taking into account the experience, expertise, knowledge and skills of the candidate and the needs of the Board.
- reviewing and recommending to the Board the re-appointment of any Non-Executive Director having regard to his/her performance, commitment and ability to contribute to the Board as well as his/her skillset.
- maintaining a process for evaluating the performance of the Board, Board Committees and the Directors.
- conducting an annual evaluation on the performance of the Board, Board Committees and the Directors, and in particular where the Directors concerned have multiple board representations, whether the NC is satisfied that sufficient time and attention have been given by the Directors to the affairs of the Company notwithstanding their multiple board representations.

## Selection Criteria and Nominating Process for New Directors

The NC recognises the importance of an appropriate balance and diversity of industry knowledge, skills, background, experience professional qualifications and gender in building an effective Board. To this end, the NC reviews the Board's collective skills matrix regularly.

As part of the formal process for the appointment of new Directors, the NC reviews the composition of the Board and identifies the skillsets that will enhance the Board's effectiveness. Suitable candidates are identified from various sources including search companies and through recommendations. The NC considers the proposed candidate's independence, expertise and background, and determines if he or she possesses the skills required and makes its recommendations to the Board accordingly.

## Rotation and Re-election of Directors

The Constitution of the Company requires one-third of Directors that are longest-serving to retire from office every year at the Annual General Meeting ("AGM").



# CORPORATE GOVERNANCE STATEMENT

## Directors' Multiple Directorships in Listed Companies

The Company has not determined a specified maximum number of listed board representations for a Director, but the NC takes into consideration the individual's other competing time commitments such as whether the individual also holds a full-time executive position in other organisations.

The NC had carried out an evaluation and review of the contributions of each Directors at meetings of the Board and Board Committees and Directors' participation in the affairs of the Company, including a review of matters such as the independence of Directors, their individual skills, experience and time commitment, in particular for Directors who served on multiple boards as well as overall Board size and compositions.

The NC is satisfied that despite the multiple directorships of certain Directors, the Directors had spent adequate time on the Company's affairs and have carried out their responsibilities.

## Alternate Director

There is no appointment of Alternate Director on the current Board of the Company.

## Key Information on Directors

The Notice of AGM sets out the Directors proposed for re-election. Key information on each Director can be found in the "Board of Directors" section of this Annual Report.

In addition, information on shareholdings in the Company held by each Director is set out in the "Directors' Statement" section of this Annual Report.

## **PRINCIPLE 5: BOARD PERFORMANCE**

The NC makes an assessment in August annually to determine whether the Board, Board Committees and the Directors are performing effectively and formulate action plans for improvement. No external facilitator is appointed to assist NC in the evaluation. The performance evaluation criteria are set by the NC.

The Board Performance Evaluation Questionnaire includes questions on:

- (i) Board's composition;
- (ii) Board's access to information;
- (iii) Board procedures such as the conduct of proceedings at Board meetings and the independent access to officers and members of management outside of Board meetings; and
- (iv) Board's standard of conduct in preventing conflicts of interest and the disclosure of personal interests in transactions and abstention from voting where appropriate.

# CORPORATE GOVERNANCE STATEMENT

The performance of the Directors, individually and collectively, is assessed by means of a performance appraisal that covers a range of issues including Board size, the proportion of Non-Executive Directors versus Executive Directors, whether there is an adequate diversity of independence, the right mix of expertise, experience and skills, and whether expertise and skills applied to the various issues that come before the Board enabled sound, balanced and well considered decisions.

The performance of individual Directors, formal evaluation is carried out by the NC as and when a Director is due for retirement by rotation and is seeking re-election. Contributions in different forms by an individual Board member including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and attendance at Board and Board Committee meetings are considered.

## II. REMUNERATION MATTERS

### **PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

The Remuneration Committee (the “**RC**”) comprises three members of whom two are non-executive and independent Directors and one a non-executive and non-independent Director:

- 1) Mr Lim How Teck, Chairman of RC (Independent Director)
- 2) Mdm Lim Siew Mun (Lead Independent Director)
- 3) Mr Joseph Ho Yan Jun (Non-executive and Non-Independent Director)

The principal functions of the RC are to:

- determine and agree with the Board the framework or broad policy for the remuneration of the Company’s Board and key executives, and to determine specific remuneration packages for each executive director and the Chief Executive Officer and such other members of the executive management as it is designated to consider;
- determine targets for any performance related pay schemes operated by the Company, taking into account pay and employment conditions within the industry and in comparable companies;
- within the terms of the agreed policy, determine the total individual remuneration package of each executive manager including, where appropriate, allowances, bonuses, benefits in kind, incentive payments and share options;
- determine the policy for and scope of service agreements for the executive management team, termination payments and compensation commitments, including fixing appointment period for the directors;
- determine the remuneration of non-executive directors, taking into factors such as efforts, time spent and the responsibilities; and
- oversee any major changes in employee benefit structures throughout the Company or Group.



# CORPORATE GOVERNANCE STATEMENT

The RC is satisfied that the existing framework that has the endorsement of the Board and which serves to attract, retain and motivate senior management staff of the Group through competitive compensation compared to the industry and comparable companies, is still relevant and effective. The framework for remuneration of Directors and key management personnel covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, grant of shares and benefits in kind.

In addition, the RC reviews the obligations arising in the event of termination of the executive Directors' and key management personnel's contract of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC has access to expert advice from external remuneration consultants where required.

None of the RC members or Directors is involved in the deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

## **Raffles Education Corporation Performance Share Plan (Year 2021)**

The Company had, by way of a shareholders' approval at the Annual General Meeting held on 30 October 2021, adopted the "Raffles Education Corporation Performance Share Plan (Year 2021)" (the "RE PSP"). The RE PSP is administered by a committee of directors comprising as follows:-

Mr Lim How Teck (Chairman)

Mr Joseph Ho Yan Jun

Mdm Lim Siew Mun

A member of the Remuneration Committee who is also a Participant of the RE PSP Scheme must not be involved in its deliberations in respect of options granted or to be granted to him or held by him.

Participants of RE PSP are not required to pay for the grant of awards and they have a right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain performance conditions or other conditions are met and upon the expiry of the vesting periods.

Eligibility to participate in the RE PSP extends to among others, executive and non-executive directors of any member of the Group and confirmed full-time employees of any member of the Group, and this includes the non-executive Directors (including independent Directors). Controlling Shareholders of the Company and/or their Associates (each as defined in the RE PSP) are not eligible to participate in the RE PSP.

It is currently intended that, subject to shareholders' approval at the upcoming Annual General Meeting, the Lead Independent Director and the non-executive Directors, who hold office as at the payment date, will each receive a portion of their Directors' remuneration for the financial year ended 30 June 2024 in the form of Awards pursuant to the RE PSP.

Awards can be exercised within 3 years and one-third of the awards granted can be exercised each year.

Awards granted will lapse when participant ceases to be an executive director, non-executive director or full-time employee with the Group, subject to certain exceptions at the discretion of the Company.

## CORPORATE GOVERNANCE STATEMENT

The aggregate number of shares over which awards may be granted on any date, when added to the number of shares issued and issuable in respect of all share-based incentive schemes under the RE PSP, shall not exceed 15% of the total number of issued shares excluding treasury shares of the Company on the day preceding that date of grant.

The Directors are of the view that the participation by the independent non-executive Directors in the RE PSP will not affect the independence of such independent non-executive Directors, as it is contemplated that the number of Shares subject to such Award(s) will not be significant such as to affect their independence. For this proposed Award of Shares to non-executive Directors (including independent Directors), it is contemplated that existing treasury shares [(to the extent available)] will be transferred and delivered to the non-executive Directors, in order to minimise the potential dilutive impact on the Company's issued share capital.

Since the commencement of the RE PSP and up to and including 30 June 2024, there were grants of awards that have been issued to non-executive directors. During the financial year ended 30 June 2024, the settlement of the share component of directors' fee for the financial year ended 30 June 2023 are as follows:

<b>Directors</b>	<b>Number of shares granted to each director</b>
Lim How Teck	409,800
Ng Kwan Meng	409,800
Lim Siew Mun	409,800
Joseph Ho Yan Jun	409,800
Chua Chwee Koh	409,800

No participant has been awarded 5% or more of the total number of Shares available under the RE PSP. There were no awards granted to participants who are controlling shareholders of the Company and their associates.

### **PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION**

The Group advocates a performance-based remuneration system that is directly linked to corporate and individual performance, both in terms of financial and non-financial remuneration, and the creation of shareholder wealth by incorporating appropriate key performance indicators.

#### **Remuneration of Executive Director**

A significant proportion of the CEO's remuneration is structured such that it links rewards to corporate and individual performance.

If necessary, the RC would seek and indeed had sought external expert advice on the remuneration package of the CEO.



# CORPORATE GOVERNANCE STATEMENT

## Remuneration of Non-Executive Directors

All non-executive and independent Directors and non-executive and non-independent Directors received Director's fees and fees for serving on the various Board Committees. These fees are subject to shareholders' approval at the Company's AGM.

The terms of appointment of the directors are as specified in the Constitution of the Company. All non-executive and independent Directors and non-executive and non-independent Director do not have service contracts with the Company.

## PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Board has not included a separate annual remuneration report to shareholders in this Annual Report as the Board is of view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in this Corporate Governance Statement and the financial statements of the Company.

Remuneration of Directors for the year ended 30 June 2024 in bands of S\$250,000 is set out below:

Name of Director	Fees %	Salary %	Performance-Related Bonuses %	Total %
Between S\$1,000,000 to S\$1,500,000				
Mr Chew Hua Seng	-	100	-	100
Name of Director	Fees %	Salary %	PSP Shares %	Total %
Below S\$250,000				
Mr Lim How Teck	75	-	25	100
Mr Joseph Ho Yan Jun	67	-	33	100
Mr Ng Kwan Meng	74	-	26	100
Mdm Lim Siew Mun	75	-	25	100
BG Chua Chwee Koh	71	-	29	100

The remuneration of Directors is disclosed within bands instead of rounded to the nearest thousand dollars as the Board is of the view that the disclosure in bands provides a balance between detailed disclosure and confidentiality.

The remuneration of the top five key management personnel (who are not Directors or the CEO), are disclosed in bands, as indicated in the following table as the Board is of the view that the Group's key management remuneration is a sensitive issue to the individuals and to the Group.

The Group operates in very diverse market conditions across many jurisdictions with diverse cultural and local sensitivities when it comes to personal remuneration. The non-disclosure of exact remuneration does not compromise the ability of the Company to meet the Corporate Governance Code, as the RC, comprising two non-executive and independent Directors and one non-executive and non-independent Director, reviews the remuneration package of such key management personnel who are remunerated based on the performance of the individual and the Group to ensure that they are fairly remunerated.

## CORPORATE GOVERNANCE STATEMENT

The Group's framework and policies on remuneration take into consideration performance factors such as size of the college and maturity of the college (number of years in operation) when assessing the performance of its key management personnel. In addition to financial performance, the level of difficulty in managing a particular college arising from local operational and regulatory conditions is also taken into consideration in the appraisal of performance.

The total remuneration paid to the key management personnel (who are not directors or the CEO) in FY 2024 was \$1,573,684. The level and mix of each of the key management personnel (who are not also directors or the CEO) in bands of S\$50,000 are set out below:

Remuneration Band & Name of Key Management Personnel	Fees %	Salary %	Performance-Related Bonuses %	Others	Total
<b>Between S\$350,000 to S\$400,000</b>					
Executive 1	-	100	-	-	100
<b>Between S\$250,000 to S\$300,000</b>					
Executive 2	-	100	-	-	100
<b>Between S\$150,000 to S\$200,000</b>					
Executive 3	-	100	-	-	100
Executive 4	-	100	-	-	100
Executive 5	-	100	-	-	100

Save as disclosed below, none of the Directors had family members who were employees of the Group and whose personal remuneration exceeded S\$100,000. The following are employees who are immediate family members of Mr Chew Hua Seng, the Chairman and CEO. Their remuneration in bands of S\$50,000 during the financial year ended 30 June 2024 are shown below:

Remuneration Band & Name	Relationship	Salary (%)	Performance-Related Bonuses	Total
<b>Between S\$350,000 to S\$400,000</b>				
Mdm Doris Chung Gim Lian	Spouse of Chairman and CEO	100	-	100
<b>Between S\$150,000 to S\$200,000</b>				
Mr Chew Han Wei	Son of Chairman and CEO	100	-	100
Mr Chew Han Qiang	Son of Chairman and CEO	100	-	100



# CORPORATE GOVERNANCE STATEMENT

## III. ACCOUNTABILITY AND AUDIT

### Accountability

The Board provides shareholders with bi-annual financial reports, price sensitive reports and reports to regulators (if required). In presenting these reports, the Board aims to give shareholders a balanced and understandable assessment of the Group's financial performance, position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

Management currently provides annual budgets and business plans to members of the Board for endorsement. The Chairman and CEO receives detailed management accounts of the Group on a quarterly basis.

The Group has a policy on corporate disclosure controls and procedures to ensure that the Group complies with its disclosure obligations under the Listing Manual. These controls and procedures incorporate decision-making procedures and an obligation on internal reporting of decisions made.

## **PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS**

### Risk Management Committee

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems on an annual basis. The internal control and risk management functions are performed by the Group's key executives and reported to the Audit Committee (the "**AC**") for review.

The Board has established the Risk Management Committee (the "**RMC**") to assist the Board in overseeing the risk management practices of the Group.

The RMC comprises three members of whom two are non-executive and independent Directors and one is non-executive and non-independent Director:

1. Mr Ng Kwan Meng (Independent Director)
2. Mr Joseph Ho Yan Jun (Non-Independent Director)
3. BG Chua Chwee Koh (Independent Director)

The principal functions of the RMC are, amongst others, to:

- review and recommend to the Board the type and level of business risks that the Group undertakes on an integrated basis to achieve its business objectives.
- set policies for managing risks that are consistent with the Group's risk appetite.
- advise the Board on proposed strategic transactions, focusing on risk aspects and implications for risk appetite and tolerance of the Group.

# CORPORATE GOVERNANCE STATEMENT

- review reports on any material breaches of risk limits and the adequacy of proposed action.
- review the effectiveness of the Group's internal controls and risk management systems.

## Internal Controls

The Group has instituted an adequate and effective system of risk management and internal controls addressing material financial, operational, compliance and information technology risks to safeguard the interests of shareholders and the Group's assets.

An enterprise-wide risk management framework has been set in place to enhance the Group's risk management capabilities. This is administered by the Enterprise Risk Management team ("**ERM**"). The key risks of the Group are identified and action plans made to mitigate these risks. Risk awareness and ownership of risk treatments are continually instilled and reinforced throughout the organisation.

As the environment in which the Group operates changes, risks and opportunities also change. Under the ERM Framework, which is developed with reference to the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Model, management of all levels are expected to constantly review the business operations and the environment that the Group operates in to identify risk areas and ensure mitigating measures are promptly developed to address these risks. The ERM Framework outlines the Group's approach to managing enterprise-wide risks and sets out a systematic process for identifying, evaluating, managing and monitoring risks faced by the Group.

Individual business units have different cultures and risk profiles. Hence, each business unit will identify and evaluate its set of risks. As part of the internal audit of each business unit, risk identification, analysis and evaluation exercise will be carried out and treated according to the risk management process as set out in the ERM Framework. The risk owners, internal auditor and management participate in the review process.

The Board has received assurance from the CEO and Chief Financial Officer ("**CFO**") that, as at 30 June 2024:

- a) the Group's financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances; and
- b) the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors, reviews performed by management and various Board Committees and assurances received from the CEO and CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control and risk management systems were adequate and effective as at 30 June 2024 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.



# CORPORATE GOVERNANCE STATEMENT

The Board notes that the internal control and risk management systems provide reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this respect, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

## Related Party Transactions

The Company has adopted procedures to comply with all regulations governing related party transactions, and for the periodic review and approval of these transactions by the AC.

Pursuant to Rule 907 of the Listing Manual of the SGX-ST, the aggregate value of interested person transactions entered into by the Group during FY2024 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
Mr Chew Hua Seng	S\$11,774,000

Note:

- The Company does not have a shareholders' mandate on interested party transactions.
- The nature of interested party transaction is described under Notes 31 to the Financial Statements FY2024.

## Dealings in Securities

The Company has adopted the SGX-ST Best Practices Guide with respect to dealings in securities for the guidance of Directors and employees. Directors and employees of the Group are reminded on a quarterly basis to refrain from dealing in the Company's securities on short-term considerations and to abstain from dealing with the Company's securities for a period commencing two weeks before the announcement of results for the first three quarters and one month before the announcement of the full year results, and ending on the date of the announcement of the relevant results. Directors and employees of the Group are simultaneously reminded that they are also not permitted to deal in the Company's securities at any time when in possession of any unpublished price sensitive information relating to the Group.

# CORPORATE GOVERNANCE STATEMENT

## **PRINCIPLE 10: AUDIT COMMITTEE**

The Audit Committee (the “**AC**”) has written terms of reference that are approved by the Board and clearly set out its responsibilities. A former partner or director of the Company’s existing auditing firm or auditing corporation cannot act as a member of the Company’s AC:

- a) within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case
- b) for as long as he has any financial interest in the auditing firm or auditing corporation.

The AC comprises four members who are all non-executive and independent Directors:

- 1) Mr Lim How Teck, Chairman of AC (Independent Director)
- 2) Mr Ng Kwan Meng (Independent Director)
- 3) Mdm Lim Siew Mun (Lead Independent Director)
- 4) BG Chua Chwee Koh (Independent Director)

The AC meets on a quarterly basis, with further meetings if circumstances require. The Board is of the view that the members of the AC, collectively, have recent and relevant accounting or related financial management expertise or experience and are qualified to discharge the AC’s responsibilities. The AC is kept abreast by management and the external auditors of changes to accounting standards, the Listing Manual of the SGX-ST and other regulations which could have an impact on the Group’s operations and financial statements. Members of the AC also update themselves through relevant publications and by attending relevant seminars and courses.

Please refer to the section on “Board of Directors” in the Annual Report for key information on the AC members, including their academic and professional qualifications.

The AC assists the Board to maintain a high standard of corporate governance, particularly in the areas of effective financial reporting and the adequacy of internal controls system of the Group.

The duties and responsibilities of AC include:

- Review the scope of annual internal and external audit plans, evaluation of internal accounting control systems, audit report, significant internal audit observations and management’s responses thereto.
- Review the quarterly and annual financial statements before submission to the Board for approval.
- Review and discuss with external auditors any suspected fraud, irregularities or regulatory breaches which have or likely to have a material impact on the Group’s operating results or financial position.
- Evaluate the assistance given by management to the external auditors and discuss issues of concern, if any, arising from interim and final audits or any matters the auditors wish to discuss.
- Review at least annually the adequacy and effectiveness of the internal audit function.



# CORPORATE GOVERNANCE STATEMENT

- Review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (with the assistance of competent external professionals, if necessary).
- Review the scope and results of the external audit, and the independence and objectivity of the external auditors.
- Review any interested person transactions in perspective of Interested Person Transactions Policy and Listing Manual of the SGX-ST.
- Undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and which warrant AC's attention.
- Undertake such other functions and duties as may be required under the AC's Terms of Reference, by statute or the Listing Manual of SGX-ST, and by such amendments made thereto from time to time.

The AC has explicit authority to investigate any matter within its Terms of Reference, and has full access to and co-operation of the management. The AC has the full discretion to invite any Director, executive officer, internal auditors and external auditors to attend its meetings.

The AC meets with the external auditors, BDO LLP, without the presence of management, at least once a year. The external auditors also have unrestricted access to the AC. The internal auditors, who report to the Chairman of the AC, engage in regular communication with the AC.

## External Auditors

The AC makes recommendations to the Board for the appointment, re-appointment and dismissal of the external auditors, including the remuneration and terms of engagement.

The AC reviews the independence and objectivity of the external auditors through discussions with them as well as a review of the volume and nature of all non-audit services provided by the external auditors during the relevant financial year. The AC is satisfied that the financial, professional and business relationships between the Group and BDO LLP will not prejudice their independence and objectivity and has recommended their re-appointment as external auditors of the Company at the coming AGM.

## Whistle-blowing Policy

The Group has a whistle-blowing policy and established procedures which provide well-defined and accessible channels within the Group on the escalation, investigation and follow up of any reported wrong-doing by an employee, customer, vendor or third party.

## Internal audit

The Board and the AC agree that it is important to have a strong professional internal audit function that will enhance the management of risk and safeguard shareholders' interests. However, the size of the operations of the Group does not warrant having an in-house internal audit function. The internal audit function is outsourced to Baker Tilly Consultancy (Singapore) Pte Ltd.

# CORPORATE GOVERNANCE STATEMENT

Baker Tilly Consultancy (Singapore) Pte Ltd is affiliated to Baker Tilly TFW LLP, one of the 10 largest accountancy and business advisory firms in Singapore and also an independent member of Baker Tilly International, the world's 8th largest accounting and business advisory network. The persons assigned to carry out the internal audits on the Group are well qualified, with certifications such as Chartered Accountant of Singapore, Certified Internal Auditor and Certification in Risk Management Assurance, amongst others. The AC is satisfied that Baker Tilly Consultancy (Singapore) Pte Ltd has adequate resources to perform its functions and also has the appropriate standing within the Company.

The responsibilities of internal audit include:

- Evaluating the adequacy and effectiveness of the Group's risk management and internal controls systems, including whether there is prompt and accurate recording of transactions and proper safeguarding of assets.
- Reviewing whether the Group complies with relevant laws and regulations and adheres to established policies.
- Reviewing whether management is taking appropriate steps to address control deficiencies.

Baker Tilly Consultancy (Singapore) Pte Ltd has conducted its internal audits on the Group in accordance with internal audit methodology which is aligned with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal audit has direct access to AC Chairman and would update AC Chairman regularly. The AC reviews annually the adequacy and effectiveness of the internal audit function.

The AC reviews and approves the annual internal audit plans and reviews the scope and results of internal audit procedures issued by the internal auditors. Internal audit has unfettered access to the AC, the Board and senior management, as well as the right to seek information and explanation. Internal audit also has unfettered access to all of the Group's documents, records, properties and personnel. All audit reports are circulated to the AC, the CEO, the external auditors and the relevant senior management representatives. Information on outstanding issues is categorised according to level of concern and high-risk outstanding issues are escalated to senior management for timely resolution.

## IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

### **PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

#### **Shareholder Rights**

The Group accords all shareholders fair and equitable treatment. The Group is committed to the practice of fair, transparent and timely disclosure of material information to enable shareholders to make informed decisions in respect of their investments in the Company. All price-sensitive information is publicly released prior to any sessions with individual investors or analysts.

Announcements of results and information on new initiatives are published through the SGXNET. Financial results and Annual Reports are announced or issued within the mandatory period. Shareholders can also access information on the Group via the website <https://raffles.education>.



# CORPORATE GOVERNANCE STATEMENT

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings of shareholders and be informed of the rules, including voting procedures that govern such meetings. Shareholders may download the Annual Report and notice of the general meeting from the Company's website at <https://raffles.education> and SGXNET. The notice of general meeting is also broadcasted on SGXNET and advertised in newspapers.

The Constitution of the Company allows each shareholder to appoint up to two (2) proxies to attend and vote at general meetings on his/her behalf, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other issues are satisfactorily resolved. Accordingly, the Company's Constitution does not currently expressly provide for such absentia voting methods at general meetings of shareholders.

The Annual General Meeting (AGM 2024) to be held on 25 October 2024 will be held at a physical place in Singapore, pursuant to the Companies, Business Trusts and Other Bodies (Miscellaneous Amendments) Act 2023.

The Minutes of the AGM which will incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the AGM and responses from the Board and Management will be published on SGXNET and the Company's website at <https://raffles.education>.

## **Dividend Policy**

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

## **PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS**

### **Communication with Shareholders**

The Board views the general meetings as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the Directors or managements questions regarding the Company and its operations.

The Group's investor relations activities promote regular, effective and fair communication with shareholders. All press statements and announcements, if any, and quarterly financial statements are published on the Group's website <https://raffles.education> and at SGXNET website.

An investor relations team supports the Chairman and CEO in maintaining a close and active dialogue with institutional investors. Contact details for investors to submit their feedback and queries are provided on the Group's website.

# CORPORATE GOVERNANCE STATEMENT

## Conduct of Shareholder Meetings

The AGM provides shareholders with the opportunity to share their views on matters of the Group and to meet the Board of Directors, including chairpersons of the Board Committees and certain members of senior management. Directors must attend all general meetings of the Company unless prevented by extenuating circumstances. The Group encourages and values shareholders' participation at its general meetings. Representatives from the external auditors of the Company are also present at AGM of the Company to address shareholders' queries.

The Company Secretary prepares Minutes of shareholders' meetings which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and the responses from the Board and management. The Minutes are available to shareholders upon request.

In accordance with the recommendations contained in the Code and its Guidelines, comprehensive explanatory notes are provided in the notice of meeting on any special business to be transacted and resolutions requiring the approval of shareholders are tabled separately at the Company's general meetings unless they are closely related and are more appropriately dealt with together.

All the resolutions proposed at the Company's general meetings are put to vote by poll. The Company has adopted electronic poll voting which allows the votes cast for or against together with the respective percentages on each resolution to be tallied immediately and displayed live on screen at the general meeting. The same information is also announced after the general meeting via SGXNET.

## V. MANAGING STAKEHOLDERS RELATIONSHIPS

### **PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS**

The Company's material stakeholders are its shareholders, employees and the communities in which its subsidiary companies and institutions of learning operate in. The Company sets the direction for the growth of the organization and it does so in the knowledge of stakeholders' requirements and needs.

The Company regularly seeks its stakeholders' views and expectations through conversations, collaboration and research. By taking an inclusive approach, the Company hopes the stakeholders in turn will have a deeper understanding of the Company's strategic goals, practices and performance.

The environmental, social and governance factors that are material to the Company and its' stakeholders have been identified and are described in the Company's Sustainability Report.

The Company publishes its sustainability report on an annual basis. The Company's FY2024 Sustainability Report will be issued by 30 October 2024 and such Report will be made available to shareholders on SGXNET and the Company's website <https://raffles.education> in due course.

Through regular interactions, the Company will manage its relationships with all stakeholders and keep them apprised of the Company's governance, social and environmental concerns. All these efforts will be detailed in the Company's Sustainability Report.

# FINANCIALS

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# DIRECTORS' STATEMENT

The Directors of Raffles Education Limited (the "Company") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group"), the statement of changes in equity of the Company for the financial year ended 30 June 2024 and the statement of financial position of the Company as at 30 June 2024.

## 1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereon are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement and as disclosed in Note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

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

Chew Hua Seng  
Lim Siew Mun  
Lim How Teck  
Ng Kwan Meng  
Chua Chwee Koh  
Joseph Ho Yan Jun (formerly known as Joseph He Jun)

## 3. Arrangements to enable Directors to acquire shares and debentures

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# DIRECTORS' STATEMENT

## 4. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967 (the "Act"), none of the Directors who held office at the end of the financial year had any interests in the shares or debentures of the Company or its related corporations except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
<b>Interests in Raffles Education Limited</b>				
	<b>Number of ordinary shares</b>			
Chew Hua Seng	456,306,105	484,035,105	34,043,159	34,043,159
Lim Siew Mun	3,402,500	3,812,300	-	-
Lim How Teck	2,402,500	2,812,300	2,000,000	2,000,000
Ng Kwan Meng	3,402,540	3,812,340	2,000,000	2,000,000
Chua Chwee Koh	9,130,800	9,540,600	-	-
Joseph Ho Yan Jun (formerly known as Joseph He Jun)	402,500	812,300	-	-
	<b>Number of convertible bonds</b>			
Chew Hua Seng	16,808,487	34,383,487	646,819	646,819
Lim Siew Mun	100,000	100,000	-	-
Lim How Teck	50,000	50,000	50,000	50,000
Ng Kwan Meng	200,000	200,000	99,800	99,800
Chua Chwee Koh	421,000	421,000	-	-

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interests as at 21 July 2024 in the shares of the Company have not changed from those disclosed as at 30 June 2024.

By virtue of Section 7 of the Act, Chew Hua Seng is deemed to have interests in the shares of all the related corporations of the Company as at the beginning and end of the financial year.

## DIRECTORS' STATEMENT

### 5. Share options and performance shares

#### 5.1 Share options

(a) Options to take up unissued shares

The Company had, by way of a shareholders' approval at an Extraordinary General Meeting held on 23 March 2011, adopted a new scheme "Raffles Education Corporation Employees' Share Option Scheme (Year 2011)" (the "RE ESOS Scheme").

The RE ESOS Scheme are administered by the Remuneration Committee whose current members are:

Lim How Teck (Chairman)

Joseph Ho Yan Jun (formerly known as Joseph He Jun)

Lim Siew Mun

A member of the Remuneration Committee who is also a Participant of the RE ESOS Scheme must not be involved in its deliberations in respect of options granted or to be granted to him or held by him.

**Statutory and other information regarding the RE ESOS Scheme are set out below:**

- (i) The Committee may at its discretion, fix the subscription price at a discount up to 20% off market price, or a price equal to the average of the last dealt market prices for the 5 consecutive market days on which the shares of the Company were traded on the SGX-ST immediately preceding the date of grant of the options.
- (ii) Consideration for the grant of an option is \$1.00.
- (iii) Options can be exercised 1 year after grant for market price options and 2 years for discounted options.
- (iv) Options granted will expire after 5 years for participants not holding a salaried office or employment in the Group, and 10 years for employees of the Group.
- (v) Options granted will lapse when participant ceases to be a full-time employee with the Group, subject to certain exceptions at the discretion of the Company.
- (vi) The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the RE ESOS Scheme, shall not exceed 15% of the total number of issued shares excluding treasury shares of the Company on the day preceding that date of grant.



# DIRECTORS' STATEMENT

## 5. Share options and performance shares (Continued)

### 5.1 Share options (Continued)

(b) Unissued shares under option and options exercised

Under the RE ESOS Scheme, share options granted, exercised and cancelled during the financial year and outstanding as at 30 June 2024 were as follows:

Date of grant	At 1 July 2023				Exercise price \$	Exercise period
	Or date of grant, whichever is later	Exercised	Expired/ cancelled	Balance as at 30 June 2024		
	('000)	('000)	('000)	('000)		
<b>RE ESOS Scheme</b>						
14 September 2018	930	-	(80)	850	0.148	14 September 2019 to 13 September 2028
14 September 2018	930	-	-	930	0.148	14 September 2020 to 13 September 2028
	1,860	-	(80)	1,780		

## DIRECTORS' STATEMENT

### 5. Share options and performance shares (Continued)

#### 5.1 Share options (Continued)

- (c) Share options pursuant to the RE ESOS Scheme (the "Schemes")

Aggregate options granted to Directors and controlling shareholders of the Company under the Schemes since their commencement, adjusted for share consolidation in financial year 2011, are as follows:

	Options granted during the financial year ended 30 June 2024 ('000)	Aggregate options granted since the commencement of the Schemes to 30 June 2024 ('000)	Aggregate options exercised/cancelled since the commencement of the Schemes to 30 June 2024 ('000)	Aggregate options outstanding as at 30 June 2024 ('000)
Chew Hua Seng	-	1,500	(1,500)	-
Doris Chung Gim Lian*	-	300	(300)	-
	-	1,800	(1,800)	-

\*Ms Doris Chung Gim Lian is the spouse of Mr Chew Hua Seng.

# DIRECTORS' STATEMENT

## 5. Share options and performance shares (Continued)

### 5.1 Share options (Continued)

- (d) During the financial year, no options were granted at a discount to market price.
- (e) During the financial year, no participant received 5% or more of the total number of options, available under the Schemes.
- (f) There were no options granted to participants who are controlling shareholders of the Company and their associates except for options granted to Chew Hua Seng and Doris Chung Gim Lian, as disclosed above.
- (g) These options do not entitle the holder to participate by virtue of the options, in any share issue of any other corporations.

Save as disclosed above, there were no unissued shares of the Company or its subsidiary corporations under options as at the end of the financial year.

### 5.2 Performance Share Plan

- (a) The Company had, by way of a shareholders' approval at the Annual General Meeting held on 30 October 2021, adopted the "Raffles Education Performance Share Plan (Year 2021)" (the "RE PSP").

The RE PSP are administered by the Remuneration Committee whose current members are:

Lim How Teck (Chairman)  
Joseph Ho Yan Jun (formerly known as Joseph He Jun)  
Lim Siew Mun

A member of the Remuneration Committee who is also a Participant of the RE PSP must not be involved in its deliberations in respect of options granted or to be granted to him or held by him.

#### **Statutory and other information regarding the RE PSP are set out below:**

- (i) The participants in the RE PSP extends to among others, executive and non-executive directors of any member of the Group and confirmed full-time employees of any member of the Group, and this includes the non-executive Directors (including independent Directors). Controlling Shareholders of the Company and/or their Associates (each as defined in the RE PSP) are not eligible to participate in the RE PSP.
- (ii) The Participants are not required to pay for the grant of awards.



## DIRECTORS' STATEMENT

### 5. Share options and performance shares (Continued)

#### 5.2 Performance Share Plan (Continued)

- (a) The Company had, by way of a shareholders' approval at the Annual General Meeting held on 30 October 2021, adopted the "Raffles Education Corporation Performance Share Plan (Year 2021)" (the "RE PSP"). (Continued)

**Statutory and other information regarding the RE PSP are set out below:**  
(Continued)

- (iii) Participant has a right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain performance conditions or other conditions are met and upon the expiry of the vesting periods.
- (iv) Awards can be exercised within 3 years and  $\frac{1}{3}$  of the awards granted can be exercised each year.
- (v) Awards granted will lapse when participant ceases to be an executive director, non-executive director or full-time employee with the Group, subject to certain exceptions at the discretion of the Company.
- (vii) The aggregate number of shares over which awards may be granted on any date, when added to the number of shares issued and issuable in respect of all share-based incentive schemes under the RE PSP, shall not exceed 15% of the total number of issued shares excluding treasury shares of the Company on the day preceding that date of grant.
- (b) During the financial year, there were grants of awards that have been issued to non-executive directors, being settlement of the share component of directors' fee for the financial year ended 30 June 2023 as follows:

<b>Directors</b>	<b>Number of shares granted to each director</b>
Lim How Teck	409,800
Ng Kwan Meng	409,800
Lim Siew Mun	409,800
Joseph Ho Yan Jun (formerly known as Joseph He Jun)	409,800
Chua Chwee Koh	409,800

- (c) During the financial year, no participant was awarded 5% or more of the total number of shares, available under the RE PSP.
- (d) There were no awards granted to participants who are controlling shareholders of the Company and their associates.

# DIRECTORS' STATEMENT

## 6. Audit Committee

The members of the Audit Committee as at the end of the financial year and at the date of this statement are:

Lim How Teck (Chairman)  
Ng Kwan Meng  
Lim Siew Mun  
Chua Chwee Koh

The Audit Committee performs the functions specified in Section 201B (5) of the Act. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditors;
- the audit plans and the overall scope of examination by the external auditor of the Group;
- the independence of the external auditor of the Company and the nature and extent of non-audit services provided by the external auditor;
- the assistance provided by the Company's officers to the external auditor; and
- the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2024, as well as the independent auditor's report on these financial statements thereon prior to submission to the Directors of the Company for adoption.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting.

## 7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

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**Chew Hua Seng**

Director

Singapore  
30 September 2024

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**Lim How Teck**

Director

# INDEPENDENT AUDITOR'S REPORT

To the Members of Raffles Education Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Raffles Education Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 119 to 191, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



# INDEPENDENT AUDITOR'S REPORT

To the Members of Raffles Education Limited

KEY AUDIT MATTER	AUDIT RESPONSE
<p><b>1 Impairment assessment of goodwill</b></p> <p>As at 30 June 2024, the Group's goodwill amounted to \$100,450,000 which had been mainly allocated to three cash-generating-units ("CGUs") including China Education Limited, Wanbo Institute of Science &amp; Technology and Raffles College of Higher Education Sdn. Bhd. In accordance with SFRS(I) 1-36 <i>Impairment of Assets</i>, the Group is required to test goodwill for impairment annually or more frequently if there is any indication that the goodwill have been allocated to respective CGUs may be impaired.</p> <p>Management applied the value-in-use (discounted cash flow forecasts) method to determine the recoverable amount of respective CGUs. Any shortfall between the recoverable amount and the carrying amount of the CGUs would be recognised as impairment losses.</p> <p>We have determined the impairment assessment of goodwill allocated to respective CGUs to be a key audit matter as significant judgements and estimates are involved with regard to the key assumptions such as revenue growth rate and discount rate used in the discounted cash flow forecast prepared by management.</p>	<p>Our procedures included amongst other, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the reasonableness of the key assumptions made by management in preparing the discounted cash flows by performing analytical procedures and comparing the revenue growth rates against historical performance and industry outlook;</li> <li>• Engaged our internal valuation specialist to evaluate the appropriateness of the discount rates used by management against market data;</li> <li>• Performed sensitivity analysis around the key assumptions, including the revenue growth rate and discount rate used in cash flow forecast; and</li> <li>• Assessed the adequacy of the related disclosures in the financial statements.</li> </ul>
<p>Refer to Note 9 of the accompanying financial statements.</p>	

# INDEPENDENT AUDITOR'S REPORT

To the Members of Raffles Education Limited

## KEY AUDIT MATTER

## AUDIT RESPONSE

### 2 Valuation of investment properties

As at 30 June 2024, the Group's investment properties amounted to \$351,288,000 and represented 32% of the Group's total assets. The Group recorded fair value loss on investment properties of \$14,518,000 during the financial year. The Group's investment properties are stated at fair value based on valuation performed by independent professional valuation specialists. The fair value of investment properties was derived using the direct comparison and income approach. Details of the valuation methodologies used are disclosed in Note 5 to the financial statements.

The valuation process involves significant judgement in determining the appropriate valuation methodologies to be applied and these are underpinned by a number of key assumptions which included capitalisation rate, monthly rental rate and price per square metre. Changes to these key assumptions may have a significant impact to the valuation.

We have determined the valuation of investment properties as a key audit matter due to the significance of the carrying amount and fair value gain to the financial statements as a whole, as well as the significant estimates and judgements associated with the valuation.

Our procedures included amongst other, the following:

- Assessed the competency, capabilities and objectivity of the independent professional valuation specialists, including obtaining an understanding of the specialists' scope of work and the terms of engagement;
- Read the valuation reports issued by the independent professional valuation specialists to understand and evaluate the appropriateness of the valuation methodologies used;
- Assessed the reasonableness of the key assumptions made by comparing the price per square metre, monthly rental rate and capitalisation rate to market rates, rental agreements and market data, as appropriate; and
- Assessed the adequacy of the related disclosures in the financial statements.

Refer to Note 5 of the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Raffles Education Limited

KEY AUDIT MATTER	AUDIT RESPONSE
<p><b>3 Liquidity of the Group</b></p> <p>The Group's net current liabilities exceeded its current assets by \$16.8 million for the financial year ended 30 June 2024. The Group's net cash generated from operating activities amounted to \$19.4 million during the financial year and has cash and cash equivalents of \$29.4 million as at 30 June 2024.</p> <p>Management has assessed that there is no material uncertainty on the Group's ability to continue as a going concern based on the Group's cash flow forecast prepared by management up to 30 September 2025. Based on management's assessment, the Group has adequate liquidity to finance the working capital requirements of the Group and repay its liabilities as and when they fall due, considering the expected cash inflows from its operating activities, additional financing from financial institutions and continued support from its bankers, amongst others, as disclosed in Note 2 to the financial statements.</p> <p>We focused on this area as a key audit matter as significant judgements made by management in determining the availability of cash flows which will affect the Group's ability to continue as a going concern.</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated management's cash flow forecast prepared based on approved budget on the Group's ability to settle its obligations as and when they fall due.</li> <li>• Obtained and checked the Group's contracted and other financial obligation to loan agreements and other supporting documents, as appropriate;</li> <li>• Assessed the reasonableness of the key cash flow forecast assumptions by comparing the actual results to previously forecasted results and performed sensitivity analysis around the key assumptions made, including expected cashflow from operation and source of significant additional financing, as appropriate;</li> <li>• Obtained and reviewed the relevant agreements and other supporting documents in relation to other financing arrangements; and</li> <li>• Assessed the adequacy of the related disclosures in the financial statements.</li> </ul>
<p>Refer to Note 2, and 11 of the accompanying financial statements.</p>	



# INDEPENDENT AUDITOR'S REPORT

To the Members of Raffles Education Limited

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Raffles Education Limited

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Raffles Education Limited

## Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yeo Siok Yong.

### **BDO LLP**

Public Accountants and  
Chartered Accountants

Singapore  
30 September 2024



# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		Group		Company	
	Note	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	3	468,799	475,316	272	4
Right-of-use assets	4	11,738	12,580	-	-
Investment properties	5	351,288	381,908	-	-
Investments in subsidiaries	6	-	-	419,375	427,548
Investments in joint venture	7	-	-	-	-
Investments in associates	8	2,499	3,435	-	-
Intangible assets	9	102,086	101,119	74	83
Deferred tax assets	16	479	742	-	-
Other receivables	10	8,400	14,535	58,901	46,597
Restricted bank balances	11	2,115	2,188	-	-
		947,404	991,823	478,622	474,232
<b>Current assets</b>					
Inventories		57	61	-	-
Trade and other receivables	10	33,831	33,577	365,300	334,257
Cash and bank balances	11	29,686	56,311	143	536
		63,574	89,949	365,443	334,793
Non-current assets held for sale	12	89,104	68,267	-	-
		152,678	158,216	365,443	334,793
Less:					
<b>Current liabilities</b>					
Trade and other payables	13	74,430	52,656	432,656	377,895
Course fees received in advance	20	21,805	21,219	-	-
Education facilities rental service received in advance		522	1,496	-	-
Income tax payables		14,931	15,631	51	51
Borrowings	14	54,432	176,002	14,135	27,970
Lease liabilities	15	3,339	2,793	-	-
		169,459	269,797	446,842	405,916
<b>Net current liabilities</b>		(16,781)	(111,581)	(81,399)	(71,123)
Less:					
<b>Non-current liabilities</b>					
Other payables	13	5,030	9,592	-	-
Borrowings	14	170,839	99,516	36,326	34,904
Lease liabilities	15	9,382	10,377	-	-
Deferred tax liabilities	16	63,516	64,932	-	-
		248,767	184,417	36,326	34,904
<b>Net assets</b>		681,856	695,825	360,897	368,205
<b>Equity</b>					
Share capital	17	554,599	554,337	554,599	554,337
Treasury shares	18	(37,798)	(38,817)	(37,798)	(38,817)
Accumulated profits/(losses) and other reserves	19	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		91,877	95,862	-	-
<b>Total equity</b>		681,856	695,825	360,897	368,205

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
Revenue	20	112,472	110,891
Interest income	21	2,420	1,433
Other operating income	22	14,905	47,397
Personnel expenses	23	(42,332)	(42,500)
Other operating expenses		(56,176)	(73,406)
Depreciation and amortisation expenses		(18,016)	(20,044)
Loss allowance on trade receivables, net	10	(176)	(69)
Reversal of impairment of investments in associates	8	-	519
Impairment loss on property, plant and equipment		-	(1,180)
Fair value loss on investment properties, net	5	(14,518)	(4,394)
Finance costs	24	(20,293)	(19,935)
Share of results of associates, net of tax		(848)	(573)
Loss before income tax	25	(22,562)	(1,861)
Income tax expense	26	(1,432)	(7,136)
Loss after income tax		(23,994)	(8,997)

## Other comprehensive loss, net of tax

### Items that may be reclassified subsequently to profit or loss:

Currency exchange differences arising on translating foreign operations	9,638	(85,659)
Total other comprehensive loss, net of tax	9,638	(85,659)
Total comprehensive loss for the financial year	(14,356)	(94,656)

### Attributable to:

Equity holders of the Company	(19,261)	(5,305)
Non-controlling interests	(4,733)	(3,692)
Net loss for the financial year	(23,994)	(8,997)

### Attributable to:

Equity holders of the Company	(9,963)	(80,463)
Non-controlling interests	(4,393)	(14,193)
Total comprehensive loss for the financial year	(14,356)	(94,656)

### Earnings per share (cents)

- Basic	27	(1.39)	(0.38)
- Diluted	27	(1.39)	(0.38)

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Attributable to equity holders of the Company										
Note	Share capital \$'000	Treasury shares \$'000	Revaluation reserve \$'000	Treasury shares reserve \$'000	Convertible bonds reserve \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>											
Balance at 1 July 2023	554,337	(38,817)	8,304	(758)	5,150	(67,117)	2,642	136,222	599,963	95,862	695,825
Net loss for the year	-	-	-	-	-	-	-	(19,261)	(19,261)	(4,733)	(23,994)
Other comprehensive loss	-	-	-	-	-	9,298	-	-	9,298	340	9,638
Total comprehensive loss for the year	-	-	-	-	-	9,298	-	(19,261)	(9,963)	(4,393)	(14,356)
Transaction with owners											
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

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Note	Share capital \$'000	Attributable to equity holders of the Company							Non-controlling interests \$'000	Total equity \$'000
		Treasury shares \$'000	Revaluation reserve \$'000	Treasury shares reserve \$'000	Convertible bonds reserve \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Accumulated profits \$'000		
<b>Group</b>										
Balance at 1 July 2022	554,337	(39,683)	8,304	-	-	8,041	2,642	141,527	110,055	785,223
Net loss for the year	-	-	-	-	-	-	-	(5,305)	(3,692)	(8,997)
Other comprehensive loss	-	-	-	-	-	(75,158)	-	-	(10,501)	(85,659)
Total comprehensive loss for the year	-	-	-	-	-	(75,158)	-	(5,305)	(14,193)	(94,656)
Share-based payment	-	866	-	(758)	-	-	-	-	-	108
Issuance of convertible bonds	-	-	-	-	5,150	-	-	-	-	5,150
Balance at 30 June 2023	554,337	(38,817)	8,304	(758)	5,150	(67,117)	2,642	136,222	95,862	695,825

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Share capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Convertible bonds reserve \$'000	Share-based payments reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Company</b>							
Balance at 1 July 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
<b>Company</b>							
Balance at 1 July 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

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
<b>Operating activities</b>			
Loss before income tax		(22,562)	(1,861)
Adjustments for:			
Depreciation for property, plant and equipment	3	14,508	17,157
Fair value loss on investment properties, net	5	14,518	4,394
Amortisation of right-of-use assets	4	3,290	2,645
Loss allowance on trade receivables, net	10	176	69
Impairment loss on property, plant and equipment	3	-	1,180
Reversal of impairment on investments in associates	8	-	(519)
Loss on disposal of investment properties	25	-	3,571
Amortisation of intangible assets	9	218	242
Bad trade and other receivables written off	25	226	201
Finance costs	24	20,293	19,935
Interest income	21	(2,420)	(1,433)
Gain on disposal of property, plant and equipment, net		(14)	(8)
Gain on lease modification	22	(4)	(61)
Loss on disposal of right-of-use assets, net		4	-
Property, plant and equipment written off	25	9	2
Share of results of associates		848	573
Unrealised foreign exchange loss/(gain), net		4,600	(22,069)
Operating cash flows before movements in working capital		33,690	24,018
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 tax paid, net		(4,025)	(8,084)
Net cash generated from operating activities		19,396	4,262

*The accompanying notes form an integral part of these financial statements.*



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
<b>Investing activities</b>			
Additions of intangible assets	9	(21)	(5)
Payments for property, plant and equipment	A	(13,502)	(14,527)
Advance payment for investment properties		(1,807)	(10,638)
Refund from advance payment for investment properties		8,374	-
Advance payment for construction project		(166)	(1,802)
Additions of right-of-use-assets		(7)	(52)
Additions of investment properties	5	(1,569)	(4,113)
Proceeds from disposal of subsidiary		-	14,370
Consideration paid for acquisition of subsidiary		(1,146)	-
Deposit received from non-current assets held for sale		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
<b>Financing activities</b>			
Decrease/(Increase) in bank balances pledged and restricted cash, net		32,099	(8,445)
Loan from/(Repayment of loan to) a director, net	13, C	6,011	(4,366)
(Repayment to)/Advance from third party		(4,804)	7,953
Proceeds from convertible bonds, net	B	-	37,800
Drawdown of bank borrowings	B	9,768	22,273
Repayment of bank borrowings	B	(64,588)	(73,091)
Repayment of principal portion of lease liabilities	15	(3,033)	(1,448)
Repayment of interest portion of lease liabilities	15	(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
<b>Cash and cash equivalents at end of financial year</b>	11	<u>29,369</u>	<u>24,206</u>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
<b>Note A</b>			
Additions of property, plant and equipment	3	6,584	2,281
Decrease in other payables in relation to property, plant and equipment		6,918	12,246
Payments for property, plant and equipment per consolidated statement of cash flows		13,502	14,527

## Note B: Reconciliation of liabilities arising from financing activities

		Non-cash changes				
		Conversion	of	Foreign	Accrued	
		cash	convertible	currency	loan	
		flows	bond	realignment	interest	
2023						2024
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings (Note 14)	275,518	(54,820)	(262)	214	4,621	225,271

		Non-cash changes				
		Cash	Other	Foreign	Accrued	
		flows	reserve	currency	loan	
				realignment	interest	
2022						2023
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings (Note 14)	301,202	(13,018)	(5,150)	(10,848)	3,332	275,518

## Note C

Amount due to director consist of net cash flows arising from repayment of accrual, loan from director and repayment of loan to director of \$6.011 million (FY2023: \$4.366 million) and net non-cash changes in relation to foreign currency realignment and accrual of \$0.043 million (FY2023: \$0.177 million).

*The accompanying notes form an integral part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 1. General 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 is at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

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

The principal activities of significant subsidiaries are set out in Note 6 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (collectively referred to as the “Group”) and the Group’s interests in associates and joint venture.

## 2. Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the relevant notes to the financial statements.

The individual financial statements of each entity within the Group are measured and presented in the currency of primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar (“\$”) which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand (“\$’000”) as indicated unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below and detailed disclosures are included in the respective notes to the financial statements.

Critical judgements applied:

- Classification of property, plant and equipment and investment property (Note 3 & 5)
- Evaluation of levels of control and influence (Note 8)
- Determination of lease terms (Note 15)



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 2. Basis of preparation (Continued)

Significant accounting estimates and assumptions used:

- Fair value measurement of investment properties (Note 5)
- Impairment of investment in subsidiaries, joint venture and associates (Notes 6, 7 and 8 respectively)
- Impairment assessment of goodwill (Note 9)
- Estimated credit loss on trade and other receivables (Note 10)
- Income taxes in various jurisdictions (Note 26)

### Going concern

As at 30 June 2024, the Group's and the Company's current liabilities exceeded its current assets by \$16.8 million (2023: \$111.6 million) and \$81.4 million (2023: \$71.1 million) respectively. The Group's net cash generated from operating activities amounted to \$19.4 million (2023: \$4.3 million) during the financial year and has cash and cash equivalents of \$29.4 million (2023: \$24.2 million) as at 30 June 2024.

The Directors have assessed that there is no material uncertainty as to the Group's and Company's ability to continue as a going concern based on the following factors:

- (i) Positive cash flow generation from its operations based on the cash flow forecast that covers a period of at least 15 months from 30 June 2024;
- (ii) The Group is confident that its lenders will continue to provide support to the Group;
- (iii) The Group's ability to refinance its existing borrowings when necessary with financial institutions;
- (iv) The Group's ability to realise certain of its assets through sale/lease of its properties. The Group is in on-going negotiations with a few parties on the proposed sale of its property located at 51 Merchant Road;
- (v) 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. As of to-date, S\$12,500,000 of the Bonds had been subscribed and issued to certain subscribers; and
- (vi) The Company has the ability to tap funds from its shareholders and the capital market.

### *New standards, amendments and interpretations effective from 1 July 2023*

On 1 July 2023, the Group adopted the new or amended FRSs and interpretations to FRSs that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements, except as disclosed below.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 2. Basis of preparation (Continued)

### Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2

The amendments change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy is likely to be considered material.

Management has followed the guidance in the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 in determining which accounting policy information is material. For the preparation of financial statements for the financial year ended 30 June 2024, the material accounting policy information have been included in the respective notes to the financial statements.

### Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously. The amendments introduce an additional criterion for the initial recognition exemption under paragraph 15 of SFRS(I) 1-12, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of transaction, gives rise to equal taxable and deductible temporary differences.

The amendment should be applied to transaction that occur on or after the beginning of earliest comparative period presented. Deferred tax assets should be recognised to the extent that it is probable that they can be utilised and deferred tax liabilities should be recognised at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liability in the scope of SFRS(I) 16; and
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related assets.

The Group has previously accounted for the deferred taxes on leases and provision for dismantlement, removal or restoration. Therefore, the amendments have no effect on the financial statements of the Group for the year ended 30 June 2024 and relevant disclosure is included in Note 16 to the financial statements.

### *New standards, amendments and interpretations issued but not yet effective*

There are a number of standards, amendments to standards, and interpretations published that are effective in future accounting periods which the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 3. Property, plant and equipment

	Freehold land \$'000	Leasehold land, buildings and improvements \$'000	Plant and equipment \$'000	Furniture, fittings and equipment \$'000	Computer equipment \$'000	Motor vehicles \$'000	Construction in-progress \$'000	Total \$'000
<b>Group</b>								
<b>2024</b>								
<b>Cost</b>								
Balance at 1 July 2023	58,502	464,652	5,620	18,480	11,669	1,468	6,628	567,019
Additions	-	1,912	399	800	398	477	2,598	6,584
Transfer in from right-of-use assets	-	-	-	-	-	50	-	50
Disposals	-	-	(10)	(102)	(49)	(146)	-	(307)
Written off	-	(76)	(8)	(96)	(53)	-	-	(233)
Reclassifications	-	1,477	-	18	5	-	(1,500)	-
Foreign currency realignment	(440)	2,423	71	51	19	12	(12)	2,124
Balance at 30 June 2024	58,062	470,388	6,072	19,151	11,989	1,861	7,714	575,237

## Accumulated depreciation and impairment losses

Balance at 1 July 2023	-	62,400	4,513	12,063	10,558	1,043	1,126	91,703
Depreciation charged	-	12,047	320	1,519	475	147	-	14,508
Disposals	-	-	(10)	(98)	(49)	(108)	-	(265)
Written off	-	(75)	(8)	(89)	(52)	-	-	(224)
Foreign currency realignment	-	597	58	39	18	11	(7)	716
Balance at 30 June 2024	-	74,969	4,873	13,434	10,950	1,093	1,119	106,438

## Carrying amounts

Balance at 30 June 2024	58,062	395,419	1,199	5,717	1,039	768	6,595	468,799
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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 3. Property, plant and equipment (Continued)

	Freehold land \$'000	Leasehold land, buildings and improvements \$'000	Plant and equipment \$'000	Furniture, fittings and equipment \$'000	Computer equipment \$'000	Motor vehicles \$'000	Construction in-progress \$'000	Total \$'000
<b>Group</b>								
<b>2023</b>								
<b>Cost</b>								
Balance at 1 July 2022	62,036	599,186	5,681	21,328	12,289	1,463	6,888	708,871
Additions	-	(612)	524	1,260	564	130	415	2,281
Transfer in from right-of-use assets	-	-	-	-	-	73	-	73
Disposals	-	-	(5)	(31)	(17)	(58)	-	(111)
Written off	-	(363)	-	(66)	(178)	-	-	(607)
Reclassifications	-	-	-	118	-	-	(118)	-
Reclassified as held for sale (Note 12)	-	(90,281)	-	(2,521)	-	-	-	(92,802)
Foreign currency realignment	(3,534)	(43,278)	(580)	(1,608)	(989)	(140)	(557)	(50,686)
Balance at 30 June 2023	58,502	464,652	5,620	18,480	11,669	1,468	6,628	567,019
<b>Accumulated depreciation and impairment losses</b>								
Balance at 1 July 2022	-	75,408	4,688	14,030	10,910	1,070	-	106,106
Depreciation charged	-	14,395	304	1,630	720	108	-	17,157
Impairment loss	-	-	-	-	-	-	1,180	1,180
Disposals	-	-	(4)	(29)	(17)	(33)	-	(83)
Written off	-	(363)	-	(64)	(178)	-	-	(605)
Reclassified as held for sale (Note 12)	-	(22,018)	-	(2,517)	-	-	-	(24,535)
Foreign currency realignment	-	(5,022)	(475)	(987)	(877)	(102)	(54)	(7,517)
Balance at 30 June 2023	-	62,400	4,513	12,063	10,558	1,043	1,126	91,703
<b>Carrying amounts</b>								
Balance at 30 June 2023	58,502	402,252	1,107	6,417	1,111	425	5,502	475,316

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 3. Property, plant and equipment (Continued)

	Computer equipment \$'000	Motor vehicle \$'000	Total \$'000
<b><u>Company</u></b>			
<b>Cost</b>			
Balance at 1 July 2023	13	-	13
Additions	-	300	300
Balance at 30 June 2024	13	300	313
<b>Accumulated depreciation</b>			
Balance at 1 July 2023	9	-	9
Depreciation	2	30	32
Balance at 30 June 2024	11	30	41
<b>Carrying amount</b>			
Balance at 30 June 2024	2	270	272
<b>Cost</b>			
Balance at 1 July 2022 and 30 June 2023	13	-	13
<b>Accumulated depreciation</b>			
Balance at 1 July 2022	7	-	7
Depreciation	2	-	2
Balance at 30 June 2023	9	-	9
<b>Carrying amount</b>			
Balance at 30 June 2023	4	-	4

Property, plant and equipment are initially recorded at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

Freehold land has an unlimited useful life and therefore is not depreciated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 3. Property, plant and equipment (Continued)

Depreciation on other items of property, plant and equipment is calculated and recognised in profit or loss using the straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land, buildings and improvements <sup>#</sup>	3 - 50 years
Plant and equipment	10 years
Furniture, fittings and equipment	7 - 10 years
Computer equipment	4 - 5 years
Motor vehicles	10 years

<sup>#</sup> Majority of the leasehold land and buildings are depreciated over 20 - 50 years.

Construction in-progress represents buildings under construction, which is stated at cost less impairment if any. Cost comprises the direct costs incurred during the period of construction, installation and testing. Construction in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use. No depreciation is provided on construction in-progress. Depreciation commences when the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gain or loss on disposal of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and its carrying amount and is recognised in profit or loss.

Certain leasehold land, buildings and improvements consist of certain land use rights.

Certain freehold land and leasehold land, buildings and improvements with carrying value of \$133.8 million (2023: \$160.2 million) were mortgaged to secure borrowings as referred to in Note 14 to the financial statements.

### Impairment of assets

In the prior financial year ended 30 June 2023, an impairment loss of \$1,179,549 on property, plant and equipment was recognised at Raffles Iskandar Sdn. Bhd. ("RU"), a subsidiary of the Company, as the recoverable amount was lower than its carrying amount.

No impairment loss was recognised on property, plant and equipment in the financial year ended 30 June 2024.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 4. Right-of-use assets

	Leased premises \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>				
<b>Cost</b>				
Balance at 1 July 2023	16,007	406	425	16,838
Additions	2,296	195	93	2,584
Disposal	-	(24)	(203)	(227)
Transfer out to property, plant and equipment	-	-	(132)	(132)
Foreign currency realignment	37	(1)	(3)	33
Balance at 30 June 2024	18,340	576	180	19,096
<b>Accumulated amortisation</b>				
Balance at 1 July 2023	3,775	263	220	4,258
Amortisation charged	3,164	96	30	3,290
Disposal	-	(20)	(113)	(133)
Transfer out to property, plant and equipment	-	-	(82)	(82)
Foreign currency realignment	27	-	(2)	25
Balance at 30 June 2024	6,966	339	53	7,358
<b>Carrying amounts</b>				
Balance at 30 June 2024	11,374	237	127	11,738
<b>Cost</b>				
Balance at 1 July 2022	3,693	463	656	4,812
Additions	13,432	89	-	13,521
Transfer out to property, plant and equipment	-	(132)	(185)	(317)
Lease modification	(758)	-	-	(758)
Foreign currency realignment	(360)	(14)	(46)	(420)
Balance at 30 June 2023	16,007	406	425	16,838
<b>Accumulated amortisation</b>				
Balance at 1 July 2022	1,920	290	296	2,506
Amortisation charged	2,474	113	58	2,645
Transfer out to property, plant and equipment	-	(132)	(112)	(244)
Lease modification	(435)	-	-	(435)
Foreign currency realignment	(184)	(8)	(22)	(214)
Balance at 30 June 2023	3,775	263	220	4,258
<b>Carrying amounts</b>				
Balance at 30 June 2023	12,232	143	205	12,580

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 4. Right-of-use assets (Continued)

### *Restrictions*

Included in the above, motor vehicles and office equipment with a carrying amount of \$362,435 (2023: \$292,896) is secured by the lease liabilities of \$318,812 (2023: \$238,292) (Note 15) as at 30 June 2024. The motor vehicles and office equipment will be returned to lessor in the event of default by the Group.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Right-of-use assets are subsequently measured at cost less any accumulated amortisation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis on the following bases:

Leased premises	1 - 6 years
Office equipment	3 - 5 years
Motor vehicles	10 years

## 5. Investment properties

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	381,908	435,109
Additions	1,569	4,113
Fair value loss recognised in profit or loss, net	(14,518)	(4,394)
Disposal of investment properties	-	(21,924)
Transfer to non-current assets held for sale (Note 12)	(20,722)	-
Foreign currency realignment	3,051	(30,996)
Balance at end of financial year	<u>351,288</u>	<u>381,908</u>

Investment properties, which are properties held to earn rentals and/or for capital appreciation and are not occupied by the Group, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value unless it is still in the course of construction or development at the reporting date and its fair value cannot be reliably determined at that time. Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 5. Investment properties (Continued)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements are capitalised as additions and carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements are charged to profit or loss when incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

In accordance with SFRS(I) 1-40 *Investment Property*, the Group has established certain criteria in making judgement on whether a property qualifies as an investment property. Investment property is a property held for capital appreciation or to earn rentals or both. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property. In addition, depending on the Group's latest corporate strategies, from time to time, the management may change the usage of its landed properties between property, plant and equipment and investment properties. The details of the Group's investment properties and property, plant and equipment are set out in Note 5 and Note 3 to the financial statements respectively.

- (a) As at 30 June 2024, the investment properties relate to land and properties of certain subsidiaries held by Oriental University City Limited ("OUCL"), Oriental University City Holdings (H.K.) Limited ("OUCHK") (collectively "OUC"), Trophy Land Global Limited ("TLG"), Raffles Iskandar Sdn. Bhd. ("RU"), Raffles K12 Sdn. Bhd. ("RK12"), Mandurah Resort Pty Ltd ("Mandurah"), Raffles College of Design and Business (Private) Limited ("RUSL"), Raffles Siviez 1750 Pte. Ltd. ("Siviez") and 4 Vallees Pte. Ltd. ("4 Vallees"). OUC owns and leases out investment properties to colleges within its self-contained campus. The land under RU, Mandurah and RUSL are vacant as at 30 June 2024. RK12 has utilised part of the land for cafeteria and boarding facilities rental. Siviez owns a commercial building. 4Vallees owns a hotel and facilities ("Hotel") and seven commercial units ("commercial units"), of which four are rented out.

Rental income from the Group's investment properties which are leased out under operating leases amounted to \$11.4 million (2023: \$10.2 million). Direct operating expenses arising from rental and non-rental generating investment properties amounted to \$3.1 million and \$1.8 million (2023: \$4.2 million and \$2.6 million) respectively.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 5. Investment properties (Continued)

- (b) 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.

The valuations are mainly performed using Direct Comparison Approach and Income Approach.

Direct Comparison Approach makes reference to the comparable sales evidence in the relevant locality with adjustments made to reflect the differences in size, location, tenure, condition, prevailing market conditions and all other relevant factors affecting its use. The major inputs into the valuation model were the price per square metre and size of the properties.

Income Approach is based on capitalisation of net rental income derived from the existing tenancies with due allowances for revisionary income potential of the property or by reference to comparable market transactions. The major inputs into the valuation model were the rental rates and capitalisation rates.

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.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 5. Investment properties (Continued)

(b) (Continue)

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 (2023: 3.8% - 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 <sup>(1)</sup>	\$111.3 - \$1,203.6 per sqm (2023: \$89.9 - \$1,107.9 per sqm)	Increase in price per square metre would result in higher fair value.

<sup>(1)</sup> The yield adjustments are made for any difference in the nature, location or condition of the specific property.

- (c) As at 30 June 2024, \$273.3 million (2023: \$254.9 million) of the Group's investment properties are held under remaining leasehold interests between 25 to 30 years (2023: 26 to 31 years). The remaining investment properties are freehold.
- (d) Certain investment properties with carrying values totalling \$212.8 million (2023: \$255.8 million) were mortgaged to secure borrowings as referred to in Note 14 to the financial statements.
- (e) Investment properties of the Group are held mainly for leasing to tenants under operating leases.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 6. Investments in subsidiaries

	Company	
	2024	2023
	\$'000	\$'000
Quoted equity shares, at cost	68,736	68,736
Unquoted equity shares, at cost	375,739	383,111
Less: Allowance for impairment losses	(25,100)	(24,299)
	<u>419,375</u>	<u>427,548</u>

The Group and the Company carry on parts of its business activities through subsidiaries, associates or joint venture. In those circumstances, the Group and the Company have the ability to affect the significant financial and operating policies of the investees through the presence of control, significant influence or joint control. The determination of the level of influence the Group and the Company have over a business is often a mix of contractually defined and subjective factors that can be critical to the appropriate accounting treatment of investees in the Group's and the Company's financial statements. The management exercises significant judgement in analysing and evaluating relevant, subjective, diverse and sometimes contrasting qualitative and quantitative facts and circumstances surrounding its involvement in the investees, in determining whether the Group and the Company have control, significant influence or joint control over the investees. There are instances, where elements are present that, when considered in isolation, indicate control or lack of control over an investee, but when considered together makes it difficult to reach a clear conclusion. In certain circumstances, despite the lack of the required legal equity ownership, there could exist a parent-subsidiary relationship, an investor-associate relationship or a joint-investor relationship between the Group and the Company with these investees. Such evaluation and assessment processes do take into consideration to account for transactions and events in accordance with their substance and economic reality, and not merely their legal forms.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

During the financial year ended 30 June 2023, 4 Vallees Pte. Ltd. reduced its paid-up capital of \$16,353,000 by way of share capital reduction. In addition, Raffles Design International (India) Private Limited, issued additional shares amounting to \$509,393 to the Company. The shareholding interest in both subsidiaries remain unchanged as at the year ended 30 June 2023.

During the financial year ended 30 June 2024, Raffles Design International (India) Private Limited, issued additional shares amounting to \$508,865 to the Company. In addition, Raffles International Mongolia LLC issued additional shares amounting to \$800,894 to the Company. The shareholding interests in both subsidiaries remain unchanged as at year end.

During the financial year ended 30 June 2024, the Company has fully disposed of 75.39% of equity interest held in 4 Vallees Pte. Ltd. to Oriental University City Holdings (H.K.) Limited ("OUCHK"), a related company. The intragroup transaction resulted in a dilution of effective equity interests in 4 Vallees Pte Ltd from 94% to 75%, and increased non-controlling interests of \$408,000.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 6. Investments in subsidiaries (Continued)

Analysis of allowance for impairment losses on investments in subsidiaries during the financial year is as follows:

	Group	
	2024	2023
	\$'000	\$'000
Balance at beginning of financial year	24,299	24,299
Allowance made during the financial year	801	-
Balance at end of financial year	25,100	24,299

As at each reporting date, the Company carried out a review of the recoverable amounts of the investment in subsidiaries, resulting in recognition of impairment losses of approximately \$801,000 (2023: nil) for the financial year ended 30 June 2024, due to cessation of operation of a subsidiary.

Details of the significant subsidiaries are as follows:

	Effective equity interest held by the Group		Country of incorporation/ principal place of business	Principal activities
	2024 %	2023 %		
<b>Subsidiaries</b>				
Wanbo Institute of Science & Technology <sup>(a)</sup>	100	100	The People's Republic of China	Provision of vocational and technical training
Tianjin University of Commerce Boustead College <sup>(a)</sup>	100	100	The People's Republic of China	Provider of education services
Oriental University City Holdings (H.K.) Limited ("OUCHK") and its subsidiaries ("OUCHK Group") <sup>(a)</sup>	75*	75*	The People's Republic of China	Provider of education supporting services
4 Vallees Pte. Ltd. ("4VPL")	75**	94	Singapore	Property investment
Langfang Tonghui Education Consulting Co., Ltd <sup>(a)</sup>	99	99	The People's Republic of China	Provider of education consulting and development services
Langfang Hezhong Real Estate Development Co., Ltd <sup>(a)</sup>	70	70	The People's Republic of China	Property investment

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 6. Investments in subsidiaries (Continued)

Details of the significant subsidiaries are as follows: (Continued)

	Effective equity interest held by the Group		Country of incorporation/ principal place of business	Principal activities
	2024	2023		
	%	%		
<b>Subsidiaries</b>				
Raffles College of Higher Education Sdn. Bhd. ("RKL") <sup>(a)</sup>	70	70	Malaysia	Provision of training programmes and courses in various areas of design and management
Raffles Iskandar Sdn. Bhd. <sup>(a)</sup>	70	70	Malaysia	Provider of education services
Raffles K12 Sdn. Bhd. <sup>(a)</sup>	100	100	Malaysia	Operating an American system school
Raffles Assets (Singapore) Pte. Ltd.	100	100	Singapore	Property investment
Raffles Assets (Thailand) Limited <sup>(b)</sup>	100	100	Thailand	Provider of education services
Raffles College of Higher Education Pte. Ltd.	100	100	Singapore	Provider of education services

Notes on significant subsidiaries:

All the subsidiaries above are audited by BDO LLP, Singapore except for the following:

<sup>(a)</sup> Audited by overseas member firms of BDO

<sup>(b)</sup> Audited by Baker Tilly Audit and Advisory Services (Thailand) Ltd.

In appointing the auditors of the Company and the subsidiaries, the Group has complied with Rule 712 and Rule 716 of the SGX-ST Listing Rules.

\* OUCHK is listed on the Growth Enterprise Market ("GEM") of the Hong Kong Stock Exchange. Significant subsidiary within OUCHK Group includes Langfang Development Zone Oriental University City Education Consultancy Co., Ltd, whose principal activities being provision of education facilities rental services in the People's Republic of China.

\*\* During the financial year ended 30 June 2024, the Company has fully disposed of 75.39% equity interest held in 4VPL to OUCHK. As a result, the Group's effective equity interest in 4VPL decreased from a combination of direct & indirect interest of 94% to 75% interest in 4VPL which is indirectly held through OUCHK.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 6. Investments in subsidiaries (Continued)

### Non-controlling interests

The following subsidiaries of the Group have material non-controlling interests ("NCI"):

	Effective equity interest held by the NCI		Country of incorporation/ principal place of business
	2024	2023	
	%	%	
<b>Subsidiaries</b>			
Oriental University City Holdings (H.K.) Limited and its subsidiaries (“OUCHK Group”)	25	25	The People’s Republic of China
Langfang Hezhong Real Estate Development Co., Ltd (“Hezhong”)	30	30	The People’s Republic of China

Summarised financial information in relation to the subsidiaries that have non-controlling interests ("NCI") that are material to the Group, before inter-company eliminations together with amounts attributed to NCI, is presented below:

	OUCHK Group		Hezhong	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue	10,543	12,078	-	-
Loss before income tax	(16,759)	(3,296)	(4,311)	(4,796)
Income tax credit/(expense)	1,776	(1,789)	99	103
Loss after income tax	(14,983)	(5,085)	(4,212)	(4,693)
Loss allocated to NCI	(3,746)	(1,271)	(1,218)	(1,408)
Other comprehensive (loss)/income allocated to NCI	(90)	(6,154)	446	(4,098)
Total comprehensive loss allocated to NCI	(3,836)	(7,425)	(772)	(5,506)
Cash flows from operating activities	3,368	5,483	-	-
Cash flows from investing activities	7,400	4,835	-	-
Cash flows (used in)/from financing activities	(9,576)	1,255	-	-
Net cash inflow	1,192	11,573	-	-



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 6. Investments in subsidiaries (Continued)

### Non-controlling interests (Continued)

Summarised financial information in relation to the subsidiaries that have non-controlling interests (“NCl”) that are material to the Group, before inter-company eliminations together with amounts attributed to NCl, is presented below: (Continued)

	<b>OUCCHK Group</b>		<b>Hezhong</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Assets:				
Current assets	38,570	20,455	51,124	52,410
Non-current assets	299,267	287,820	125,414	128,157
Liabilities:				
Current liabilities	(39,877)	(16,659)	(55,215)	(56,441)
Non-current liabilities	(84,121)	(68,993)	(1,677)	(1,905)
Net assets	213,839	222,623	119,646	122,221
Accumulated non-controlling interests	53,460	55,656	35,894	36,666

## 7. Investments in joint venture

For all joint arrangements, the Group assesses the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether it has rights to the joint arrangement’s net assets (in which case it is classified as a joint venture), or rights to and obligations for specific assets, liabilities, expenses and revenues (in which case it is classified as a joint operation). The Group considers the structure, legal form, and contractual agreement of these joint arrangements that give the Group’s rights to the net assets and therefore, classified as a joint venture.

Details of the joint venture is as follows:

	<b>Effective equity interest held by the Group</b>		<b>Country of incorporation/ principal place of business</b>	<b>Principal activities</b>
	<b>2024</b>	<b>2023</b>		
	<b>%</b>	<b>%</b>		
<b>Joint venture</b>				
Jai Radha Raman Education Society (“JRRES”) <sup>(a)</sup>	50	50	India	Provision of higher education services

Notes on joint venture:

- <sup>(a)</sup> Based on management’s assessment and judgement, the financial information of the insignificant joint venture is immaterial for disclosures.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 7. Investments in joint venture (Continued)

The Group has not recognised losses relating to joint venture where its share of losses exceeded the Group's carrying amount of its investment in the joint venture. The Group's cumulative share of unrecognised losses as at 30 June 2024 were \$0.9 million (2023: \$0.7 million). The Group has no obligation in respect of those losses.

## 8. Investments in associates

	Group	
	2024	2023
	\$'000	\$'000
Quoted equity shares, at cost	3,029	3,029
Unquoted equity shares, at cost	1,401	1,401
Share of post-acquisition results	2,536	3,472
Return of capital	(4,467)	(4,467)
	<u>2,499</u>	<u>3,435</u>

Analysis of allowance for impairment losses on investment in Axiom Properties Limited during the financial year is as follows:

	Group	
	2024	2023
	\$'000	\$'000
Balance at beginning of financial year	-	551
Reversal of impairment loss	-	(519)
Foreign exchange translation difference	-	(32)
Balance at end of financial year	<u>-</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 8. Investments in associates (Continued)

Details of associates are as follows:

	Effective equity interest held by the Group		Country of incorporation/ principal place of business	Principal activities
	2024 %	2023 %		
<b>Associates</b>				
KHID Co., Ltd <sup>(b)(c)</sup>	50.0	50.0	Mongolia	Investment holding
Axiom Properties Limited ("Axiom") <sup>(a)(d)</sup>	14.3***	14.3***	Australia	Property development and investment
Raffles Education Middle East Training Co. Ltd("REMET") <sup>(c)</sup>	30.0	30.0	Saudi Arabia	Provision of education services and training programmes

\*\*\* This is computed by OUCHK's 19.01% ownership in Axiom further multiplied by the Company's 75% ownership in OUCHK = arising to effective equity interest of 14.3% ownership in Axiom by the Company.

Notes on associates:

- (a) Audited by overseas member firm of BDO
- (b) Audited by Tugs Suuri Standart Audit LLC, Mongolia
- (c) Based on management's assessment and judgement, the financial information of the insignificant associate is immaterial for disclosure.
- (d) Although the Group's ownership interest in Axiom is less than 20%, the Group has the rights to appoint representative on the board of directors of Axiom. Management therefore considered that the Group has the power to exercise significant influence and accounted the investment in Axiom as an associate.

As at 30 June 2024, the fair value of the Group's investment in Axiom, which is listed on the Australian Securities Exchange, was \$5,182,000 (2023: \$3,251,000). The fair value measurement is classified within Level 1 of the fair value hierarchy.

As at 30 June 2023, the fair value less costs to sell off the corresponding interest in Axiom has been determined as higher than the carrying amount hence the management recognised a reversal of impairment loss of \$519,000 in profit or loss for the financial year ended 30 June 2023. There are no contingent liabilities relating to the Group's interest in associates.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 8. Investments in associates (Continued)

Summarised financial information of Axiom based on management accounts are as follows:

	<b>Axiom</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Current assets	5,232	13,093
Non-current assets	11,570	3,998
Current liabilities	(6,483)	(1,813)
Non-current liabilities	(844)	(961)
Net assets	<u>9,475</u>	<u>14,317</u>
Revenue	1,935	1,030
Loss after tax	(4,331)	(2,938)
Other comprehensive (loss)/income	(659)	801
Total comprehensive loss	<u>(4,990)</u>	<u>(2,137)</u>

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for fair value adjustments made at the time of acquisition and differences in accounting policies between the Group and the associates.

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Net assets	<u>9,475</u>	<u>14,317</u>
Investment in associate (19.01%)	1,801	2,722
Goodwill	502	496
Carrying value	<u>2,303</u>	<u>3,218</u>
Add:		
Carrying value of individually immaterial associate	196	217
Carrying value of the Group's investments in associates	<u>2,499</u>	<u>3,435</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 9. Intangible assets

	Goodwill on acquisitions \$'000	Trademarks and licenses \$'000	Development costs \$'000	Computer software \$'000	Total \$'000
<b>Group</b>					
<b>2024</b>					
<b>Cost</b>					
Balance at 1 July 2023	99,286	2,286	2,842	113	104,527
Additions	-	-	-	21	21
Foreign currency realignment	1,164	(5)	(16)	(1)	1,142
Balance at 30 June 2024	100,450	2,281	2,826	133	105,690
<b>Accumulated amortisation and impairment losses</b>					
Balance at 1 July 2023	-	515	2,799	94	3,408
Amortisation	-	185	21	12	218
Foreign currency realignment	-	(5)	(16)	(1)	(22)
Balance at 30 June 2024	-	695	2,804	105	3,604
<b>Carrying amounts</b>					
As at 30 June 2024	100,450	1,586	22	28	102,086
<b>2023</b>					
<b>Cost</b>					
Balance at 1 July 2022	110,088	2,340	3,048	116	115,592
Additions	-	-	5	-	5
Foreign currency realignment	(10,802)	(54)	(211)	(3)	(11,070)
Balance at 30 June 2023	99,286	2,286	2,842	113	104,527
<b>Accumulated amortisation and impairment losses</b>					
Balance at 1 July 2022	-	339	2,955	90	3,384
Amortisation	-	185	50	7	242
Foreign currency realignment	-	(9)	(206)	(3)	(218)
Balance at 30 June 2023	-	515	2,799	94	3,408
<b>Carrying amounts</b>					
As at 30 June 2023	99,286	1,771	43	19	101,119

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 9. Intangible assets (Continued)

	Trademarks \$'000	Computer software and computer software under development \$'000	Total \$'000
<b>Company</b>			
<b>2024</b>			
<b>Cost</b>			
Balance at 1 July 2023 and 30 June 2024	228	51	279
<b>Accumulated amortisation</b>			
Balance at 1 July 2023	168	28	196
Amortisation	2	7	9
Balance at 30 June 2024	170	35	205
<b>Carrying amounts</b>			
As at 30 June 2024	58	16	74
<b>2023</b>			
<b>Cost</b>			
Balance at 1 July 2022 and 30 June 2023	228	51	279
<b>Accumulated amortisation</b>			
Balance at 1 July 2022	166	21	187
Amortisation	2	7	9
Balance at 30 June 2023	168	28	196
<b>Carrying amounts</b>			
As at 30 June 2023	60	23	83

Goodwill arising on the acquisition of a subsidiary or business represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill on subsidiary is recognised separately as intangible assets. Goodwill is initially recognised at cost and subsequently measured at cost less any accumulated impairment losses.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 9. Intangible assets (Continued)

Trademarks and licenses with definite useful lives are stated at cost less accumulated amortisation and accumulated impairment loss. They are assessed for impairment annually or whenever there are indications of impairment. The useful lives are reviewed on an annual basis, and amortised using the straight-line method from the date on which they are available for use, over the estimated useful lives of up to 10 years.

Expenditures on development activities, being the application of technical findings and/or other knowledge to a plan or design for the production of new or substantially improved products or services before commercial production or use, is capitalised if the products or services are technically and commercially feasible; adequate resources available to complete development and sufficient certainty of future economic benefits to the Group will cover not only the usual operation and administrative costs but also the development costs themselves.

Expenditure capitalised comprises all directly attributable costs, including materials, services and appropriate proportion of overhead costs. Other development expenditure is recognised in profit or loss as expense when incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and assessed for impairment whenever there is an indication of impairment. Amortisation is calculated using the straight-line method to allocate cost over the expected period of benefits, varying between useful lives of 3 to 7 years.

Computer software is initially capitalised at costs which include purchase price and other directly attributable cost of preparing the asset for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Maintenance costs are recognised as an expense when incurred.

Computer software under development represents software under development, which is stated at cost. Cost comprises the direct costs incurred during the period of development, installation and testing. Computer software under development is reclassified to the appropriate category of intangible assets when completed and ready for use. No amortisation is provided on computer software under development. Amortisation commences when the asset is ready for its intended use.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment loss. These costs are amortised using the straight-line method over their estimated useful lives of 3 to 7 years.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 9. Intangible assets (Continued)

Goodwill acquired in a business combination is allocated to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the CGUs which made up of the various subsidiaries are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
China Education Limited ("CEL")	89,805	88,709
Wanbo Institute of Science & Technology ("Wanbo")	7,367	7,277
Raffles College of Higher Education Sdn. Bhd. ("RKL")	3,263	3,284
Others	15	16
	<u>100,450</u>	<u>99,286</u>

The Group tested the CGUs annually for impairment or more frequently when there are indications that the CGUs might be impaired.

### Impairment testing of goodwill

In current year, the Group determined the recoverable amounts of the CGUs based on the respective value-in-use 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 key assumptions used in the value-in-use calculation were:

	<b>CEL</b>	<b>Wanbo</b>	<b>RKL</b>
Revenue growth rate	9.1%	9.2%	13.2%
Terminal growth rate	2.0%	3.4%	2.0%
Discount rate	7.0%	7.0%	7.5%

Following the impairment tests, the Group did not recognise any impairment charge during the financial year ended 30 June 2024 and 30 June 2023.

### Sensitivity analysis

Management has estimated that, with all other variables remain constant and on a standalone basis, the maximum movement of the key assumptions used in the value-in-use calculation before recognising an impairment charge were:

	<b>CEL</b>	<b>Wanbo</b>	<b>RKL</b>
Revenue growth rate	Decrease from 9.1% to 0.5%	Decrease from 9.2% to 4.9%	Decrease from 13.2% to 11.0%
Terminal growth rate	Reduction from 2% to 0%	Reduction from 3.4% to 0.4%	Reduction from 2% to 0%
Discount rate	Increase from 7.0% to 13.5%	Increase from 7.0% to 9.6%	Increase from 7.5% to 13.2%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 10. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
<b>Trade receivables:</b>				
Third parties	5,648	3,519	-	-
Less: loss allowance	(252)	(125)	-	-
	5,396	3,394	-	-
<b>Other receivables:</b>				
Third parties	947	931	-	-
Deposits	3,386	4,782	7	7
Prepayments	5,147	5,127	34	68
Subsidiaries <sup>(a)</sup>	-	-	418,254	386,769
Less: loss allowance on amount due from subsidiaries	-	-	(53,511)	(53,089)
	-	-	364,743	333,680
Joint venture and associates <sup>(a)</sup>	18,661	18,914	369	380
Value added tax recoverable	73	165	-	-
Others	221	264	147	122
	28,435	30,183	365,300	334,257
	33,831	33,577	365,300	334,257
<b>Non-current other receivables:</b>				
Subsidiaries <sup>(a)</sup>	-	-	57,901	45,597
Prepayments	1,713	8,494	-	-
Others	6,687	6,041	1,000	1,000
	8,400	14,535	58,901	46,597
<b>Total</b>	42,231	48,112	424,201	380,854

Trade receivables are non-interest bearing and are generally on 30 days credit term.

Deposits comprises deposits made for rental of office premises, office equipment, motor vehicles and utilities, and are refundable upon the termination of the lease terms.

The maximum exposure to credit risk in the event that the customers fail to perform their obligations as at end of financial year in relation to each class of recognised financial assets is the carrying amounts of those assets stated in the statements of financial position. There are no collaterals held as securities or other credit enhancements.

The concentration of credit risk for trade receivables is limited due to the large, diverse and unrelated customer base. As at 30 June 2024, the Group has significant amount due from joint venture. The Company has significant amounts of non-trade receivables due from subsidiaries.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 10. Trade and other receivables (Continued)

The Group applied the simplified approach and provided for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance with days past due by grouping of customers based on observable ageing buckets. The Group's loss allowance as at 30 June 2024 amounted to \$252,000 (2023: \$125,000).

The Group and the Company provide expected credit losses for non-trade receivables based on the general three-stage model. Credit performance of each debtor is monitored regularly by management. Management considers factors such as the performance, financial capability and/or any delay in agreed payment schedule to determine whether there is a significant increase in credit risk of each debtor since initial recognition. Based on the assessment, the non-trade receivables of the Group are subject to immaterial credit losses.

For the Company's non-trade amounts due from subsidiaries, management has taken into account the available internal information on the subsidiaries' past, current and expected operating performance and cash flow position in assessing if there is a significant increase in credit risk since initial recognition and then adjust the loss allowance based on the assessment.

Movements in the loss allowance for receivables are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	125	75	53,089	53,451
Allowance made for the financial year	244	90	436	443
Written off against allowance	(48)	(10)	-	-
Write-back of allowance	(68)	(21)	-	(111)
Foreign currency realignment	(1)	(9)	(14)	(694)
Balance at end of financial year	252	125	53,511	53,089

Further notes on trade and other receivables:

- (a) The amounts due from subsidiaries, joint venture and associates are non-trade in nature, unsecured, interest-free and are to be settled in cash. The carrying amount of these amounts approximates its fair value due to the insignificant effects of discounting.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 11. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Cash and bank balances	29,355	24,206	143	536
Non-pledged fixed deposits	14	-	-	-
Pledged fixed deposits	-	22,748	-	-
Restricted bank balances	317	9,357	-	-
	<u>29,686</u>	<u>56,311</u>	<u>143</u>	<u>536</u>
<b>Non-current</b>				
Restricted bank balances	2,115	2,188	-	-
	<u>31,801</u>	<u>58,499</u>	<u>143</u>	<u>536</u>
Less: pledged fixed deposits and restricted bank balances	<u>(2,432)</u>	<u>(34,293)</u>		
Cash and cash equivalents for purpose of consolidated statement of cash flows	<u>29,369</u>	<u>24,206</u>		

### Group

Certain fixed deposits and restricted bank balances are pledged to banks as collateral for credit facilities granted (Note 14).

Cash and bank balances of \$27,206,000 (2023: \$51,342,000) held in The People's Republic of China are subject to local exchange control regulations.

At each reporting date, fixed deposits have an average maturity of 2.8 months (2023: 0.1 month) from the end of the financial year with an average effective interest rate of 0.8% (2023: 3.2%) per annum. Certain restricted bank balances carry interest at an interest rate of Nil % (2023: 0.35%) per annum.

Fixed deposit pledged and restricted bank balances that are classified as current assets can be expected to be released within 12 months after the balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 12. Non-current assets held for sale

	Group	
	2024	2023
	\$'000	\$'000
As at 1 July	68,267	-
Reclassified from property, plant and equipment (Note 3)	-	68,267
Transfer from investment property (Note 5)	20,722	-
Foreign currency realignment	115	-
As at 30 June	<u>89,104</u>	<u>68,267</u>

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell except for inter-alia investment properties accounted for in accordance with the fair value model. The assets are not depreciated or amortised while classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

On 21 June 2023, the Group has announced the proposed sale its property located at 51 Merchant Road, through public tender. Subsequent to the year ended 30 June 2023, the Group announced that at the close of the public tender process on 1 August 2023, no sale or transaction in relation to the property has been concluded. As at date of the financial statements, the Group is engaged in ongoing negotiations with a few prospective buyers and is still committed to the sale.

On 15 March 2024, the Group has announced the proposed disposal of OUCHK's subsidiary's property located in Langfang Development Zone, Hebei, the People's Republic of China, at a total consideration of RMB 110 million (equivalent to approximately HK\$121.19 million or S\$20.63 million). The proposed disposal has been approved on 14 May 2024 during the extraordinary general meeting. The sale has not been completed as at 30 June 2024.

Subsequent to the year end, the legal titles of the property held by OUCHK was successfully transferred to the purchaser and the related land appreciation tax was settled end of August 2024.

Non-current assets held for sale with carrying amount of \$89.1 million (2023: \$68.3 million) were mortgaged to secure borrowings as in Note 14 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 13. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade payables	2,546	2,291	-	-
Amounts due to subsidiaries	-	-	423,499	375,350
Other accruals	14,347	12,791	2,013	1,825
Accruals for property and land use tax	4,714	4,577	-	-
Accruals for business taxes	2,770	4,706	-	-
Accruals for capital expenditure	1,834	1,203	-	-
Amount due to a director	6,011	-	6,011	-
Consideration payable for acquisition of subsidiary	-	1,138	-	-
Payable for purchase of campus facilities by BC <sup>(a)</sup>	-	7,029	-	-
Deposit received from non-current asset held for sale	20,837	-	-	-
Other payables	21,371	18,921	1,133	720
	<u>74,430</u>	<u>52,656</u>	<u>432,656</u>	<u>377,895</u>
<b>Non-current other payables</b>				
Other payables	5,030	9,592	-	-
	<u>5,030</u>	<u>9,592</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>79,460</u>	<u>62,248</u>	<u>432,656</u>	<u>377,895</u>

Current trade payables are non-interest bearing and are normally settled on 30 to 60 days' term.

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand, except for an amount due to a subsidiary of \$47.6 million (2023: \$47.6 million) as at the end of the financial year which bears interest at a range of 6.00% to 6.27% (2023: 2.27% to 6.12%) per annum.

The amount due to a director is unsecured and repayable on demand. The director took personal loans which bear interests at 6.00% to 8.26% per annum which he provided to the Group. The Group reimburses the interest on the amounts that the director provided to the Group.

The carrying amount of non-current other payables approximate its fair value after taking into consideration the insignificant effects of discounting.

<sup>(a)</sup> This mainly relates to the amount payable for the purchase of the campus facilities by a subsidiary, Tianjin University of Commerce Boustead College ("BC") in 2019. Pursuant to the terms of the Sale and Purchase Agreement, the total consideration for the purchase was RMB260 million. During the current financial year, the Group paid RMB40 million (2023: RMB35 million) to the vendor. There is no outstanding payable to the vendor as at 30 June 2024.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 14. Borrowings

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Bank loans and bank overdrafts				
- Secured	54,217	175,795	13,920	27,763
- Unsecured	215	207	215	207
	54,432	176,002	14,135	27,970
<b>Non-current</b>				
Bank loans				
- Secured	134,513	64,612	-	-
- Unsecured	18	234	18	234
	134,531	64,846	18	234
Convertible bonds				
- Unsecured <sup>(1)</sup>	36,308	34,670	36,308	34,670
<b>Total non-current</b>	170,839	99,516	36,326	34,904
<b>Total borrowings</b>	225,271	275,518	50,461	62,874

<sup>(1)</sup> On 30 August 2022, the Company entered into a definitive underwriting agreement which UOB Kay Hian Private Limited (UOBKH) had underwritten up to \$22,265,000 in principal amount of right issue bonds based in the right Issue bond price of \$0.85 and \$17,900,000 in principal amount of placement bond.

The convertible bonds bear interest at 6% per annum, payable on a semi-annual basis. The initial conversion price is \$0.065 and is subject to adjustments as set out in the Terms and Conditions of the convertible bonds. They are convertible at the option of the holder at any time on or after 60 days after the issue date of the convertible bonds up to the close of business on a date 10 days prior to maturity date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 14. Borrowings (Continued)

<sup>(1)</sup> (Continued)

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Proceeds from issue of convertible bond (26,194,476 bonds at \$0.85 par value)	-	22,265
Proceeds from issue of placement bond at (17,900,000 bonds at \$1.00 par value)	-	17,900
Transaction costs	-	(2,365)
Net proceeds	-	37,800
At beginning of the year	34,670	-
Net proceeds	-	37,800
Amount classified as equity*	-	(5,150)
Amortised transaction costs	(2,647)	(1,312)
Conversion to new ordinary shares (Note 17)	(262)	-
Accreted interest	4,547	3,332
At end of the year	36,308	34,670

\* Represents the equity component on convertible notes issued on 23 September 2022.

Interest-bearing bank loans and overdrafts are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of reporting period, in which case they are presented as non-current liabilities.

Convertible bonds are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability, on an amortised cost basis until extinguished upon conversion or at the instruments' maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 14. Borrowings (Continued)

Security for borrowings are as follows:

- bank borrowings of \$131.6 million (2023: \$160.3 million) are secured by letter of guarantee by the Company;
- bank borrowings of \$ Nil million (2023: \$19.8 million) are secured by pledged bank deposits of \$ Nil million (2023: \$22.7 million) (Note 11);
- bank borrowings of \$13.9 million (2023: \$7.9 million) are secured on shares of a subsidiary and a director's personal guarantee (2023: are secured by a director's personal guarantee);
- certain restricted bank balances of \$2.1 million (2023: \$2.2 million) (Note 11);
- certain property, plant and equipment (Note 3) with carrying amount of \$133.8 million (2023: \$160.2 million) and investment properties (Note 5) with carrying amount of \$212.8 million (2023: \$255.8 million);
- non-current asset held for sale (Note 12) with carrying amount of \$89.1 million (2023: \$68.3 million); and
- bank overdrafts are repayable on demand. Bank overdrafts are secured together with corresponding subsidiaries' bank loan. The effective interest rates of the bank overdrafts is Nil % (2023: range from 5.81% to 8.31%) per annum.

The current bank borrowings have an average maturity of 4 months (2023: 9 months) from the end of the financial year. The non-current bank borrowings have an average maturity of approximately 2.57 years (2023: 3.46 years) from the end of the financial year.

The effective interest rates of the borrowings range from 2.95% to 13.70% (2023: 2.25% to 13.70%) per annum. Management estimates that the carrying amount of the Group's and the Company's borrowings approximates its fair value as the current lending rates for similar types of lending arrangement are not materially different from the rates obtained by the Group and the Company.

In the financial year ended 30 June 2023, a subsidiary of the Company, Raffles Assets (Singapore) Pte. Ltd. reached an agreement with the lender, United Overseas Bank, to repay the bank borrowing of \$98.6 million in May 2024 in accordance with the original terms of the loan. During the financial year ended 30 June 2024, United Overseas Bank agreed to revise the loan agreement to extend the bank borrowings till May 2026 with an option to extend to February 2028.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 15. Lease liabilities

	Leased premises \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>				
At 1 Jul 2023	12,932	143	95	13,170
Additions	2,296	195	85	2,576
Interest expenses (Note 24)	691	12	7	710
Lease modification	-	(4)	-	(4)
Lease payments				
- Principal portion	(2,839)	(96)	(98)	(3,033)
- Interest portion	(691)	(12)	(7)	(710)
Foreign currency realignment	12	-	-	12
At 30 Jun 2024	12,401	238	82	12,721
At 1 Jul 2022	1,945	184	208	2,337
Additions	12,785	85	-	12,870
Interest expenses (Note 24)	544	10	8	562
Lease modification	(384)	-	-	(384)
Lease payments				
- Principal portion	(1,230)	(118)	(100)	(1,448)
- Interest portion	(544)	(10)	(8)	(562)
Foreign currency realignment	(184)	(8)	(13)	(205)
At 30 Jun 2023	12,932	143	95	13,170

The maturity analysis of lease liabilities of the Group as at 30 June 2024 are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contractual undiscounted cash flows</b>		
- Not later than a year	4,061	3,564
- Between one and five years	10,179	10,637
- More than five years	9	121
	14,249	14,322
Less: Future interest expense	(1,528)	(1,152)
Present value of lease liabilities	12,721	13,170
Presented in consolidated statement of financial position		
- Non-current	9,382	10,377
- Current	3,339	2,793
	12,721	13,170



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 15. Lease liabilities (Continued)

The Group leases office premises, office equipment and motor vehicles from third parties with only fixed payments over the lease terms. Included in the lease arrangement of the premises, there are extension option held and exercisable by the Group. In determining the lease term, management considers the likelihood of exercising the extension option. Management considers all facts and circumstances that create an economic incentive to extend the lease. The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's intentions, business plan or other circumstances unforeseen since it was first estimated. As at 30 June 2024, management is of the opinion that the Group is unlikely to exercise the extension option. Accordingly, the potential cash outflows of approximately \$15.2 million (2023: \$14.6 million) in the measurement of lease liabilities was not included.

During the financial year ended 30 June 2023, one of the Group's subsidiaries had an early termination of lease rental, resulting in a lease modification of \$323,000 of right-of-use assets and \$384,000 of lease liabilities.

Certain office equipment of the Group was qualified for low value lease exemption and the Group also leases certain leased premises on a short-term basis (i.e. less than 12 months). The election of low-value lease exemption and short-term leases is made on lease-by-lease basis.

The Group had total cash outflows for leases of \$3,743,000 (2023: \$2,010,000). The total short-term leases and low value assets are \$184,000 (2023: \$260,000) (Note 25).

As at 30 June 2024, the weighted average incremental borrowing rate applied and average interest rate implicit in the lease were 5.33% (2023: 5.30%) and 2.92% (2023: 2.60%) per annum respectively.

The Group's lease liabilities of \$318,812 (2023: \$238,292) was secured over certain office equipment and motor vehicles (Note 4).

There is no externally imposed covenant on these lease arrangements.

## 16. Deferred tax assets and liabilities

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the financial year.

### Deferred tax assets/(liabilities)

	Group	
	2024	2023
	\$'000	\$'000
Deferred tax assets	479	742
Deferred tax liabilities	(63,516)	(64,932)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 16. Deferred tax assets and liabilities (Continued)

### Deferred tax assets

	Other payables \$'000	Tax losses \$'000	Excess of tax written down value over net book value \$'000	Others \$'000	Total \$'000
<b>Group</b>					
Balance at 1 July 2023	(11)	493	32	228	742
(Charged)/credited to profit or loss	(10)	(256)	-	4	(262)
Foreign currency realignment	-	(1)	-	-	(1)
Balance at 30 June 2024	(21)	236	32	232	479
Balance at 1 July 2022	(18)	941	32	(9)	946
Credited/(charged) to profit or loss	7	(431)	-	237	(187)
Reclassification	-	15	-	-	15
Foreign currency realignment	-	(32)	-	-	(32)
Balance at 30 June 2023	(11)	493	32	228	742

### Deferred tax liabilities

	Accelerated tax depreciation on property, plant and equipment \$'000	Fair value adjustment on investment properties \$'000	Divestment of land and properties \$'000	Others \$'000	Total \$'000
<b>Group</b>					
Balance at 1 July 2023	(2,047)	(42,493)	(20,474)	82	(64,932)
Credited to profit or loss	71	1,956	-	40	2,067
Reclassification	(36)	-	-	36	-
Foreign currency realignment	(21)	(378)	(253)	1	(651)
Balance at 30 June 2024	(2,033)	(40,915)	(20,727)	159	(63,516)
Balance at 1 July 2022	(2,379)	(45,519)	(22,715)	73	(70,540)
Credited/(charged) to profit or loss	126	(602)	-	18	(458)
Reclassification	(15)	-	-	-	(15)
Foreign currency realignment	221	3,628	2,241	(9)	6,081
Balance at 30 June 2023	(2,047)	(42,493)	(20,474)	82	(64,932)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 16. Deferred tax assets and liabilities (Continued)

### Deferred tax liabilities (Continued)

At each reporting date, no temporary differences have been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries, therefore, no liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. Unremitted earnings totalled \$201.6 million (2023: \$202.4 million) as at 30 June 2024.

## 17. Share capital

	Group and Company			
	2024	2023	2024	2023
	Number of ordinary shares		\$'000	\$'000
<b>Issued and paid up:</b>				
At beginning of the financial year	1,458,446,772	1,458,446,772	554,337	554,337
Issuance of ordinary shares (Note 14)	5,200,000	-	262	-
At the end of the financial year	<u>1,463,646,772</u>	<u>1,458,446,772</u>	<u>554,599</u>	<u>554,337</u>

The Company has one class of ordinary shares which carry no rights to fixed income.

Paid up ordinary shares, which have no par value, carry one vote per share and has rights to dividends.

During the financial year ended 30 June 2024, the Company issue 5,000,000 new ordinary shares pursuant to conversion of placement bonds on 10 August 2023 and 200,000 new ordinary shares pursuant to conversion of right issue bonds on 25 October 2023. The newly issued shares rank pari passu with the existing issued shares.

## 18. Treasury shares

	Group and Company			
	2024	2023	2024	2023
	Number of ordinary shares		\$'000	\$'000
At beginning of the financial year	78,049,300	79,790,100	38,817	39,683
Share-based payment	(2,049,000)	(1,740,800)	(1,019)	(866)
At the end of the financial year	<u>76,000,300</u>	<u>78,049,300</u>	<u>37,798</u>	<u>38,817</u>

The total amount paid to repurchase the shares has been deducted from shareholders' equity. The shares are held as "treasury shares".

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 18. Treasury shares (Continued)

The Company has transferred 2,049,000 (2023: 1,740,800) treasury shares to Directors as part of the performance share plan of the Company for the financial year ended 30 June 2023 and 30 June 2022 respectively.

## 19. Accumulated profits/(losses) and other reserves

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revaluation reserve <sup>1</sup>	8,304	8,304	-	-
Treasury shares reserve <sup>2</sup>	(1,652)	(758)	(1,652)	(758)
Convertible bonds reserve <sup>3</sup>	5,150	5,150	5,150	5,150
Foreign currency translation reserve <sup>4</sup>	(57,819)	(67,117)	-	-
Share-based payments reserve <sup>5</sup>	2,642	2,642	2,642	2,642
Accumulated profits/(losses)	116,553	136,222	(162,044)	(154,349)
	73,178	84,443	(155,904)	(147,315)

<sup>1</sup> *Revaluation reserve*

Revaluation reserve represents the difference between the carrying amount and fair value of property when an owner-occupied property becomes an investment property which will be carried at fair value. This reserve is non-distributable.

<sup>2</sup> *Treasury shares reserve*

Treasury share reserve represents the transfer of treasury shares to Directors as part of the performance share plan of the company.

<sup>3</sup> *Convertible bonds reserve*

Convertible bonds reserve represents the equity component on convertible notes issued on 23 September 2022 (see Note 14)

<sup>4</sup> *Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of foreign operations whose functional currencies are different from that of the Group's presentation currency. This reserve is non-distributable.

<sup>5</sup> *Share-based payments reserve*

Share-based payments reserve represent the cumulative value of services received from employees and directors recorded in respect of the grants of equity-settled share options over the vesting period commencing from grant date of equity-settled share options and is reduced by the expiry or exercise of the share options. This reserve is non-distributable.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 20. Revenue

### Disaggregation of revenue

#### Operating segment

	Education		Education Facilities Rental Service		Real Estate Investment and Development		Corporate and Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Course fees	91,829	91,319	-	-	-	-	-	-	91,829	91,319
Rental income from investment properties	-	-	8,763	10,825	1,581	1,542	-	1	10,344	12,368
Student accommodation fees	3,183	3,129	-	-	-	-	-	-	3,183	3,129
Canteen operation	1,197	920	-	-	-	-	-	-	1,197	920
Other fees	5,919	3,155	-	-	-	-	-	-	5,919	3,155
	102,128	98,523	8,763	10,825	1,581	1,542	-	1	112,472	110,891

#### Geographical segment

	ASEAN		North Asia		South Asia		Europe		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Course fees	40,747	35,517	48,910	52,942	421	421	1,751	2,439	91,829	91,319
Rental income from investment properties	-	1	8,985	11,204	-	-	1,359	1,163	10,344	12,368
Student accommodation fees	-	-	3,183	3,129	-	-	-	-	3,183	3,129
Canteen operation	1,089	761	108	159	-	-	-	-	1,197	920
Other fees	4,934	2,384	985	771	-	-	-	-	5,919	3,155
	46,770	38,663	62,171	68,205	421	421	3,110	3,602	112,472	110,891

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 20. Revenue (Continued)

### Disaggregation of revenue (Continued)

#### Geographical segment (Continued)

Course fees and related instruction costs are recognised over time and over the period of instruction. Amounts of fees received relating to future periods of instruction are presented as course fees received in advance.

The Group, as a lessor, leases its investment properties under operating leases to non-related parties. Lease payments from operating leases are recognised as income on a straight-line basis.

Student accommodation fees is recognised on a straight-line basis over the term of use.

Revenue from provision of canteen operations is recognised as and when such services are rendered.

Timing of transfer of good or service (excluding rental income from investment properties, real estate investment and development and corporate and others)

	2024 \$'000	2023 \$'000
Over time	95,012	94,448
At a point in time	7,116	4,075
	<u>102,128</u>	<u>98,523</u>

### Course fees received in advance

Course fees received in advance refer to course fees billed and received for the next financial year. Course fees received in advance are recognised as the course commences over the next financial year.

	Group	
	2024 \$'000	2023 \$'000
Course fees received in advance	<u>21,805</u>	<u>21,219</u>

These contract liabilities will be recognised as revenue in the subsequent financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 21. Interest income

	Group	
	2024	2023
	\$'000	\$'000
Interest income from:		
- Fixed deposits	2,420	261
- Third party	-	1,172
	<u>2,420</u>	<u>1,433</u>

## 22. Other operating income

	Group	
	2024	2023
	\$'000	\$'000
Foreign exchange gain	13,831	46,715
Government grant	89	208
Gain on disposal of right-of-use assets	4	-
Gain on disposal of property, plant and equipment	14	8
Gain on lease modification	4	61
Others	963	405
	<u>14,905</u>	<u>47,397</u>

## 23. Personnel expenses

	Group	
	2024	2023
	\$'000	\$'000
Salaries, bonuses and allowances	35,373	35,099
Contributions to defined contribution plans	5,668	5,991
Other social expenses	1,291	1,410
	<u>42,332</u>	<u>42,500</u>

Personnel expenses include directors' remuneration as shown in Note 31 of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 24. Finance costs

	Group	
	2024	2023
	\$'000	\$'000
Interest expenses:		
- Bank borrowings	14,560	15,692
- Convertible bonds	4,547	3,332
- Unwinding effect of discounting payables	476	349
- Lease liabilities (Note 15)	710	562
	<u>20,293</u>	<u>19,935</u>

## 25. Loss before income tax

In addition to the charges and credits disclosed elsewhere in the financial statements, the above includes the following charges:

	Group	
	2024	2023
	\$'000	\$'000
Audit fees paid to auditors:		
- Auditor of the Company	438	427
- Other auditors	539	429
Non-audit fees paid to auditors:		
- Auditor of the Company	26	20
Bad trade and other receivables written off	226	201
Foreign exchange loss	19,288	31,574
Loss on disposal of investment properties	-	3,571
Marketing and advertisement expenses	6,305	4,549
Lease expenses on:		
- Short-term leases	161	243
- Low value assets	23	17
Professional fees	5,577	5,862
Gain on disposal of property, plant and equipment, net	(14)	(8)
Property, plant and equipment written off	9	2
Property management fees	1,877	2,263
Revenue, property and land use tax	3,353	3,936
Repair and maintenance	2,821	3,024
Royalty, registration and administration fees	3,510	3,362
Transport and communication	1,562	1,229
Utilities	<u>2,802</u>	<u>3,003</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 26. Income tax expense

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Income tax		
Current financial year	2,415	5,761
(Over)/under provision in respect of prior years	(248)	619
Withholding tax expense	1,070	111
	<u>3,237</u>	<u>6,491</u>
Deferred tax		
Current financial year	(1,805)	658
Over provision in respect of prior financial years	-	(13)
	<u>(1,805)</u>	<u>645</u>
	<u>1,432</u>	<u>7,136</u>

Domestic income tax in Singapore is calculated at 17% (2023: 17%) of the estimated assessable (loss)/profit for the financial year. The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2023: 17%) to (loss)/profit before income tax as a result of the following differences:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss before income tax	(22,562)	(1,861)
Share of results of associates, net of tax	848	573
	<u>(21,714)</u>	<u>(1,288)</u>
Income tax calculated at Singapore statutory income tax rate	(3,691)	(219)
Tax effect of income not subject to taxation	(1,077)	(907)
Tax effect of non-allowable expenses	6,696	5,701
Deferred tax assets not recognised for current financial year	257	2,578
Effect of different tax rates of overseas operations	(877)	(734)
(Over)/under provision of current income tax in respect of prior years	(248)	619
Over provision of deferred tax in respect of prior years	-	(13)
Utilisation of previously unrecognised tax losses	(698)	-
Withholding tax expense	1,070	111
Total income tax expense recognised in profit or loss	<u>1,432</u>	<u>7,136</u>

The Group and the Company have exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the provisions for income taxes on a group basis.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 26. Income tax expense (Continued)

Some of the Group's People's Republic of China ("PRC") subsidiaries did not recognise any income tax liabilities on its education-related income. Management is of the opinion that such education-related income is tax exempted according to the tax practices in the PRC and their experience as education operators in the PRC. Further, there are no specific tax implementation measures applicable for such income in the PRC yet and tax liabilities cannot be reliably quantified as at year end.

The Company has exposure to income taxes in Singapore and PRC of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain as at reporting date.

The Group and the Company recognised liabilities for expected tax issues based on estimates of additional liable taxes. Where the final tax outcome of these matters is different from the tax position by the Group and the Company, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made.

Subject to the agreement by relevant tax authorities, at each reporting date, the Group has unutilised tax losses, unutilised capital allowance, unabsorbed investment tax allowance and other temporary difference totalling \$145.8 million (2023: \$150.2 million) available for offset against future profits. As at 30 June 2024, included within the unutilised tax losses are tax loss amounting to \$22.9 million (2023: \$26.0 million) due for expiry from 30 June 2028 to 30 June 2033 (2023: 30 June 2028 to 30 June 2033).

## 27. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary shareholders of the Company is based on the following data:

### Earnings

	Group	
	2024	2023
	\$'000	\$'000
Loss attributable to equity holders of the Company	(19,261)	(5,305)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 27. Earnings per share (Continued)

### Number of shares

	Group			
	2024		2023	
	Basic	Diluted	Basic	Diluted
Weighted average number of ordinary shares in issue ('000)	1,384,776	1,384,776	1,379,092	1,379,092

1,780,000 (2023: 1,860,000) share options granted under the existing share option plan have not been included in the calculation of diluted earnings per share because they are anti-dilutive as the weighted average exercise price is above the average market price.

The financial impact of convertible bonds was excluded from the calculation of the loss attributable to ordinary shareholders (diluted) for the year ended 30 June 2024 and 30 June 2023 as their effect would have been anti-dilutive.

## 28. Share-based payments

### *Raffles Education Corporation Employees' Share Options Scheme ("RE ESOS Scheme")*

Statutory and other information regarding the RE ESOS Scheme is set out below:

- (i) The Remuneration Committee may at its discretion, fix the subscription price at a discount up to 20% off market price, or a price equal to the average of the last dealt market prices for the 5 consecutive market days on which the shares of the Company were traded on the SGX-ST immediately preceding the grant of the options.
- (ii) Consideration for the grant of an option is \$1.00.
- (iii) Options can be exercised 1 year after grant for market price options and 2 years for discounted options.
- (iv) Options granted expire after 5 years for participants not holding a salaried office or employment in the Group, and 10 years for employees of the Group.
- (v) Options granted will lapse when participant ceases to be a full-time employee with the Group, subject to certain exceptions at the discretion of the Company.
- (vi) The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the RE ESOS Scheme, shall not exceed 15% of the issued share capital of the Company on the day preceding that date of grant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 28. Share-based payments (Continued)

Information in respect of the share options granted under the RE ESOS Scheme was as follows:

	2024		2023	
	Number of share options ('000)	Weighted average exercise price \$	Number of share options ('000)	Weighted average exercise price \$
Outstanding at beginning of financial year	1,860	0.148	1,970	0.148
Expired/cancelled	(80)	(0.148)	(110)	(0.148)
Outstanding at end of financial year	1,780		1,860	
Exercisable as at end of financial year	1,780		1,860	

The weighted average remaining contractual life of the share options is 4.2 years (2023: 5.2 years).

## 29. Contingent liabilities

### Group

- (a) The Company and some of its subsidiaries are involved in four separate arbitrations/legal proceedings relating to commercial transactions. Although the ultimate disposition of asserted claims and proceedings cannot be predicted with certainty and the amounts involved cannot be reasonably estimated, it is the opinion of the management that the outcome of any such claims, either individually or on a combined basis, will not have a material adverse effect on the consolidated statement of financial position.
- (b) The People's Republic of China's ("PRC") tax system can be characterised by numerous taxes and frequently changing legislation. Tax regulations are often unclear, open to wide interpretation, and in some instances, conflicting. Instances of inconsistent opinion between local, regional and national tax authorities are not unusual. Tax declarations are subject to review and investigation by a number of authorities that are enacted by law to impose significant penalties and interest charges. These factors create substantially more significant tax risks in PRC than that typically found in countries with more developed tax systems. Management believes that it has complied with all existing tax legislation.

At each reporting date, no provision for potential tax assessments for some of the Group's PRC subsidiaries has been made in the consolidated financial statements as management is of the opinion that according to the tax practices in PRC, such education related income is exempted from tax in PRC.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 29. Contingent liabilities (Continued)

### Company

- (c) As at 30 June 2024, the Company has given guarantees amounting to \$131.6 million (2023: \$160.3 million) to banks in respect of banking facilities granted to the subsidiaries (Note 14) and the guarantees amount represents the maximum exposure.
- (d) At each reporting date, the Company has undertaken to provide continued financial support to certain subsidiaries which are in net current liability position and/or showing shareholder's deficit.

In the opinion of the Directors, no significant actual losses are expected to arise from these contingent liabilities as at end of the financial year.

## 30. Commitments

- (a) Capital commitments

Capital expenditure contracted for as at each reporting date but not recognised in the financial statements are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital commitments in respect of:		
- Property, plant and equipment	9,190	7,733
- Investment properties	36,146	42,471

- (b) Operating lease commitments (when the Group is a lessor)

The future minimum lease receivables under non-cancellable operating leases contracted for at each reporting date but not recognised as receivables, are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Future minimum lease payments receivable:		
Within one year	8,007	9,908
Between one and five years	18,636	19,747
After five years	4,551	6,746
	31,194	36,401

The Group leased out investment properties to non-related parties under non-cancellable operating leases. Majority of leases are renewable on annual basis. These leases is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties is disclosed in Note 20.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 31. Significant related party transactions

Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>With subsidiaries</b>				
Dividend income	-	-	1,078	578
Interest expense	-	-	(2,943)	(2,619)
Management service fee income	-	-	72	-
Recharge of rental and utilities	-	-	(61)	(80)
Gain on disposal of a subsidiary	-	-	8,818	-
<b>With related parties</b>				
Loan from a director	11,534	9,170	6,600	9,170
Interest expense reimbursed to a director	240	-	178	-

As at 30 June, the outstanding balances in respect of the above transactions are disclosed in Notes 10 and 13 to the financial statements.

### Key management personnel remuneration

	Group	
	2024	2023
	\$'000	\$'000
Directors' fees	455	461
Salaries and other short-term employee benefits	1,007	1,006
	1,462	1,467

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly ("key management"). The above amounts for key management personnel compensation are for the directors of the Company (including directors' fees of non-executive directors).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 32. Report by segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses relating to transactions with the Group's other components. All operating segments' operating results are reviewed by the Group's Chief Executive Officer to make decisions about resources allocation to the segment and assess its performance, and for which discrete financial information is available.

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 students a range of degree, diploma and full-time certification programmes in design and business-oriented disciplines at post-secondary level. Students pay fees on a quarterly basis to attend courses at the Group's campuses, where they are taught in English by an overseas faculty.

The Group also participates in pre-tertiary education. This segment includes RK12, offering an American K12 curriculum, with Advanced Placement offerings in the high school, which will provide a schooling alternative to the local and expatriate communities in the region and Gelin Nursery School of Suzhou National New & Hi-tech Industrial Development Zone ("SZGL") which offers only pre-school classes in the PRC.

The Group also runs programmes within the Chinese national public school system. Colleges under this scheme collect fees once a year in advance directly from students under the Chinese government's national fees guidelines. Students are taught by a local faculty and the language of instruction is Chinese. The qualifications awarded by these colleges are recognised by the Chinese government.

- Education Facilities Rental Service

This segment refers to OUCHK which is listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. OUCHK engages in education facilities leasing and commercial leasing for supporting facilities. OUCHK currently owns and leases out certain investment properties to colleges in Oriental University City, located at Langfang Economic and Technical Development Zone in Langfang City, Hebei Province, the PRC.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 32. Report by segments (Continued)

- Real Estate Investment & Development

The Group participates in opportunistic 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 reportable segment above.

Information regarding the results of each reportable segment is included below.

Operating results of the reportable segments are independently evaluated for performance measurement and resource allocation decisions. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss as included in the internal management reports reviewed by the Group's Chief Executive Officer.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

Segment revenue and expenses are the operating revenue and expenses reported in the Group's profit or loss that are directly attributable to a reportable segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to the reportable segment.

Segment assets and liabilities: Segment assets include all operating assets used by a reportable segment and consist principally of property, plant and equipment, investment properties, inventories and operating receivables, net of allowances and provisions. Segment liabilities include all operating liabilities and consist principally of trade and other payables, course fees received in advance, education facilities rental service received in advance and borrowings.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 32. Report by segments (Continued)

	Education	Education Facilities Rental Service	Real Estate Investment & Development	Corporate & Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2024</b>					
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 costs	(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	21,204	(18,811)	(4,493)	(20,462)	(22,562)
Net profit/(loss) for the financial year	19,090	(17,089)	(4,946)	(21,049)	(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	372,183	268,062	227,335	95,637	963,217
Segment liabilities	(32,303)	(67,229)	(81,085)	(159,162)	(339,779)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 32. Report by segments (Continued)

	Education	Education Facilities Rental Service	Real Estate Investment & Development	Corporate & Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2023</b>					
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 costs	(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)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 32. Report by segments (Continued)

Reconciliations of reportable segment assets and liabilities to the total assets and total liabilities in the consolidated statement of financial position.

	Group	
	2024	2023
	\$'000	\$'000
<b>Assets</b>		
Total assets for reportable segments	963,217	986,244
Investments in associates	2,499	3,435
Unallocated assets	134,366	160,360
Consolidated total assets	<u>1,100,082</u>	<u>1,150,039</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	(339,779)	(373,288)
Unallocated liabilities	(78,447)	(80,926)
Consolidated total liabilities	<u>(418,226)</u>	<u>(454,214)</u>

## Geographical segments

The Group operates in five main geographical regions, namely ASEAN, North Asia, South Asia, Australasia and Europe.

Segment revenue is based on the region where the services are rendered and the region where the customers are located. Non-current assets are shown by geographical region in which the assets are located.

Non-current assets consist of property, plant and equipment, right-of-use assets, investment properties, investment in joint venture, investment in associates and intangible assets.

	ASEAN	North	South	Australasia	Europe	Total
	\$'000	Asia	Asia			\$'000
		\$'000	\$'000	\$'000	\$'000	
<b>30 June 2024</b>						
Revenue from external customers	46,770	62,171	421	-	3,110	112,472
Non-current assets	224,083	625,791	11,813	1,004	73,719	936,410
<b>30 June 2023</b>						
Revenue from external customers	38,663	68,205	421	-	3,602	110,891
Non-current assets	229,308	659,189	9,298	930	75,633	974,358

Singapore and the People's Republic of China contributed revenue of \$14,001,000 and \$62,171,000 (2023: \$13,386,000 and \$67,767,000) respectively. Non-current assets in Singapore and the People's Republic of China amounted to \$65,934,000 and \$625,595,000 (2023: \$69,710,000 and \$658,962,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management

The following table sets out the financial instruments at each reporting date:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Financial assets at amortised cost	67,099	92,825	424,310	381,322
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	289,131	341,653	483,117	440,769

The Group and the Company are exposed to financial risks arising in the normal course of business. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuation.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and cost is achieved.

### (a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group have potential financial loss resulting from students defaulting on their obligations to pay course fees when due, resulting in a loss to the Group. The Group also has credit exposure arising from receivables from rental and disposal of subsidiaries.

The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is managed through regular collection and monitoring procedures.

At each reporting date, the Group's maximum exposure to credit risk were represented by the carrying amount of the financial assets on the statements of financial position except for the financial guarantees provided by the Company for borrowings of the subsidiaries amounting to \$131.6 million (2023: \$160.3 million) as disclosed in Note 14 to the financial statements.

The financial guarantees provided by the Company for borrowings of the subsidiaries are subject to the impairment assessment of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

Bank balances are mainly deposits with banks and financial institutions which are regulated and with high credit-ratings assigned with investment grade rating of generally at least A-1+ by international credit rating agencies. Management determined that bank balances are subject to immaterial credit loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management (Continued)

### (a) Credit risk (Continued)

Further disclosure regarding trade and other receivables are disclosed in Note 10 to the financial statements.

### (b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposures to interest rate risk arise primarily from their borrowings with financial institutions and amount due to a subsidiary.

The Group is exposed to cash flow interest rate risk from borrowings at floating rates. The table below shows the sensitivity analysis of interest rate risk showing the effect on profit or loss if interest rates had increased by 100 basis point (2023: 100 basis point), with all other variables held constant.

	2024 Decrease in profit \$'000	2023 Decrease in profit \$'000
<u>Interest rates increased by 100 basis point</u>		
<b>Group</b>		
Borrowings	(1,887)	(2,404)
<b>Company</b>		
Borrowings	(139)	(278)
Amount due to a subsidiary	(476)	(476)

A 100 basis point decrease in interest rates would have an equal but opposite effect.

### (c) Foreign currency risk

The Group operates in several countries with dominant operations in Singapore, People's Republic of China, Southeast Asia, Australia and Europe. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. Exposure to foreign currency risk is monitored on an ongoing basis to ensure that the net exposure is at an acceptable level, as the Group manages its transactional exposure by matching, as far as possible, receipts and payments in each individual currency. As the entities in the Group transact substantially in their respective functional currencies, the Group's exposure to currency risk is not significant.

In relation to the Group's overseas investments in foreign operations where net assets are exposed to currency translation risk, they are not hedged as currency positions in these foreign currencies are considered to be long-term in nature. Differences arising from such translation are recorded under the foreign currency translation reserves.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management (Continued)

### (c) Foreign currency risk (Continued)

The Group's exposures to foreign currencies such as Singapore Dollar (SGD), Chinese Renminbi ("RMB"), Malaysian Ringgit ("MYR"), Swiss Franc ("CHF") and Euro ("EUR"), Hong Kong Dollar ("HKD"), Thai Baht ("THB"), United States Dollar ("USD") and Indian Rupee ("INR") at each reporting date were as follows:

	Note	SGD \$'000	RMB \$'000	MYR \$'000	CHF \$'000	EUR \$'000	HKD \$'000	THB \$'000	USD \$'000	INR \$'000	Others \$'000
<b>Group</b>											
<b>2024</b>											
Trade and other receivables (excluding prepayments and value added tax recoverable)		2,200	10,346	1,085	573	780	-	612	119	18,603	980
Intra-group balances, net		30,994	39,002	91	(5,967)	(14,143)	(1,331)	-	(41,573)	(4,290)	(2,783)
Cash and bank balances	11	650	27,085	750	467	58	33	177	65	97	304
Restricted bank balances	11	-	-	-	2,115	-	-	-	-	-	-
Trade and other payables (excluding accruals for business, property and land taxes and deposit received from non-current assets held for sale)		(15,007)	(27,020)	(4,827)	(574)	(1,556)	-	(1,432)	(30)	(446)	(247)
Borrowings	14	(147,104)	(36,749)	(18,047)	(11,925)	(6,883)	-	-	-	-	(4,563)
Lease liabilities	15	(8,768)	(2,234)	(1,420)	-	-	-	-	(150)	(149)	-
		(137,035)	10,430	(22,368)	(15,311)	(21,744)	(1,298)	(643)	(41,569)	13,815	(6,309)
Less: net liabilities/assets denominated in respective entities' functional currencies'		(59,518)	(242,488)	19,277	(884)	25,471	1,353	9,601	242	(13,768)	(6,239)
<b>Currency exposure</b>		<b>(196,553)</b>	<b>(232,058)</b>	<b>(3,091)</b>	<b>(16,195)</b>	<b>3,727</b>	<b>55</b>	<b>8,958</b>	<b>(41,327)</b>	<b>47</b>	<b>(12,548)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management (Continued)

### (c) Foreign currency risk (Continued)

	Note	SGD \$'000	RMB \$'000	MYR \$'000	CHF \$'000	EUR \$'000	HKD \$'000	THB \$'000	USD \$'000	INR \$'000	Others \$'000
<b>Group</b>											
<b>2023</b>											
Trade and other receivables (excluding prepayments and value added tax recoverable)		2,186	9,213	939	448	529	-	795	100	18,924	1,192
Intra-group balances, net		12,655	42,153	(600)	1,728	(11,461)	(1,379)	(514)	(40,077)	(1,147)	(1,358)
Cash and bank balances	11	925	51,663	1,148	15	85	95	1,648	125	169	438
Restricted bank balances	11	-	-	-	2,111	-	-	77	-	-	-
Trade and other payables (excluding accruals for business, property and land taxes)		(7,124)	(37,565)	(3,604)	(714)	(1,199)	-	(1,703)	(24)	(732)	(300)
Borrowings	14	(141,591)	(44,572)	(41,611)	(15,133)	(5,410)	(19,843)	(1,889)	-	-	(5,469)
Lease liabilities	15	(10,802)	(877)	(1,229)	-	-	-	-	(262)	-	-
		(143,751)	20,015	(44,957)	(11,545)	(17,456)	(21,127)	(1,586)	(40,138)	17,214	(5,497)
Less: net liabilities/assets denominated in respective entities' functional currencies'		(52,270)	(226,895)	40,381	13,437	24,296	1,370	10,080	(74)	(15,538)	(8,330)
<b>Currency exposure</b>		<b>(196,021)</b>	<b>(206,880)</b>	<b>(4,576)</b>	<b>1,892</b>	<b>6,840</b>	<b>(19,757)</b>	<b>8,494</b>	<b>(40,212)</b>	<b>(1,676)</b>	<b>(13,827)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management (Continued)

### (c) Foreign currency risk (Continued)

The following analyses detail the sensitivity to a five percentage increase or decrease in the respective foreign currencies against the respective functional currencies of the entities in the Group. A five percentage point weakening in the foreign currencies against respective functional currencies would have an equal but opposite effect. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account associated tax effects and share of non-controlling interests.

If the relevant foreign currency strengthens by 5% against the respective functional currencies of each entity of the Group, the effect to profit or loss will increase/(decrease) by:

	2024 \$'000	2023 \$'000
<b>Group</b>		
Singapore Dollar	(9,828)	(9,801)
Chinese Renminbi	(11,603)	(10,344)
Malaysian Ringgit	(155)	(228)
Swiss Franc	(810)	95
Euro	186	342
Hong Kong Dollar	3	(988)
Thai Baht	448	425
United States Dollar	(2,066)	(2,011)
Indian Rupee	2	84

A five-percentage point weakening in the foreign currencies against respective functional currencies would have an equal but opposite effect.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management (Continued)

### (c) Foreign currency risk (Continued)

The Company's exposures to foreign currencies such as Chinese Renminbi ("RMB"), United States Dollar ("USD"), Australian Dollar ("AUD"), Hong Kong Dollar ("HKD"), Swiss Franc ("CHF") and Thai Baht ("THB") at each reporting date were as follows:

	Note	SGD \$'000	RMB \$'000	USD \$'000	AUD \$'000	HKD \$'000	CHF \$'000	THB \$'000	Others \$'000
<b>Company</b>									
<b>2024</b>									
Trade and other receivables (excluding prepayments)		357,585	47,229	-	7	6	3,636	8,966	6,738
Cash and bank balances	11	139	1	-	-	3	-	-	-
Trade and other payables	13	(105,472)	(277,375)	(41,235)	(6,805)	(1)	(860)	-	(908)
Borrowings	14	(50,461)	-	-	-	-	-	-	-
		201,791	(230,145)	(41,235)	(6,798)	8	2,776	8,966	5,830
Less: net assets denominated in functional currency		(201,791)	-	-	-	-	-	-	-
<b>Currency exposure</b>		-	(230,145)	(41,235)	(6,798)	8	2,776	8,966	5,830
<b>2023</b>									
Trade and other receivables (excluding prepayments)		332,787	29,618	(136)	145	(9)	2,733	8,509	7,139
Cash and bank balances	11	71	458	-	-	7	-	-	-
Trade and other payables	13	(93,731)	(236,152)	(39,641)	(6,831)	-	(859)	-	(681)
Borrowings	14	(43,030)	-	-	-	(19,844)	-	-	-
		196,097	(206,076)	(39,777)	(6,686)	(19,846)	1,874	8,509	6,458
Less: net assets denominated in functional currency		(196,097)	-	-	-	-	-	-	-
<b>Currency exposure</b>		-	(206,076)	(39,777)	(6,686)	(19,846)	1,874	8,509	6,458

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management (Continued)

### (c) Foreign currency risk (Continued)

The following analyses detail the sensitivity to a five percentage increase or decrease in the respective foreign currencies against the Singapore Dollar. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account associated tax effects and share of non-controlling interests.

If the relevant foreign currency strengthens by 5% against the Singapore Dollar, the effect to profit or loss will increase/(decrease) by:

	2024 \$'000	2023 \$'000
<b>Company</b>		
Chinese Renminbi	(11,508)	(10,304)
United States Dollar	(2,062)	(1,989)
Australian Dollar	(340)	(334)
Hong Kong Dollar	1	(992)
Swiss Franc	139	94
Thai Baht	448	425

A five percentage point weakening in the foreign currencies against respective functional currencies would have an equal but opposite effect.

### (d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group and the Company monitor its liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. Funding is obtained from borrowing facilities from banks and financial institutions. The Group and the Company assessed that the Group and the Company will be able to pay its debts as and when they fall due. The details of the assessment are disclosed in Note 2 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management (Continued)

### (d) Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted cash flows.

	Contractual undiscounted cash flows (including interest payments)			
	Within one financial year \$'000	More than one financial year \$'000	Total \$'000	Carrying amount \$'000
<b>Group</b>				
<b>2024</b>				
Trade and other payables (excluding accruals for business, property and land taxes and deposit received from non-current assets held for sale)	46,109	5,030	51,139	51,139
Borrowings	70,131	192,346	262,477	225,271
Lease liabilities	4,061	10,188	14,249	12,721
	<u>120,301</u>	<u>207,564</u>	<u>327,865</u>	<u>289,131</u>
<b>2023</b>				
Trade and other payables (excluding accruals for business, property and land taxes)	43,827	9,592	53,419	52,965
Borrowings	193,660	126,195	319,855	275,518
Lease liabilities	3,564	10,758	14,322	13,170
	<u>241,051</u>	<u>146,545</u>	<u>387,596</u>	<u>341,653</u>
<b>Company</b>				
<b>2024</b>				
Trade and other payables	435,641	-	435,641	432,656
Borrowings	19,398	47,433	66,831	50,461
Financial guarantee contracts	131,636	-	131,636	131,636
	<u>586,675</u>	<u>47,433</u>	<u>634,108</u>	<u>614,753</u>
<b>2023</b>				
Trade and other payables	380,411	-	380,411	377,895
Borrowings	33,755	50,281	84,036	62,874
Financial guarantee contracts	160,314	-	160,314	160,314
	<u>574,480</u>	<u>50,281</u>	<u>624,761</u>	<u>601,083</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 33. Financial instruments and financial risk management (Continued)

### (e) Fair values

The carrying amounts of the Group's and Company's current financial assets and current financial liabilities approximate their fair values as at each reporting date due to the relatively short period of maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

## 34. Capital management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

The Group and the Company maintain an optimum capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets by various means such as adjusting the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts and issue more borrowings whenever necessary.

As part of the Group's and Company's capital management, the Company may purchase its own shares from the market and the timing of these purchases depends on market prices. Primarily, such actions are intended to stabilise the market price of the Company's shares and the purchased shares can be used for issuing shares under a performance share plan if the Company establishes a plan in the future. Buy and sell decisions by management are made on a specific transaction basis. The Group and the Company do not have a defined share buy-back plan.

In addition, the Company may adopt the scrip dividend scheme, issue rights issue shares, issue new ordinary shares via share placements to conserve cash resources and to pay down bank borrowings. The scrip dividend scheme also allows shareholders to reinvest in the growth of the Company.

The Group and the Company manage overall capital structure by leveraging the advantages and security afforded by a sound capital position while preserving a sustainable level of returns which also seek to meet certain capital requirements imposed by the banks. These requirements include maintaining minimum level of net tangible assets.

The Group also monitors capital based on a gearing ratio which is net debt divided by total capital. Net debt includes borrowings less cash and bank balances (including restricted bank balances). Total capital refers to equity attributable to the equity holders of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 34. Capital management (Continued)

	Group	
	2024	2023
	\$'000	\$'000
Net debt	193,470	217,019
Total capital	589,979	599,963
Net gearing ratio	33%	36%

The Group and the Company are in compliance with all externally imposed capital requirements relating to financial covenants on its borrowings for both the financial years ended 30 June 2024 and 30 June 2023.

Apart from the above, the Group's current overall strategy remains unchanged for financial years ended 30 June 2024 and 30 June 2023.

## 35. Properties of the Group

Location	Description	Existing use	Tenure	Unexpired lease term (years)	Site area ('000 sqm)	Gross floor area ('000 sqm)
(a) Northeastern side along the crossing of Yangguang Road and Gongyuan Road, Xinqiao Industrial Park, Anhui Province, the PRC	Education college	Education facilities and hostels	Leasehold	42 - 47	283	63
(b) No. 28, Jinjing Road, Xiqing District, Tianjin City, the PRC	Education college	Education facilities and hostels	Leasehold	28 - 31	141	132
(c) Room 101, 201-205, 301-308 Block 5, No. 203 Tower Road, Suzhou National New and Hi-Tech Industrial Development Zone, Jiangsu Province, the PRC	Kindergarten	Kindergarten facilities	Leasehold	42	1	2

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 35. Properties of the Group (Continued)

Location	Description	Existing use	Tenure	Unexpired lease term (years)	Site area ('000 sqm)	Gross floor area ('000 sqm)
(d) Oriental University City, Langfang Economic and Development Zone, Hebei Province, the PRC <sup>#</sup>	Education campus city	Facilities for educational, recreational, hostels, commercial, retail and utility activities	Leasehold	25 – 30	748	336
(e) Oriental University City, Langfang Economic and Development Zone, Hebei Province, the PRC <sup>#</sup>	Education campus city	Held for sale (Note 12)	Leasehold	25 – 30	68	53
(f) Raffles Education Square 51 Merchant Road Singapore	Commercial development of multi storey office block and conservation shophouses	Held for sale (Note 12)	Leasehold	68	3	7
(g) Mukim of Pulai, District of Johor Bahru, State of Johor, Malaysia <sup>#</sup> Land held under: H.S.(D) 520221, PTD 189210	University campus development	Construction and development phase	Freehold	-	263	-
(h) Mukim of Pulai, Lot 143116 District of Johor Bahru, State of Johor, Malaysia <sup>#</sup>	Education college	American K12 school facilities	Freehold	-	181	77
(i) Lot 102-104, 106 Section 88A Kuala Lumpur, Malaysia	Education college	Education facilities	Leasehold	44 - 45	5	4

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 35. Properties of the Group (Continued)

Location	Description	Existing use	Tenure	Unexpired lease term (years)	Site area ('000 sqm)	Gross floor area ('000 sqm)
(j) Soi Bangna – Trat 37 Bangkaew Sub-district Bang Phli District Samut Prakarn Province, Thailand <sup>#</sup>	Education college	Education facilities	Freehold	-	45	40
(k) Kadirana North Village Dunagaha Pattu of Aluthkorale @ Katana in Gampaha District Western Province of Sri Lanka <sup>#</sup>	University campus/ commercial development	Vacant	Freehold	-	101	-
(l) 94 Mandurah Terrace, Mandurah, Western Australia <sup>#</sup>	Commercial/ residential/ education development	Vacant	Freehold	-	2	-
(m) Chemin des Cibles 17 1997 Haute-Nendaz Switzerland <sup>#</sup>	Hotel and commercial units	Hotel and commercial units	Freehold	-	6	7
(n) Route de Siviez 37, 1995 Siviez Switzerland <sup>#</sup>	Commercial building	Commercial use	Freehold	-	2	2
(o) Via Felice Casati, 16, Milan, Italy	Commercial building	Education facilities and office use	Freehold	-	1	3
(p) Two floors of office units at Sub-District of Gondangdia, District of Menteng, Municipality of Central Jakarta, Special Capital City of Jakarta, Indonesia	Education college	Education facilities	Leasehold	10	-	2

<sup>#</sup> Valuation performed in financial years 2024 and 2023 by independent professional valuation specialist, as referred to in Note 5 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 36. Events subsequent to the reporting date

The Company's subsidiary, Oriental University City Holdings (H.K.) Limited ("OUCHK"), listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong, had on 15 March 2024 announced the proposed disposal of OUCHK's subsidiary's property located in Langfang Development Zone, Hebei, the People's Republic of China. (Note 12) This proposed disposal of assets held for sale was completed end of August 2024.

OUCHK had on 6 September 2024 announced that Misheel Lifestyle LLC (the "Vendor"), OUCHK and Mr. Billy Lim Sin Pau (as the Vendor's guarantor) entered into a termination deed, with a termination payment of approximately RMB33.69 million, in relation to the Agreement on 6 March 2020 which OUCHK was to purchase properties in Mongolia from the Vendor.

The Company had on 24 July 2024 announced issuance of unlisted, 5-year unsecured, non-convertible bonds ("Bonds") of up to an aggregate principal amount of \$20,000,000. The Company has entered into Subscription Agreements with certain subscribers ("First Tranche Subscribers"), pursuant to which the Company has agreed to issue and the First Tranche Subscribers have agreed to subscribe for an aggregate principal amount of \$12,500,000 of the Bonds. The Company had completed the issuance of \$12,500,000 in principal amount of the Bonds to First Tranche Subscribers.

The Company had on 20 September 2024 announced an update to investigations that certain current and former directors of the Company, namely Mr Chew Hua Seng (*Chairman and Chief Executive Officer*), Mr Lim How Teck (*Independent Non-Executive Director*), Mr Joseph Ho Yan Jun (*Non-Independent Non-Executive Director*), Mr Ng Kwan Meng (*Independent Non-Executive Director*) and Mr John Teo Cheng Lok (*former Independent Director*) had informed the Board that they have each been charged with offences under section 331(1) read with section 203(1) of the Securities and Futures Act 2001. The Board and the Independent Committee will continue to monitor the progress of the investigations.

## 37. Authorisation of financial statements

The consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company for the financial year ended 30 June 2024 were authorised for issue by the Board of Directors of the Company on 30 September 2024.



# STATISTICS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2024

ISSUED AND FULLY PAID-UP CAPITAL	1,463,646,772
NUMBER OF SHARES ISSUED AND PAID-UP SHARES (EXCLUDINGS TREASURY SHARES)	: 1,387,646,472
NUMBER / PERCENTAGE OF TREASURY SHARES HELD	: 76,000,300 / 5.48%
CLASS OF SHARES	: ORDINARY SHARE
VOTING RIGHTS	: ONE VOTE PER SHARE

Based on information available to the Company as at 30 September 2024, approximately 60.8% of the issued ordinary shares (excluding treasury shares) of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by SGT-ST is complied with.

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of Shares Held (excluding treasury shares)	Percentage of Shares
1 - 99	751	9.45	28,904	0.00
100 - 1,000	960	12.08	555,597	0.04
1,001 - 10,000	3,462	43.56	16,846,907	1.21
10,001 - 1,000,000	2,698	33.95	180,589,700	13.02
1,000,001 & ABOVE	76	0.96	1,189,625,364	85.73
	<u>7,947</u>	<u>100.00</u>	<u>1,387,646,472</u>	<u>100.00</u>

## TOP TWENTY SHAREHOLDERS AS AT 30 SEPTEMBER 2024

No.	Name	No. of Shares	Percentage
1	UOB KAY HIAN PTE LTD	219,382,383	15.81
2	DBS NOMINEES PTE LTD	140,284,247	10.11
3	CHEW HUA SENG OR DORIS CHUNG GIM LIAN	108,250,000	7.80
4	PHILLIP SECURITIES PTE LTD	95,051,452	6.85
5	SBS NOMINEES PTE LTD	85,427,998	6.16
6	CITIBANK NOMINEES SINGAPORE PTE LTD	55,605,773	4.01
7	KGI SECURITIES (SINGAPORE) PTE. LTD	53,681,400	3.87
8	LIU YINGCHUN	39,371,700	2.84
9	OW CHIO KIAT	25,000,000	1.80
10	WATERWORTH PTE LTD	23,400,000	1.69
11	CHEW HUA SENG	22,100,000	1.59
12	CHEW CHIEW SIANG STEVEN	22,065,730	1.59
13	OCBC SECURITIES PRIVATE LTD	21,554,430	1.55
14	DORIS CHUNG GIM LIAN	20,065,945	1.45
15	TOMMIE GOH THIAM POH	18,742,916	1.35
16	GOI SENG HUI	18,042,400	1.30
17	LIM AND TAN SECURITIES PTE LTD	15,304,219	1.10
18	LIM CHEE SAN	15,200,000	1.09
19	LIM KIM HUAT	15,000,000	1.08
20	TEO CHIANG SONG	13,000,000	0.94
	TOTAL	<u>1,026,530,593</u>	<u>73.98</u>

# STATISTICS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2024

## Substantial Shareholders

As shown in the Register of Substantial Shareholders

Name of Shareholders	No of Shares	
	Direct Interest	Deemed Interest
Chew Hua Seng	484,035,105	34,043,159
Doris Chung Gim Lian	170,992,922	347,085,342

Notes: -

- 1) Ms Doris Chung Gim Lian is the spouse of Mr Chew Hua Seng. In this regards, Ms Doris Chung Gim Lian is deemed to have an interest in the shareholdings of Mr Chew Hua Seng and vice versa.
- 2) The figures stated under "Direct Interest" are inclusive of the 136,949,763 shares which are held jointly by Mr Chew Hua Seng and Ms Doris Chung Gim Lian.

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