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ANNUAL REPORTS AND RELATED DOCUMENTS::

RAFFLES EDUCATION CORPORATION LIMITED

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Submitted By (Co./ Ind. Name)

Chew Hua Seng

Designation

Chairman & CEO

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached.

Additional Details

Period Ended

30/06/2019

Attachments

REC_Annual%20Report%202019.pdf

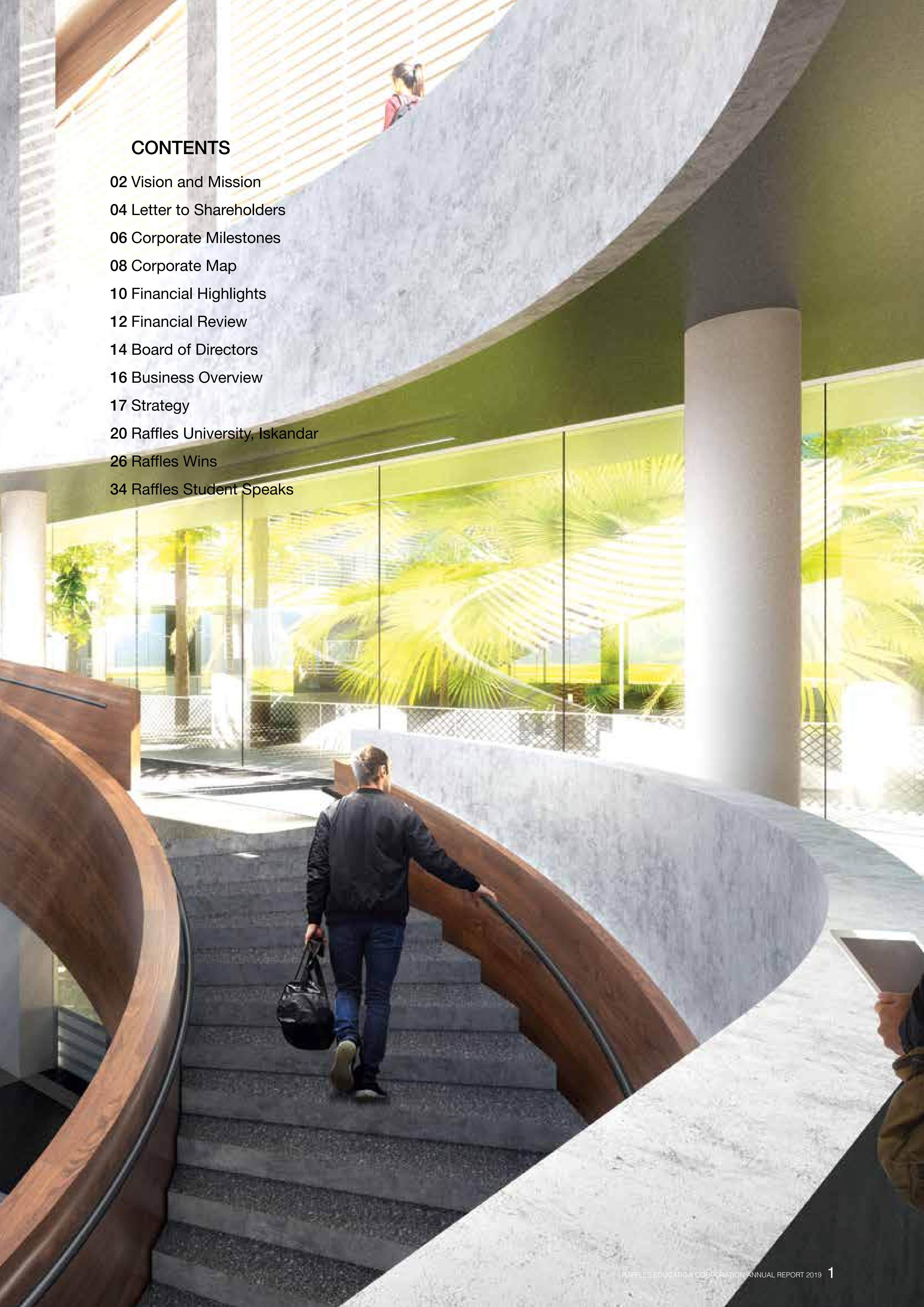
Total size =4007K MB

ANNUAL REPORT 2019

EDUCATING
TOMORROW'S AVANT-GARDE

RafflesEducation

Artist Impression of
Raffles University, Iskandar



CONTENTS

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:

- **S**ocial responsibility
- **P**rofessional excellence for employability
- **A**nalytical thinking for problem solving
- **C**reativity to encourage innovation
- **E**ntrepreneurship

Artist Impression of
Raffles University, Iskandar

CORPORATE PROFILE

Raffles Education Corporation Limited ("RafflesEducation" or "the Group") is the premier education Group. Since establishing its first college in Singapore in 1990, the Group has grown to operate 22 colleges and universities in 20 cities across 12 countries in Asia-Pacific and Europe: Cambodia, India, Indonesia, Italy, Malaysia, Mongolia, Saudi Arabia, Singapore, Sri Lanka, Switzerland, Thailand and The People's Republic of China.

More than 20,000 students enrolled in RafflesEducation's programmes benefit from a quality education that provides graduates with a well-rounded hands-on experience that is relevant to the industry. The Group owns Raffles University Iskandar in Johor, Malaysia and Tianjin University of Commerce Boustead College in The People's Republic of China. The Group also owns the first two K-12 schools named, the "Raffles American School" that offers American K-12 education system in Johor, Malaysia and in Bangkok, Thailand.

The Group through its subsidiary that is listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited owns the Oriental University City, a 550,000 square meters self-contained campus in Langfang, Hebei Province in The People's Republic of China. The Group's subsidiary lease education facilities to education institution in this campus.

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 Corporation Limited (the "**Company**", and together with its subsidiaries, the "Group") for the financial year ended 30 June 2019 ("FY2019").

FY 2019 has been another challenging year for the Company, with competition from alternative education providers, ever changing education policies and regulations in the various countries that we operate our colleges and schools and currency fluctuations. Nonetheless, the Company has remained focused on its core mission of inspiring learners to discover their potential, achieve their goals and prepare them for a dynamic world.

On 26 April 2019, the Group has disposed of its entire stake in Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd. ("**Langfang Development**") to realise cash return and strengthen the Group's financial position.

Performance Review

The Group's revenue increased from $96.8 million for FY 2018 to $97.9 million for FY2019. The Group recorded a net profit of about $41 million, as compared to a net profit of about $23 million in FY2018, resulting in earnings per share of $0.0292, up nearly 224% from FY2018. With careful management of our working capital needs, we generated operating cash flow surplus of about $16 million in FY2019.

The Group remains committed to effectively managing operating costs and business risks to stay competitive. We believe that our experience and capabilities in the education and education related property management and development businesses will help us ride out any challenging times ahead.

Appreciation and Acknowledgment

I would like to thank our Board of Directors for their guidance and wise counsel in the last financial year. I would also like to take this opportunity to welcome Joseph He Jun, a senior partner in law firm, Wong Partnership, who joined the Board with effect from 5 November 2018 as a non-independent and non-executive director.

I would also like to thank our management and staff for their dedication and contributions to the Company.

Last but not least, I would like to extend our appreciation to our shareholders for their strong support and our students for entrusting us with their education.

Mr Chew Hua Seng
Chairman and Chief Executive Officer

COMPANY HIGHLIGHTS

FOUNDED
in Singapore in 1990

ESTABLISHED BRAND
name and a leader in design education

BROAD PRESENCE
22 colleges & universities in 20 cities across 12 countries

OVER 20,000
student enrolment per year

LISTED ON SGX
January 24, 2002

CORPORATE MILESTONES & AWARDS

Top Brand 2018 Award
(The Most Influential Brand Award)

The Golden Bull Award 2018
(Super Golden Bull)

International Quality Crown Award 2018
(Platinum Category)

22
COLLEGES/
UNIVERSITIES

20
CITIES

12
COUNTRIES

GLOBALISING RAFFLES

ASIA

BANGKOK ^
BANGKOK ^^
COLOMBO ^^
ISKANDAR ^
ISKANDAR ^^^
JAKARTA ^^
KUALA LUMPUR ^^
PHNOM PENH ^^
SINGAPORE ^^
SURABAYA ^^
ULAANBAATAR ^^

THE PEOPLE'S REPUBLIC OF CHINA

GUANGZHOU ^^
HEFEI WANBO ^^
HONG KONG ^^
ORIENTAL UC ^^^^
SHANGHAI ^^
SUZHOU ^
TIANJIN ^^^

MIDDLE EAST

RIYADH ^^

EUROPE

MILAN ^^
NENDAZ ^^

INDIA

GREATER NOIDA ^^^
MUMBAI ^^

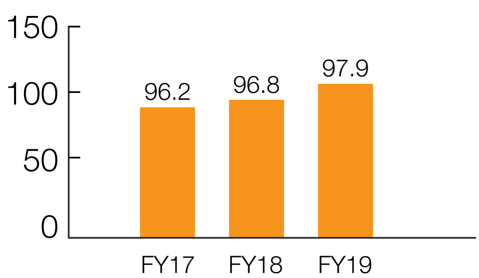
^ K-12
^^ College
^^^ University
^^^^ Collaborative Schools

FINANCIAL HIGHLIGHTS

For the year ended 30 June (S$'000)	2017	2018	2019
Operating Results			
Revenue	96,220	96,832	97,854
Profit/(loss)			
Adjusted EBITDA~	27,808	76,364	25,852
Operating	4,212	(3,627)	40,082
Before Tax	(27,081)	42,421	28,056
After Tax	235	22,642	41,107
Attributable to shareholders	(1,853)	10,667	40,213
Operating Cashflow	(5,515)	(10,707)	16,438
Earnings per Share (cents) - Basic	(0.17)#	0.90	2.92
- Diluted	(0.17)#	0.90	2.92
Shares used in calculating EPS (millions) - Basic	1,068#	1,182	1,379
- Diluted	1,068#	1,182	1,379
Financial Position			
Issued Share Capital**	442,102	514,654	514,654
Shareholders Funds	527,150	621,592	634,805
Non-current Assets	1,039,874	1,116,009	1,162,614
Current Assets	188,283	144,084	79,224
Current Liabilities	253,832	259,854	194,268
Non-current Liabilities	354,094	272,509	351,512
Net Asset Value per Share (cents)	54.60	45.09	46.05
Return On Shareholders Funds			
Return on Equity (%)	(0.4%)	1.7%	6.3%
Net Profit Margin (%)	(1.9%)	11.0%	41.1%

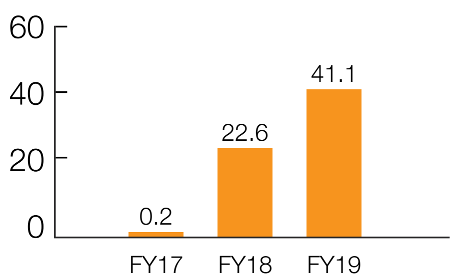
Revenue

S$ millions



Net Profit After Tax

S$ millions



Notes:

** Net of treasury shares

~ Net fair value gain on investment properties and gain 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.

The number of shares used for prior year calculation of earnings per share was adjusted for the rights issue on 25 April 2018.

For the year ended 30 June (S$'000)	2018	2019	Change
Operating Results			
Revenue	96,832	97,854	1.1%
Profit			
Adjusted EBITDA~	76,364	25,852	-66.1%
Operating	(3,627)	40,082	NM
Before Tax	42,421	28,056	-33.9%
After Tax	22,642	41,107	81.6%
Attributable to shareholders	10,667	40,213	277.0%
Operating Cashflow	(10,707)	16,438	NM
Earnings per Share (cents) - Basic	0.90	2.92	224.4%
- Diluted	0.90	2.92	224.4%
Shares used in calculating EPS (millions) - Basic	1,182	1,379	16.7%
- Diluted	1,182	1,379	16.7%
Financial Position			
Issued Share Capital**	514,654	514,654	0.0%
Shareholders Funds	621,592	634,805	2.1%
Non-current Assets	1,116,009	1,162,614	4.2%
Current Assets	144,084	79,224	-45.0%
Current Liabilities	259,854	194,268	-25.2%
Non-current Liabilities	272,509	351,512	29.0%
Net Asset Value per Share (cents)	45.09	46.05	2.1%

As at 30 June	2017	2018	2019
Revenue Contribution by Regions			
Asean	33.0%	33.4%	35.2%
North Asia	58.9%	58.6%	57.1%
Australasia	5.2%	4.9%	3.7%
South Asia	1.8%	1.2%	1.2%
Europe	1.1%	1.9%	2.8%
Total	100%	100%	100%

Revenue Contribution by Segments

(S$'000)	2018	2019
Education	79,006	77,944
Education Facilities Rental Service	13,159	14,590
Corporate & Others	18	11
Real Estate Investment & Development	4,649	5,309
Total	96,832	97,854

Earnings Contribution by Segments

(S$'000)	2018	2019
Education	5,429	(7,021)
Education Facilities Rental Service	31,456	5,227
Corporate & Others	(29,573)	(16,494)
Real Estate Investment & Development	15,330	59,395
Total	22,642	41,107

Note:
** Net of treasury shares
~ Net fair value gain on investment properties and gain 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.
NM Not meaningful

FY2019 FINANCIAL REVIEW

Group revenue increased by 1% from $96.8 million for FY2018 to $97.9 million for FY2019.

Increase in other operating income from $4.4 million in FY2018 to $45.1 million in FY2019 was mainly due to:

(a) The gain on disposal of subsidiary, Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd. of $37.4 million; and

(b) Increase in foreign exchange gain of $3.9 million.

Decrease in other operating expenses from $49.3 million in FY2018 to $45.2 million in FY2019 was mainly due to:

(a) Decrease in foreign exchange loss of $1.7 million; and

(b) Tianjin University of Commerce Boustead College ("BC") purchased the Campus Facilities during the current financial year thus, BC did not need to pay $2.8 million for the use of these facilities compared to FY2018.

Increase in depreciation and amortisation expenses from $12.4 million in FY2018 to $13.8 million in FY2019 was mainly due to the commencement of depreciation by Raffles American School in Iskandar upon completion of its campus construction late last year.

Net fair value gain on investment properties of $11.0 million was recognised in FY2019 and mainly includes:

(a) $8.3 million gain from the investment properties in Parramatta, Australia; and

(b) $1.5 million gain from the investment properties in Iskandar, Malaysia.

Impairment of goodwill is for Raffles College Pty Ltd which ceased operations during the year.

FY2019 income tax credit of $13.1 million was mainly due to:

(a) Reversal of prior years' tax provision from Oriental University Limited of $18.3 million as follows:

i. The tax previously provided for the various sales of land and properties were reversed after the recent conclusion of the related tax filing with the relevant tax authority that these tax provisions were no longer required.

ii. Due to the settlement of the outstanding receivable from sale of 490mu land and properties into 34.1% equity interest in an associate, resulted in the reversal of the related tax provision on this receivable which was no longer required.

Offset by:

(b) Provision for deferred tax expense in relation to net fair value gain on the investment properties of $6.9 million.

The Group's net profit increased to $41.1 million in FY2019 as compared to $22.6 million in FY2018.

The Group's Net Asset Value per Share increased to 46.05 cents in FY2019 from 45.09 cents in FY2018.
The Group's net gearing was 0.54.

The current global trade tensions and currency volatility continue to impact the Group.

The Group will continue to strengthen its operations.

Artist Impression of
Raffles University, Iskandar

BOARD OF DIRECTORS

Mr Chew Hua Seng
Chairman and CEO

Mr Chew Hua Seng is the Founder, Chairman and CEO of Raffles Education Corporation Limited (”RafflesEducation” or “the Group”). Under his astute leadership, RafflesEducation has grown to become the premier private education provider.

Mr Chew has led RafflesEducation to achieve an excellent track record of growth since founding the Group in 1990. The Group listed on the Singapore Exchange in 2002 and was ranked amongst the Top 200 Asia-Pacific companies on Forbes Asia’s “Best Under a Billion” list for four consecutive years, from 2006 to 2009. Mr Chew holds a Bachelor’s Degree in Business Administration from the University of Singapore (now known as the National University of Singapore) 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.

In 2007, Mr Chew established the Chew Hua Seng Foundation (the “Foundation”) to further charitable causes, predominantly in education. Commissioned with the motto “Compassion through the Generations”, the Foundation’s mission is aligned with RafflesEducation’s overarching principle to provide the invaluable gift of education to needy youths, with a special focus to support poor students in the Asia-Pacific region.

Mr Lim How Teck
Lead Independent Non-Executive Director

Mr Lim How Teck is currently Chairman of Redwood International Pte. Ltd. (an investment & consultancy company). Mr Lim has an in-depth knowledge of the shipping industry and NOL group, having been with the Group from 1979 to 2005. He held Directorships in various subsidiaries, associated companies and investment interests of the NOL Group. In NOL, 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 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), a Fellow of the Singapore Institute of Directors (FSID). He is a graduate of the Harvard Graduate School of Business Corporate Financial Management Course and Advanced Management Program in 1983 and 1989 respectively.

Mr Lim’s other appointments include being Chairman of Heliconia Capital Management Pte. Ltd., ARA Trust Management (Cache) Limited, NauticAWT Pte. Ltd. and Boogle Group Limited. He is also a Board Director of Mizuho Securities (Singapore) Pte. Ltd., Heliconia Holdings Pte. Ltd., Yang Kee Logistics (Singapore) Pte. Ltd., Singapore DTT Corporation Pte. Ltd. and Nexusun International Pte. Ltd. He is a Senior Adviser to Bain Capital Partners, LLC, Special Adviser to Titanium Pte. Ltd. and Advisor to KPISOFT Pte. Ltd., IMCSE Limited (International Monetary Crypto Securities Exchange), Skyfy Technology Pte. Ltd., SCash Technologies Pte. Ltd., Pixie Pitch Pte. Ltd., Singularity Pte. Ltd., Helicap Pte. Ltd., 33 Ventures Pte. Ltd. and Propease Technologies Pte. Ltd.

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

Mdm Gan Hui Tin

Independent Non-Executive Director

Mdm Gan Hui Tin joined BNP Paribas in June 2018. Her current appointment with the bank is Managing Director/Advisor, Business Development, South-East Asia. Prior to this, she was with the Hong Leong Group, Malaysia ("the Group") from 1996 to 2016. She was the Country Head for the Group's HL Bank, Singapore when she retired in 2016.

Mdm Gan also held senior positions in Chase Manhattan Bank NA and Bank Brussels Lambert. In total, Mdm Gan has close to 36 years of experience in the banking industry.

Mdm Gan graduated with a Bachelor's degree in Business Administration from the University of Singapore. She holds directorship in Ethan Investments Pte. Ltd, Eluzai Pte. Ltd. and Elizur Pte. Ltd.

Mr Teo Cheng Lok John

Independent Non-Executive Director

Mr Teo Cheng Lok John was in public accounting practice from 1981 to 2010. He was a Founder and a Senior Partner of TeoFoongWongLCLoong and Baker Tilly TFWLCL. Mr Teo qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales. He is a Fellow of the Institute of Chartered Accountants in England and Wales, Institute of Singapore Chartered Accountants, Institute of Certified Public Accountants in Australia and a member of the Chartered Management Institute, UK.

Mr Joseph He Jun

Non-Independent Non-Executive Director

Mr Joseph He Jun is the Head of China Practice and Partner in both the Corporate/Mergers & Acquisitions and the Capital Markets Practices, in 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.

Transactions of significance which Joseph has been involved in include acting for Hebei Oriental Zhuyun Property Development Co., Ltd., a subsidiary of Raffles Education Corporation Limited, in the divestment of four land parcels in the Langfang Development Zone, Hebei Province, PRC, to Langfang Fenghe International Golf Club Co., Ltd. for a total consideration of RMB1.047 billion.

Joseph presents and participates in panel discussions at regional and local conferences on PRC-related topics. Joseph is a member of Business China and the Advisory Board of Singapore Management University (SMU)'s Law School. He is also a member of The Law Society of Singapore's Inquiry Panel and sits on the Advisory Committee for the China-Ready Programme for Singapore's Legal Industry organised by the Ministry of Law Singapore.

BUSINESS OVERVIEW

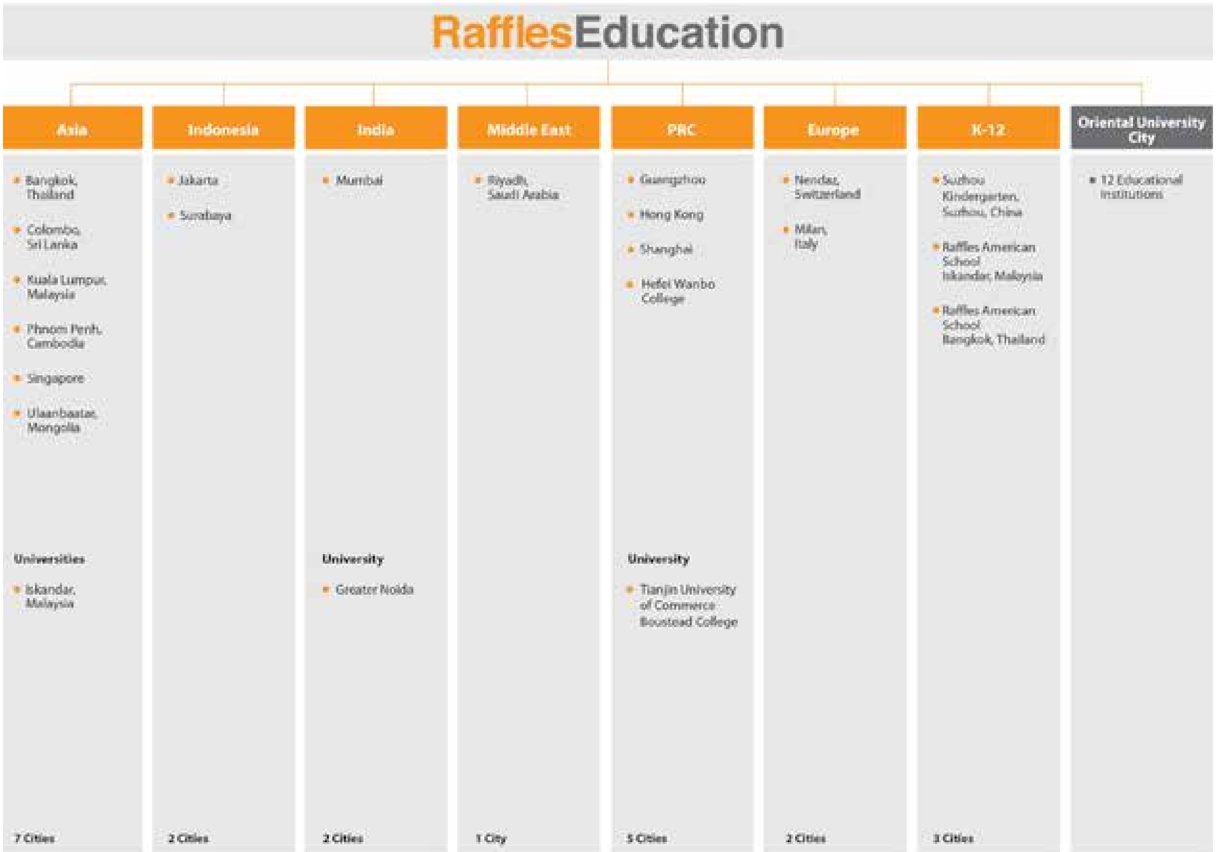
RafflesEducation is a premier education Group that is committed to providing quality education and education-related services through its network of institutions across Asia-Pacific and Europe.

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 22 colleges/universities in 20 cities across 12 countries.

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

"RAFFLESEDUCATION IS COMMITTED TO PROVIDE QUALITY EDUCATION AND EDUCATION-RELATED SERVICES THROUGH ITS NETWORK OF INSTITUTIONS."



STRATEGY

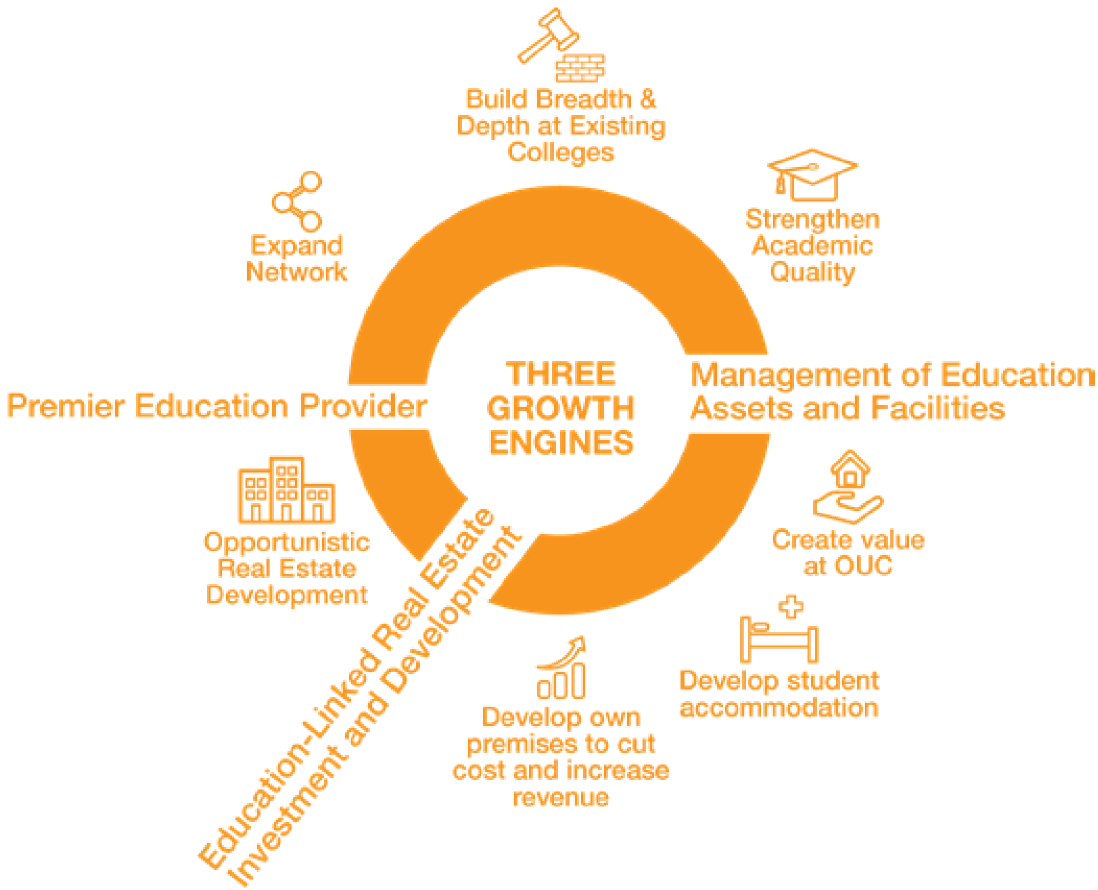
Our journey to success was a corporate journey crafted with great foresight and a well-designed roadmap.

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.

"OUR STRATEGIES ARE MEANT TO ENSURE SUSTAINABILITY IN OUR EDUCATION BUSINESS."



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.

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 education institutions in The People's Republic of China and Malaysia. The Group is in the process of setting up a university in Colombo, Sri Lanka.

The expansion of Raffles Higher Education Group is significant, as it will eventually translate into a larger market share for RafflesEducation.

CREATE VALUE AT ORIENTAL UNIVERSITY CITY

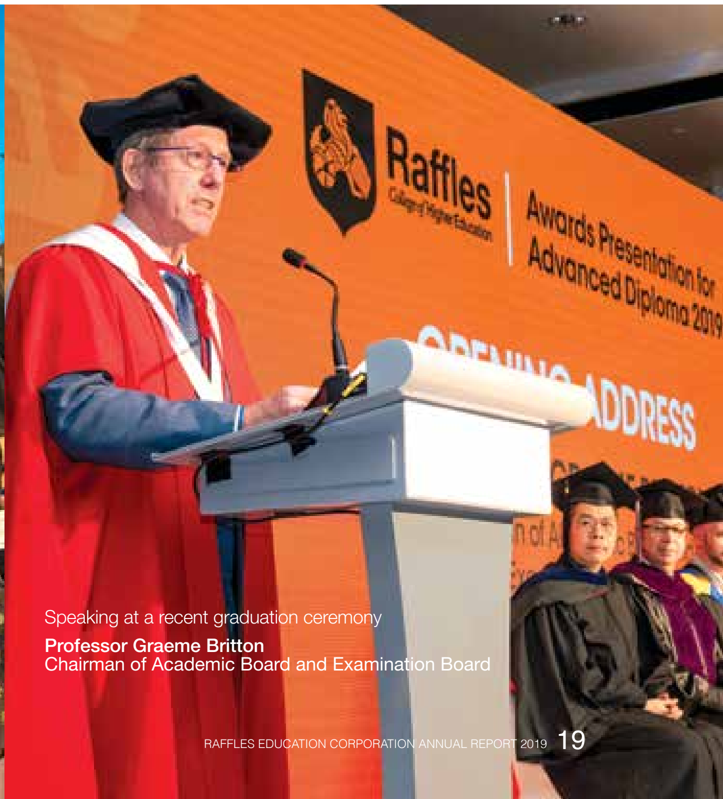
The Group through its listed subsidiary in Hong Kong owns the Oriental University City ("OUC") in Langfang, Hebei Province in The People's Republic of China. Besides providing educational services to schools located in OUC, the Group also collects fee revenues by providing higher education on campus through new school establishments and partnerships.

The Group has systematically divested some of its non-core assets in the region, including some assets located in OUC for reinvestment into its growing education business.

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 Raffles is to groom skilled professionals through the transfer of industry-relevant knowledge and technical know-how to succeed in the globalised economy. Raffles University System 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 Raffles University System, the Group grows its intellectual property portfolio and strengthens its accreditations and academic credibility.



Speaking at a recent graduation ceremony
Professor Graeme Britton
Chairman of Academic Board and Examination Board

RAFFLES UNIVERSITY
A UPCOMING OPPORTUNITY FOR STUDENTS' FUTURE PROSPECT

Artist Impression of
Raffles University, Iskandar

RAFFLES UNIVERSITY

Welcome to the University-of-the-Future.

We are building an iconic university that facilitates collaborative and multi-disciplinary learning, lifelong learning, and learning anywhere, anytime, anyhow.

World leading architects from New York, Skidmore, Owings and Merrill, developed the conceptual design. Students can expect an exciting and stimulating learning environment, enhanced by natural lighting and a green landscape.

Planning and design of the first phase of the new campus began in May 2018. Construction will begin in February 2020. The first phase will be completed in 2021.

MULTI-DISCIPLINARY & LIFELONG LEARNING

LEARNING ANYWHERE, ANYTIME, ANYHOW.

The building is a three storey ribbon around a large, central courtyard. The ground floor contains traditional executive, staff and administrative offices.

The top floor contains formal learning spaces: classrooms, studios and workshops. The classrooms and some studios are designed to be flexible. Desks and chairs can be moved easily to suit different learning needs. Large studios contain movable partitions to facilitate different size classes.

An exciting new feature is the middle floor containing catalyst spaces that encourage creativity, and spontaneous and informal learning. Catalyst spaces are non-traditional, learning spaces that link to the formal office spaces (ground floor) and the formal learning spaces (top floor). Linking is achieved through an open plan design and a sweeping staircase connecting the floors.

The facilities will be managed efficiently via smartphones linked to integrated facility management software. Students will use their phones to access, use and pay for educational resources. App-based software will undertake routine administrative work.

"ENTER AS A NOVICE
LEAVE AS A PROFESSIONAL."

FRANKFURT STYLE AWARD 2019

Raffles Fashion Designer,
Tiffany ANGGIONO
Indonesian
Raffles Singapore

Winner for the
Frankfurt Style Award 2019

REDRESS DESIGN AWARD 2019

Raffles Fashion Designer,
Anita PRAYOGO
Indonesian
Raffles Singapore

One of the 30 Global
Semi-Finalists for the
Redress Design Award 2019

SOPHIE HALLETTE DESIGN CHALLENGE ASIA 2019

Raffles Fashion Designer,
Anita PRAYOGO

Winner for the Sophie Hallette Design
Challenge Asia 2019

Raffles Fashion Designer,
LIU Yulin
Chinese
Raffles Singapore

Finalist for the
Sophie Hallette Design Challenge Asia 2019

Raffles Fashion Designer, Putri CINDANA
Indonesian
Raffles Singapore

Finalist for the Sophie Hallette Design Challenge Asia 2019

LONDON GRADUATE FASHION WEEK 2019

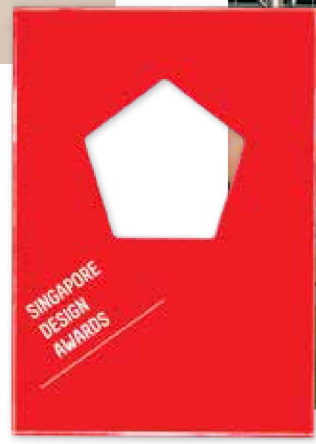
Raffles Fashion Designer,
Nuradilah Afiqah Binti Ab.HAMID
Malaysian
Raffles University

Participated in the
London Graduate Fashion Week 2019

SINGAPORE DESIGN AWARDS' 30TH ANNIVERSARY

Raffles Interior Designer, Sally TAY
Indonesian
Raffles Singapore

Silver Award for the Singapore Design Award 2018/2019



Raffles Fashion Designer, Andrew LOW
Malaysian
Raffles Singapore

Finalist for the Singapore Design Award 2018/2019

DESIGN EXCELLENCE AWARDS 2019

Raffles Interior Designer, Jocelyn WINATA
Indonesian
Raffles Singapore

Gold Award Winner for the Design Excellence Award 2019 (Best Retail Design Category)

Raffles Interior Designer,
Jonathan WIJAYA
Indonesian
Raffles Singapore

Silver Award Winner for the
Design Excellence Award 2019
(Best Residential Design Category)

Raffles Interior Designer,
Randoll LEE
Malaysian
Raffles Singapore

Silver Award Winner for the
Design Excellence Award 2019
(Best Office Design Category)

Raffles Interior Designer,
HUANG Piaolei
Chinese
Raffles Singapore

Bronze Award Winner for the
Design Excellence Award 2019
(Best Hospitality Design Category)

Raffles Interior Designer,
Nicholas KYAW Zin Hein
Burmese
Raffles Singapore

Bronze Award Winner for the
Design Excellence Award 2019
(Best Workplace Design Category)

JIDA DESIGN AWARD 2019

Raffles Interior Designer,
Sharada MURALEESVARAN
Malaysian
Raffles University

Gold Award Winner for the
JIDA Design Award 2019
(Emerging Designer's Category)

SAFETY STARTS WITH ME COMPETITION 2019

Raffles Graphic Designer, Queenie KUAN Jing Wen
Malaysian
Raffles Singapore

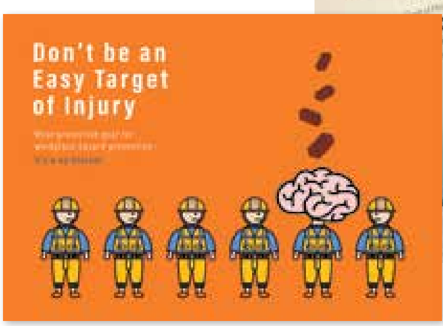
Gold Award Winner for the Safety Starts With Me Competition 2019 (Poster Design Category)

Raffles Graphic Designer, GAO Xiaoxuan
Chinese
Raffles Singapore

Gold Award Winner for the Safety Starts With Me Competition 2019 (Poster Design Category)

Raffles Graphic Designer, SIM Minkyeong
South Korean
Raffles Singapore

Silver Award Winner for the Safety Starts With Me Competition 2019 (Poster Design Category)



Raffles Graphic Designer, SONG Chan Hee
South Korean
Raffles Singapore

Merit (Consolation) for the Safety Starts With Me Competition 2019 (Poster Design Category)

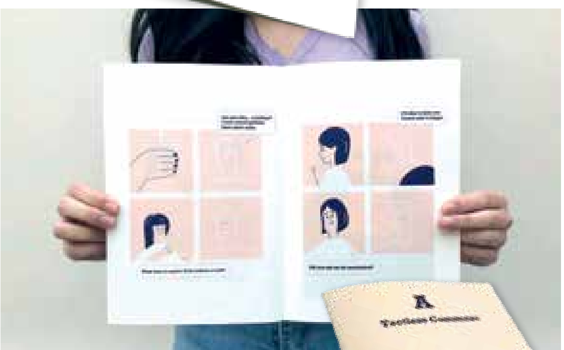
INDIGO DESIGN AWARD 2019

Raffles Graphic Designer,
Enrico Putra WIDJAJA
Indonesian
Raffles Singapore

Silver Award Winner for the
Indigo Design Award 2019
(Typography Category)

Raffles Graphic Designer,
Ferrenline PRASETIO
Indonesian
Raffles Jakarta

Gold & Silver Award Winner for the
Indigo Design Award 2019
(Typography & Branding Category)



Raffles Graphic Designer,
SONG Chan Hee
South Korean
Raffles Singapore

Bronze Award Winner for the
Indigo Design Award 2019
(Book Design & Illustration Category)

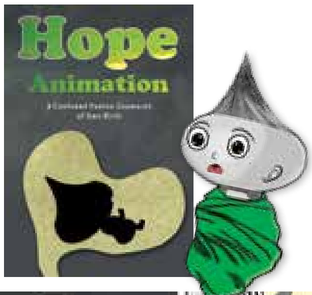
Raffles Graphic Designer, Stephanie HIMAWAN
Indonesian
Raffles Singapore

Silver Award Winner for the Indigo Design
Award 2019 (Branding Category)

Left to Right

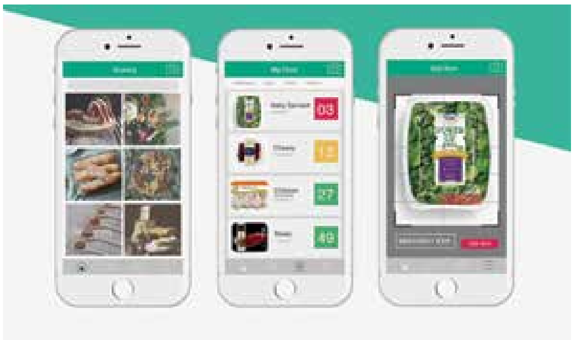
Raffles Graphic Designers,
Adeline MARSHANDA & Valeshia LAUREN
Indonesians
Raffles Jakarta

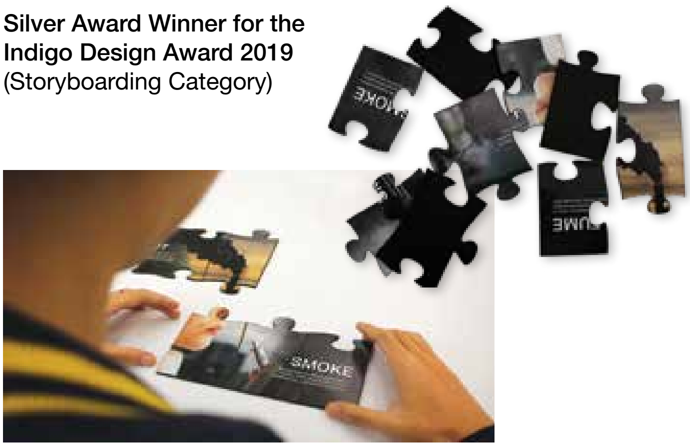
Bronze Award Winners for the
Indigo Design Award 2019
(Packaging Design Category)



Raffles Animator,
Tienny THE Tian Ni
Singaporean
Raffles Singapore

Silver Award Winner for the
Indigo Design Award 2019
(Storyboarding Category)





Raffles Digital Media Designer,
CHOU Min Hsuan
Taiwanese
Raffles Singapore

Gold & Silver Award Winner for the
Indigo Design Award 2019
(Mobile Application Design Category)
(User Experience, Interface, & Navigation Category)

Raffles Digital Media Designer,
Calvin KONG Juan Lok
Malaysian
Raffles Singapore

Bronze Award Winner for the
Indigo Design Award 2019
(Interactive Design Category)

Raffles Digital Media Designer,
Nur Insyirah AYUB KHAN
Malaysian
Raffles Singapore

Bronze Award Winner for the
Indigo Design Award 2019
(User Experience, Interface, & Navigation Category)

IKEA SINGAPORE'S YOUNG DESIGNER AWARD 2019

Raffles Product Designer,
SHIN Heetae
South Korean
Raffles Singapore

Winner for the
IKEA Singapore's Young Designer Award 2019
(The Zero Waste Challenge)

IPSMART CREATE 2019

Left to Right

Raffles Multimedia Designer,
CHEAH Min Qi

Raffles Fashion Designer,
Nur Afiqah Binti ISMAIL
Malaysians
Raffles University

High Potential Award for
IPSMART CREATE 2019

AITO FIREWORK HOLDING SDN BHD — BEST INTERNSHIP AWARD

Raffles Entrepreneur, Daljit Singh A/L Amarjit Singh
Malaysian
Raffles University

Best Internship Award for AITO Firework Holding SDN BHD

Adeline Marshanda WIJAYA
Indonesian

Raffles Jakarta
Graphic Design
Class of 2019

Being adaptively interactive drives me to be a creative enthusiast, as I want my designs to not only captivate the eyes of the audience, but also to adapt to the needs and desires of my clients.

I first encountered Raffles from my high school seniors; seeing their works and hearing about their wonderful experience made me choose Raffles too, to pursue my dream as a Graphic Designer.

I highly appreciate the learning experiences and the chance for me to mature as a designer through the endless support given by the lecturers, who always believe in my peers and me, showing great patience in delivering the course during the past 2 years.

I believe that success is not about what you study; it is how you make use of the knowledge obtained to help you reach it.

Anita PRAYOGO
Indonesian

Raffles Singapore
Fashion Design
Class of 2019

I have always been interested in Design, and when I enrolled into Raffles Singapore campus, the College recognised my strength in fashion design. Throughout the course, I gradually developed a strong passion specifically for menswear design.

I got to know about Raffles Singapore from a university fair in Surabaya. I was attracted to the hands-on approach, and the studio-based learning environment.

During my study, besides imparting their knowledge, the creative practitioners also challenged me to do better, to do differently, to develop my own style, and push the boundaries of design.

With their encouragement, I took part in the Sophie Hallette Design Challenge Asia 2019.

As I have completed the Degree course here, I know that the curriculum at Raffles Singapore provides strong foundation for graduates like me to join the industry immediately or to start our own label.

Calvin KONG Juan Lok
Malaysian

Raffles Singapore
Digital Media Design
Class of 2020

My passion is in video production as I was inspired by movies and dramas.

I was introduced to Raffles when I told the agent I wanted to study design in Singapore. The reason for choosing Raffles is that students can graduate with a degree in a short amount of time.

The creative practitioners here constantly support me whenever I face problems that I am unable to solve.

Charlize CAROLINA
Indonesian

Raffles Jakarta
Digital Media Design
Class of 2019

To be honest, I wasn't sure about my passion before I joined Raffles. But, thanks to my studies here, I discovered that I am really into 3D modeling and motion graphics. I now aspire to be a 3D environment modeler or motion designer.

I found out about Raffles at an Education Fair back in 2017. I was immediately interested in Raffles when I discovered that they offered a major that I was looking and hoping for. And their 2-year diploma programme ensured I could have the required skill set that I needed to start pursuing a career as soon as possible.

I am glad to have had such supportive lecturers. They are approachable and know each student's abilities and limits. With their support and advice, I was able to be more confident in my skills and they have shaped me to become not just a better designer, but also a better person.

I've learnt that you should keep setting your goal higher and higher, and not be easily satisfied. Also, it never hurts to have an extra skill set, even if it's not something that you are interested in. And finally, we must believe in our skills and abilities, for they are our assets.

CHAU Oi Kwan Haley
Hongkonger

Raffles Hong Kong
Visual Communication
Class of 2019

I love to think up all kinds of crazy ideas, and then make them possible through handcrafts and installations. I found out about Raffles from my secondary school art teacher.

Raffles has really met all my expectations and makes me feel excited for my future. School has been fun, and the tutors guide us students with lot of examples and practicals.

If I had to offer advice to future students, I would say: Try your best every single task!

Greta Joceline NAZARY
Indonesian

Raffles Singapore
Fashion Design
Class of 2019

I enjoy cooking and drawing, and these are the things I have grown up with since my first memories.

I found out about Raffles through hearing other parents and students mention this particular school in Jakarta, as it is popular.

But finding out about a jewellery course in Raffles was a coincidence as I wasn't sure what I would pursue at university other than culinary.

The Raffles creative practitioners have taught me a lot, starting from the basics in creating jewellery. I've never had any problems with designing, but now I even know how to create. I'm really grateful to Sandra Tjia for all that she has taught me during the past 2 years.

If you intend to challenge yourself and want to have connections with people around Asia, Raffles is the place for you.

Jordan Austin LEE
Indonesian

Raffles Jakarta
Visual Communication
Class of 2020

I'm a design student and currently in my third semester here at Raffles Jakarta, majoring in Visual Communications. Designing is also a big part of my life, and I love the idea of building something that I'll be proud of, whether it's going to be showcased publicly and privately.

I came across Raffles through an education agency as I was struggling to find the right design school for me. With many courses to choose from, I'm glad that Raffles manages to fulfil my needs and improve my designing skills and theoretical knowledge. Another reason I chose Raffles is their 3-year programme. As someone who took a 2-and-a-half-year gap, I wanted to graduate sooner rather than later. Another benefit of Raffles is the smaller class sizes, for that means your lecturers are more focused on you when it comes to feedback and consultations. The lecturers have definitely taught me many skills and encouraged me to push my skills to greater horizons.

It's been a great experience, and if there's one thing I learnt as a Raffles student, it's to not procrastinate or take too much time perfecting your designs! You'll regret your rushed work when you look back!

Kathrynka Trisha GUNAWAN
Indonesian

Raffles Hong Kong
Fashion & Fashion Marketing
Class of 2018

My passion is in Art and Fashion but people have always said I'm a marketer in real life… and that's when I discovered Fashion Marketing is my passion.

Raffles has a multi-cultural student body. It is the only institute in Asia that has fashion marketing courses and provides strong networking opportunities.

School life at Raffles is fun, inspiring, and energetic.

My advice to future students is to be ambitious with your choices and work hard!

KUNG Tin Lok Sarah
Hongkonger

Raffles Hong Kong
Fashion & Fashion Marketing
Class of 2017

My passion is to be a part of a giant fashion chain. Fashion has always been my greatest love since I was young. It fascinates me with the combination of art and daily life. Fashion is a lifestyle.

I was in a different major in another university before joining Raffles. However, I realised that pursuing what I love is more important than choosing what is "safe". I heard about Raffles from a friend, so I decided to take Fashion Marketing as my major, and I learned that Raffles is about innovation, creativity, and persistence.

In Raffles, the tutors are highly motivating, pushing me to be as inspirational and innovative as possible. Emulating their success is my life goal. I started from knowing so little about how a fashion chain works, to now experiencing them – this would not have been possible without them. I will always be grateful for the time and effort they invested in me.

My advice to future students is to be consistent with what you love and are passionate in. It is going to be worth it when you look back.

LAU Wing Tung Alison
Hongkonger

Raffles Hong Kong
Interior Design
Class of 2017

As an interior design student, my passion is to design comfortable and inspiring areas for different types of people.

I found out about Raffles through Internet research. And I am glad, for school life at Raffles has been exciting, with lots of creative freedom, and the tutors are very helpful.

Raffles has helped me gain a lot of drawing skills and learn how to grasp ideas. Raffles offers small classes that allow the tutors to have more time to guide us, as they help us to brainstorm, discuss our inspirations, and plan our design process.

Lo Tin LAI Matthew
Hongkonger

Raffles Hong Kong
Interior Design
Class of 2016

"Success is by design, and Raffles is an open door for future designers."

I have a passion to improve the quality of life with interior design. I believe furniture, materials, and colour can express the story behind architectural spaces.

The beginning of the career pathway started with the Raffles Promise. The Interior Design course at Raffles helped me to fulfil my passion and dreams of becoming a professional in the industry. My friendship with my peers, the fast-paced learning with the passionate lecturers, and the multicultural environment provided by the campus are all keys to making each design project successful. The creative practitioners encouraged me to push myself further and turn imagination into reality in competitions.

At Raffles, I have learned to never stop exploring possibilities. My learning journey at Raffles has been empowering, captivating, and motivating. The outcomes made me ready for the profession, and proud of what I have achieved.

Lola NEYSA
Indonesian

Raffles Jakarta
Fashion Marketing & Management
Class of 2019

I am currently majoring in Fashion Marketing and Management at Raffles Jakarta. Studying at Raffles Jakarta has been a great opportunity for me, as I got to have further education in the fashion industry. Here, I am able to experience a lot of different things that will absolutely help me to develop myself in my passion as well as prepare me for my future career, to become a successful owner of my own fashion label.

I decided to pursue my dream with Raffles Jakarta because I can tell that Raffles has industry-relevant curriculum. I have learned how to establish a sustainable fashion brand in the industry, to handle the significant managerial aspects, to do styling as well as photoshoot, and a lot more interesting things. The global presence and networking opportunities that Raffles has are also necessary in helping me achieve my goals in the industry.

Overall, I am satisfied with what they offer and I must say that it is simply the most valuable learning experience. It is highly enriching, inspiring, and wonderful. Thank you, Raffles!

MA Hoi Ching Tiffany
Hongkonger

Raffles Hong Kong
Visual Communication
Class of 2019

My passions are in poster design and photography.

I found Raffles via the Internet, and thought the courses were very good and effective. The lecturers are very nice; they always encourage students and help them in their brainstorming sessions.

Life at Raffles is fast-paced, fun, and challenging!

Michelle JUS
Indonesian

Raffles Singapore
Fashion Design
Class of 2019

I first find out about Raffles while i was doing research on fashion design college. What i find out is that Raffles guides us from basic. Which i find very important, when i first started, i had barely any basics and i want to make clothes that express who i am. This is why i decided to study at Raffles.

The practitioners here really cares about our individual growth, and help us to develop our strengths by imparting their knowledge. And with their professional guidance, they open our mind to things that we are not familiar with.

At the end of this course, I learned how to develop a collection based on a strong concept which express my aesthetic as fashion designer

I think students should consider what the college offer. I find Raffles offer the whole package, like conceptualisation, prototyping, branding, marketing, and fashion show planning. During the course, we also took part in international competition like Giulia Carla, Sophie Hallette Design Challenge Asia, and other industry projects which broadens our employment opportunity upon graduation.

RAI Bidek
Nepalese

Raffles Hong Kong
Fashion Design
Class of 2019

My passion is to create new ideas, getting inspirations from whatever I see. I have always been inspired by Alexander McQueen and designs that express emotions and present them from a different perspective. I found out about Raffles through my cousin and friends, and learned that Raffles is known for it's excellence in education. So, I thought that I could pursue my goals with the guidance of Raffles Hong Kong.

The Raffles life is creative, progressive, and effective.

To future students, I want to say that studying design isn't as easy as you think. Be prepared to put forward your best ideas and work hard in to your projects, but don't forget to have fun at the same time.

Shahara Antartika Binti SULIMAN
Malaysian

Raffles University
Psychology
Class of 2019

Raffles helped me mold a positive attitude towards my studies. The lecturers listened to all my concerns and always provided their best options to deal with the matter wholly.

Not only that, various activities such as neurology practicum, field trips, and engagement with students of different schools around Johor Bahru, changed my perspective towards public speaking.

Shangari MANOHARAN
Malaysian

Raffles University
Business Administration
Class of 2018

Raffles University's professors and courses have helped me gain deeper knowledge of the global environment and aided my personal development in decision making in my professional space.

Raffles' MBA course was not only about pursuing a degree but most importantly, it was about making valuable connections, networks, and collaborations with colleagues who have diverse expertise within their industry.

Shannon Joycelyn SETIONO
Indonesian

Raffles Jakarta
Digital Media Design
Class of 2019

I always wanted to become a UI/UX designer, ever since I was a kid. However, recently I realized that I wanted to pursue my career as a film or project producer.

I learned about Raffles through a family friend, and I decided to join Raffles as it offers a course that covers almost all my career path interests.

My lecturers have pushed me beyond my comfort zone to take projects and gain experience in the real world. They have inspired me to work harder and be a better designer and student.

We need to be prepared for the real world, and at Raffles, we are given the chance to take on real world projects, for being able to handle all possible situations and work towards the ideal outcome is key.

SHIN Heetae
South Korean

Raffles Singapore
Product Design
Class of 2019

I believe that a designer can change a person's consciousness if the designer makes a good product with good intentions, leading to good consumption by consumers.

I want to be a designer who can change people's thinking and perception with my designs.

For my dream of becoming a designer, Raffles was right for me. The creative practitioners constantly gave me good advice. They watched my design process from the side and allowed me to move in my own direction. They continued to recommend books and information that would help my designs, always helping me to create good designs without giving up.

TSUI Hiu Lam Mia
Hongkonger

Raffles Hong Kong
Fashion Design
Class of 2019

I've always loved drawing and watching fashion documentaries. I heard of Raffles from my friend, and that studying there is fun, creative, and inspiring.

The lecturers are inspiring; when we are working in class, the lecturers and students brainstorm ideas together on the project. It was in Raffles that I discovered my passion for fashion design, and that we must really strive for our dream. If you would love to work in the fashion industry, Raffles is the best school for you!

ZHAO Qiuyi
Chinese

Raffles Singapore
Fashion Design
Class of 2019

My passion is drawing. From young, I started to practise drawing and that's how I build my passion.

My friend recommended me Raffles when I wanted to study design. The creative practitioners here are very responsible and often help us to solve issues that we are unable to deal with.

To those interested in joining Raffles, I will advise them to be persistent in their dreams and work towards their success.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") of Raffles Education Corporation 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 guidelines of the Code of Corporate Governance 2012 (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 provisions of the Code during the financial year ended 30 June 2019 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

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.

The following matters are specifically reserved for the Board:

- 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 four committees, namely, the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management 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.

The attendance at meetings of the Board and Board Committees held in the financial year ended 30 June 2019 are as follows:

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
No. of meetings held	4	4	1	3	1
No. of meetings attended by respective Directors					
Mr Chew Hua Seng	4	4*	1	3	1
Mr Teo Cheng Lok John	3	3	1*	3	1
Mr Lim How Teck	4	4	1	1*	0
Mdm Gan Hui Tin	4	4	1	1* 1(appointed as member w.e.f. 5/11/18)	1
Mr Joseph He Jun (appointed w.e.f. 5/11/18)	2	2*	0	0	0

*   Attendance at invitation of the Committees.

Board Induction

New Director are appointed by the Board upon recommendation of the Nomination Committee. The newly appointed Director were issued with a formal letter of appointment or service agreement setting out the scope of their duties and their obligations as a Director under the various relevant Singapore laws, and how to discharge those duties.

In addition, newly appointed Director is given an orientation on 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 are for continual professional development.

The Company will 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. Members of the Board are also updated regularly on key accounting and other regulatory changes that have a significant impact on the Group.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Independence of Judgement

The present Board comprises five members who are business leaders and professionals with financial and other technical backgrounds. Amongst them are three non-executive and independent Directors, one non-executive and non-independent director, and with the other one being executive Director. There is therefore a strong and independent element on the Board as the number of non-executive and independent Directors exceeds the requirement set out in the Code.

An "independent Director" is defined in the Code as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to 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.

Annual Review of Director's Independence

The Nomination Committee reviews the independence of each Non-Executive Director in August annually by taking into consideration the information collected through the confirmation of independence completed by each Director which is addressed to the Nomination Committee. The Director is required to declare any circumstances in which he may be considered non-independent. Nomination Committee will review each confirmation of independence before affirming the independence of a Director. The Nomination 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 Nomination, Remuneration and Risk Management Committees	25 November 1999	N.A.
Mr Teo Cheng Lok John	Independent Director Chairman of Remuneration and Risk Management Committees Member of Audit Committee	24 October 2008	13 October 2017
Mr Lim How Teck	Lead Independent Director Chairman of Audit Committee Member of Nomination Committee	6 March 2018	29 October 2018
Mdm Gan Hui Tin	Independent Director Chairman of Nomination Committee Member of Audit, Remuneration and Risk Management Committee	25 April 2018	29 October 2018
Mr Joseph He Jun	Non-Independent Director and Non-Executive Director	05 November 2018	N.A.

The Nomination 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 (9) years or longer from the date of his first appointment. If the Nomination Committee decides to regard such a Director as independent, it shall disclose its explanation in the Company's Annual Report. As of the date of this Statement, Independent Director, namely, Mr Teo Cheng Lok John, have served on the Board for a term more than ten (10) years.

The Board considers continuity and stability of the Board as important and that it is not in the interest of the Company to require Directors who have served more than nine years or longer to be ineligible for re-election (as independent Directors). The Board nevertheless will on a continual basis, review the need for progressive refreshing of its Board.

Board Composition

The Nomination Committee reviews the composition of the Board in the process of new appointments and on an annual basis. The Nomination Committee is satisfied that the current Board comprises persons who as a group, provide core competencies necessary to meet the Company's objectives and that the current board size is adequate, taking into account the nature and scope of the Company's operations.

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

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 and hold other 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 Audit Committee who is also the Lead Independent Director.

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 against concentration of power and authority in one individual.

In addition, the Board has appointed an independent Director to be the Lead Independent Director as recommended by Guideline no. 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.

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

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.

PRINCIPLE 4: BOARD MEMBERSHIP

Nomination Committee

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

The NC comprises three members, of which two are non-executive and independent Directors:

1. Mdm Gan Hui Tin, Chairman of NC (Independent Director)
2. Mr Lim How Teck (Independent Director)
3. Mr Chew Hua Seng (Chairman and Chief Executive Officer)

The NC's responsibilities include:

- reviewing regularly 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 has been given by the Directors to the affairs of the Company notwithstanding their multiple board representations.

Selection Criteria and Nomination Process for New Directors

The NC recognises the importance of an appropriate balance and diversity of industry knowledge, skills, background, experience and professional qualifications 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**").

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 reviewed each Director's external directorships as well as attendance at meetings and contributions to the Board. 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.

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 degree 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.

In respect 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 form 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.

PRINCIPLE 6: 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 are 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 Board Committees 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.

II. REMUNERATION MATTERS

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Remuneration Committee (the "**RC**") comprises three members which two are non-executive and independent Directors:

1. Mr Teo Cheng Lok John, Chairman of RC (Independent Director)
2. Mr Chew Hua Seng (Chairman and Chief Executive Officer)
3. Mdm Gan Hui Tin (Independent Director)

The principal functions of the RC are to:

- establish a framework for attracting, retaining and motivating senior management staff of the Group through competitive compensation and progressive policies.
- review and approve annually the remuneration for Directors and senior management staff.
- administer the Raffles Education Corporation Employees' Share Option Scheme (Year 2011).
- administer any Raffles Education Corporation Performance Share Plan.

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.

Share Option Scheme and Share Plan

The Raffles 2000 Employees' Share Option Scheme (Year 2000) (the "Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 28 August 2000. Following the Company's change of name on 8 June 2001 to Raffles Lasalle Limited, the Scheme came to be known as "Raffles Lasalle Employees' Share Option Scheme (Year 2001)". On 30 November 2004, the Scheme was renamed as "Raffles Education Corporation Employees' Share Option Scheme (Year 2001)" (the "REC Scheme"). After the expiration of the REC Scheme on 27 August 2010, 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 "REC ESOS Scheme").

Executive Directors, non-executive Directors and employees of the Group have been granted share options under both the REC Scheme and REC ESOS Scheme . Share options to be granted to employees and Directors who are controlling shareholders of the Company are to be approved by independent shareholders.

PRINCIPLE 8: 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, and the creation of shareholder wealth by incorporating appropriate key performance indicators.

Remuneration of Executive Director

The Chairman and CEO's remuneration package has a variable bonus as well as share option elements, which are performance-related and subject to RC's approval. The Chairman and CEO entered into a three-year service agreement with the Company on 1 July 2008. The service agreement is renewable every three years.

In FY2015, the RC undertook a review of the CEO's remuneration with the assistance of independent consultants, Hay Group. Following the review, the RC proposed a revision of the CEO's remuneration package which was approved by the Board on 27 August 2015. The new remuneration package took effect from 1 July 2015 and the new service agreement is similarly subject to renewal every three years. The service agreement was renewed on 1 July 2018. The RC was of the opinion that there are no excessively long or onerous removal clauses in the service agreement.

Remuneration of Non-Executive Directors

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

PRINCIPLE 9: 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 2019 in bands of S$250,000 is set out below:

Name of Director	Fees %	Salary %	Others %	Total %
Between S$ 850,000 to S$900,000				
Mr Chew Hua Seng	-	100	-	100

Name of Director	Fees %	Salary %	Others %	Total %
Below S$250,000				
Mr Lim How Teck	100	-	-	100
Mr Teo Cheng Lok John	100	-	-	100
Mdm Gan Hui Tin	100	-	-	100
Mr Joseph He Jun	100	-	-	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.

Although the Code and the Guidelines also recommend that the remuneration of at least the top five key management personnel (who are not Directors or the CEO) be disclosed in aggregate, the Board is of the view that disclosing the total remuneration paid in aggregate to the lean key management team would compromise confidentiality and may affect the retention of competent personnel. The non-disclosure does not compromise the ability of the Company to meet the Code on good corporate governance as the RC, comprising of one Executive Director and two Independent Directors, 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.

The Group operates in very diverse market conditions across many jurisdictions. Accordingly, its 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 Executive Directors and 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.

Save as disclosed below, none of the Directors had family members who were employees of the Group and whose personal remuneration exceeded S$50,000 for the year ended 30 June 2019:

Name	Relationship	Aggregate Remuneration
Ms Doris Chung Gim Lian	Spouse of CEO	Between S$400,000 to S$450,000
Mr Chew Han Wei	Eldest son of CEO	Between S$200,000 to S$250,000
Mr Chew Han Qiang	Second son of CEO	Between S$150,000 to S$200,000

III. ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: ACCOUNTABILITY

The Board provides shareholders with quarterly and 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 monthly 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 11: RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management Committee

The Board recognises 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 which two members are all non-executive and independent directors:

1. Mr Teo Cheng Lok John, Chairman of RMC (Independent Director)
2. Mdm Gan Hui Tin (Independent Director)
3. Mr Chew Hua Seng (Chairman and Chief Executive Officer)

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.
- review and recommend the appropriate framework and 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.
- review reports on any material breaches of risk limits and the adequacy of proposed action.
- consistently 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 2019:

(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 2019 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

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 FY2019 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less that S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920[Note1])
Mr Chew Hua Seng	S$11,212,000

Note 1: The Company does not have a shareholders' mandate on interested party transactions.

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.

PRINCIPLE 12: 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 12 months 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 three members who are all non-executive and independent Directors:

1. Mr Lim How Teck, Chairman of AC (Lead Independent Director)
2. Mr Teo Cheng Lok John (Independent Director)
3. Mdm Gan Hui Tin (Independent Director)

The AC meets on a quarterly basis, with further meetings if circumstances require. The Board is of the view that the AC has the requisite financial management expertise and experience to discharge its responsibility properly. 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 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.
- 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.

PRINCIPLE 13: 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.

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.

III. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14: 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 www.raffles-education-corporation.com.

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. All shareholders of the Company receive the Annual Report, circulars and notices of general meetings. The notices are also 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.

Proxies need not be shareholders of the Company. At general meetings, shareholders are given the opportunity to participate, engage and openly communicate to the Directors their views on matters relating to the Group.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

The Group's investor relations activities promote regular, effective and fair communication with shareholders. All press statements and quarterly financial statements are published on the Group's website www.raffles-education-corporation.com and at website of SGX.

A dedicated 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.

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.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 16: 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.

PRINCIPLE 17: SUSTAINABILITY REPORTING

The Company is working towards finalising the issuance of its Sustainability Report to be issued on or before 31 October 2019 and such Report will be made available to shareholders on SGXNet and the Company's website in due course.

FINANCIALS

DIRECTORS' STATEMENT

The Directors of Raffles Education Corporation Limited (the "Company") present their statement to the members together with the audited consolidated financial statements of the Group and statement of changes in equity of the Company for the financial year ended 30 June 2019 and the statement of financial position of the Company as at 30 June 2019.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group together with the notes thereon and the statement of financial position and statement of changes in equity of the Company are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and of the financial performance, changes in equity and the cash flows of the Group and the changes of equity of the Company for the financial year then ended; and

(b) at the date of this statement and as disclosed in Note 2.1 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

2. Directors

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

Chew Hua Seng
Lim How Teck
Teo Cheng Lok John
Gan Hui Tin
Joseph He Jun (appointed on 5 November 2018)

3. Arrangements to enable Directors to acquire shares or 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 is 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.

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, Chapter 50 (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 and 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 date of appointment	At end of the year	At beginning of the year/ at date of appointment	At end of the year
Interests in Raffles Education Corporation Limited				
	Number of ordinary shares			
Chew Hua Seng	428,864,605	428,864,605	34,043,159	34,043,159
Teo Cheng Lok John	361,562	361,562	-	-

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 2019 in the shares of the Company have not changed from those disclosed as at 30 June 2019.

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.

5. **Share options and performance shares**

5.1 Share options

(a) Options to take up unissued shares

The Raffles 2000 Employees' Share Option Scheme (Year 2000) (the "Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 28 August 2000. Following the Company's change of name on 8 June 2001 to Raffles Lasalle Limited, the Scheme came to be known as "Raffles Lasalle Employees' Share Option Scheme (Year 2001)". On 30 November 2004, the Scheme was renamed as "Raffles Education Corporation Employees' Share Option Scheme (Year 2001)" (the "REC Scheme"). After the expiration of the REC Scheme on 27 August 2010, 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 "REC ESOS Scheme").

DIRECTORS' STATEMENT

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

5.1 **Share options** (Continued)

(a) Options to take up unissued shares (Continued)

Both REC Scheme and REC ESOS Scheme are administered by the Remuneration Committee whose current members are:

Teo Cheng Lok John (Chairman)
Chew Hua Seng
Gan Hui Tin

A member of the Remuneration Committee who is also a Participant of the REC Scheme and REC 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 REC Scheme and REC 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 REC Scheme and REC 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.

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

5.1 **Share options** (Continued)

(b) Unissued shares under option and options exercised

Under the REC Scheme and REC ESOS Scheme, share options granted, exercised and cancelled during the financial year and outstanding as at 30 June 2019 were as follows:

Date of grant	At 1 July 2018 Or date of grant, whichever is later ('000)	Exercised ('000)	Expired/ cancelled ('000)	Balance as at 30 June 2019 ('000)	Exercise price $	Exercise period
REC Scheme						
2 February 2009	237	-	(237)	-	1.590	2 February 2010 to 1 February 2019
9 February 2010	233	-	(4)	229	1.110	9 February 2011 to 8 February 2020
REC ESOS Scheme						
24 March 2011	167	-	(72)	95	0.780	24 March 2012 to 23 March 2021
14 September 2018	1,597	-	(82)	1,515	0.148	14 September 2019 to 13 September 2028
14 September 2018	1,598	-	(83)	1,515	0.148	14 September 2020 to 13 September 2028
	3,832	-	(478)	3,354		

5. Share options and performance shares (Continued)

5.1 Share options (Continued)

(c) Share options pursuant to the REC Scheme and REC ESOS Scheme (the "Schemes")

Aggregate options granted to Directors and controlling shareholders of the Company under the REC Scheme and REC ESOS Scheme since their commencement, adjusted for the share splits in financial years 2005, 2007 and 2008 and share consolidation in financial year 2011, are as follows:

	Options granted during the financial year ended 30 June 2019 ('000)	Aggregate options granted since the commencement of the Schemes to 30 June 2019 ('000)	Aggregate options exercised/ cancelled since the commencement of the Schemes to 30 June 2019 ('000)	Aggregate options outstanding as at 30 June 2019 ('000)
Chew Hua Seng	-	1,500	(1,500)	-
Teo Cheng Lok John	-	209	(209)	-
Doris Chung Gim Lian*	-	300	(300)	-
	-	2,009	(2,009)	-

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

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 employee 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.

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)
Teo Cheng Lok John
Gan Hui Tin

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 2019, 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.

DIRECTORS' STATEMENT

7. Independent auditor

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

On behalf of the Board of Directors

Chew Hua Seng	**Lim How Teck**
Director	Director

Singapore
20 September 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAFFLES EDUCATION CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raffles Education Corporation Limited (the "Company") and its subsidiaries (the "Group"), as set out on page 74 to 173, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2019;
- 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 a summary of significant accounting policies.

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, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019, 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	AUDIT RESPONSE
1 Impairment assessment of goodwill	
As at 30 June 2019, the Group's goodwill amounted to $104.7 million. In accordance with SFRS(I) 1-36 *Impairment of Assets*, the Group is required to test goodwill for impairment annually or more frequently if there is any indication that the cash-generating units ("CGUs") to which goodwill have been allocated may be impaired. Management applied the value-in-use (discounted cash flow forecasts) method to determine the recoverable amount of the respective CGUs. Any shortfall between the recoverable amount and the carrying amount of the respective CGUs would be recognised as impairment losses. During the financial year, the Group has recorded impairment of goodwill amounting to $6.1 million arising from cessation of operation of one of its operating unit. We have determined the impairment assessment of goodwill to be a key audit matter as significant judgements and estimates are involved with regard to the key assumptions such as revenue growth rates, terminal growth rates and discount rates used in the discounted cash flow forecasts prepared by management.	Our procedures included amongst other, the following: • Discussed with management and evaluated the key assumptions made by management, including comparing the revenue growth rate against historical performance and terminal growth rates and discount rates against market data; • Performed sensitivity analysis around the key assumptions, including the revenue growth rate, discount rate and terminal growth rate used in cash flow forecast; and • Assessed the adequacy of the related disclosures in the financial statements.
Refer to Note 2.8, 3.2(i) and Note 10 of the accompanying financial statements.	

KEY AUDIT MATTER	AUDIT RESPONSE
2 Valuation of investment properties	
As at 30 June 2019, the Group's investment properties amounted to $477.6 million and represented 38% of the Group's total assets. The Group recorded fair value gain on investment properties of $10.98 million 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 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 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 historical rates, rental agreements and market data, as appropriate; and • Assessed the adequacy of the related disclosures in the financial statements.
Refer to Note 2.6, 3.2(ii) and Note 5 of the accompanying financial statements.	

KEY AUDIT MATTER	AUDIT RESPONSE
3 Disposal of Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd.	
During the financial year, the Group completed the disposal of its 51% owned subsidiary, Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd. ("ZX"), to a third party (the "Disposal"). During the financial year, the Group recorded a gain of $37.4 million and corresponding receivables of $71.0 million as at 30 June 2019 arising from the completion of the Disposal. We have determined that the accounting of the Disposal to be a key audit matter because of its financial significance and the significant time spent to assess the appropriateness of the accounting treatment of the Disposal as well as the assessment of recoverability of the receivables at the end of the financial year. Refer to Note 2.2, 3.2(v), 6, 11 and 20 of the accompanying financial statements.	Our procedures included amongst other, the following: • Reviewed the relevant agreements obtained from management for the Disposal and discussed with management on their basis of their accounting of the Disposal; • Reviewed the legal opinion obtained by management from an independent legal counsel and confirmation from the third party in relation to the completion of the Disposal and the receivables as at 30 June 2019; • Assessed and recomputed the resulting accounting impact (including the gain on Disposal) on the financial statements of the Group; • Reviewed management's assessment of the recoverability of receivables arising from the Disposal as at end of the financial year and corroborating to the relevant supporting agreements and documents; and • Assessed the adequacy of the related disclosures in the financial statements.

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.

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.

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.

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

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 Ng Kian Hui.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
20 September 2019

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	Group 30 June 2019 $'000	Group 30 June 2018 $'000	Group 1 July 2017 $'000	Company 30 June 2019 $'000	Company 30 June 2018 $'000	Company 1 July 2017 $'000
Non-current assets							
Property, plant and equipment	4	445,963	441,604	418,119	-	-	-
Investment properties	5	477,638	520,311	459,097	-	-	-
Investments in subsidiaries	6	-	-	-	450,622	455,625	465,919
Investments in joint ventures	7	14,046	21,429	29,700	-	-	-
Investments in associates	8	53,656	6,704	7,122	-	-	-
Available-for-sale financial assets	9	-	620	612	-	-	-
Financial assets at FVOCI	9	606	-	-	-	-	-
Intangible assets	10	106,572	118,962	119,037	423	358	344
Deferred tax assets	15	5,966	2,883	2,510	-	-	-
Other receivables	11	54,637	-	-	34,372	32,326	30,230
Restricted bank balances	12	3,530	3,496	3,677	-	-	-
		1,162,614	1,116,009	1,039,874	485,417	488,309	496,493
Current assets							
Inventories		141	135	104	-	-	-
Trade and other receivables	11	44,275	97,822	114,166	221,271	213,479	214,383
Cash and bank balances	12	34,808	46,127	74,013	163	423	661
		79,224	144,084	188,283	221,434	213,902	215,044
Less:							
Current liabilities							
Trade and other payables	13	55,483	46,007	66,061	260,624	216,181	149,026
Course fees received in advance	19	12,449	10,704	9,871	-	-	-
Education facilities rental service received in advance		1,176	1,205	1,048	-	-	-
Income tax payable		1,771	3,335	3,767	51	51	51
Borrowings	14	123,389	198,603	173,085	64,299	86,051	158,997
		194,268	259,854	253,832	324,974	302,283	308,074
Net current liabilities		(115,044)	(115,770)	(65,549)	(103,540)	(88,381)	(93,030)
Less:							
Non-current liabilities							
Trade and other payables	13	31,189	19,726	23,789	-	-	47,600
Borrowings	14	256,682	171,122	269,621	-	-	5,766
Deferred tax liabilities	15	63,641	81,661	60,684	-	-	-
		351,512	272,509	354,094	-	-	53,366
Net assets		696,058	727,730	620,231	381,877	399,928	350,097
Equity							
Share capital	16	554,337	554,337	481,785	554,337	554,337	481,785
Treasury shares	17	(39,683)	(39,683)	(39,683)	(39,683)	(39,683)	(39,683)
Accumulated profits/(losses) and other reserves	18	120,151	106,938	85,048	(132,777)	(114,726)	(92,005)
Equity attributable to equity holders of the Company		634,805	621,592	527,150	381,877	399,928	350,097
Non-controlling interests		61,253	106,138	93,081	-	-	-
Total equity		696,058	727,730	620,231	381,877	399,928	350,097

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 $'000	2018 $'000
Revenue	19	97,854	96,832
Other operating income	20	45,092	4,398
Personnel expenses	21	(43,836)	(43,070)
Other operating expenses		(45,165)	(49,322)
Depreciation and amortisation expenses		(13,829)	(12,394)
Loss allowance on trade receivables	11	(34)	(71)
Impairment of goodwill	10	(6,140)	(2,360)
Fair value gain on investment properties, net	5	10,977	64,944
Finance costs	22	(16,801)	(15,508)
Share of results of joint ventures, net of tax		(339)	(2,717)
Share of results of associates, net of tax		277	1,689
Profit before income tax	23	28,056	42,421
Income tax credit/(expense)	24	13,051	(19,779)
Profit after income tax		41,107	22,642
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on transfer of owner-occupied properties to investment properties		8,580	4,136
Net change in fair value of financial assets at FVOCI		15	-
Items that may be reclassified subsequently to profit or loss:			
Currency exchange differences arising on translating foreign operations		(37,106)	8,523
Total other comprehensive income, net of tax		(28,511)	12,659
Total comprehensive income for the financial year		12,596	35,301
Attributable to:			
Equity holders of the Company		40,213	10,667
Non-controlling interests		894	11,975
Net profit for the financial year		41,107	22,642
Attributable to:			
Equity holders of the Company		16,002	21,917
Non-controlling interests		(3,406)	13,384
Total comprehensive income for the financial year		12,596	35,301
Earnings per share (cents)			
- Basic	25	2.92	0.90
- Diluted	25	2.92	0.90

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Share capital $'000	Treasury shares $'000	Revaluation reserve (Note 18) $'000	Fair value reserve (Note 18) $'000	Foreign currency translation reserve (Note 18) $'000	Share-based payments reserve (Note 18) $'000	Accumulated profits $'000	Total $'000	Non–controlling interests $'000	Total equity $'000
		← Attributable to equity holders of the Company →									
Group											
Balance as at 1 July 2018		554,337	(39,683)	11,571	-	7,165	2,453	85,749	621,592	106,138	727,730
Net profit for the year		-	-	-	-	-	-	40,213	40,213	894	41,107
Other comprehensive income		-	-	8,580	15	(32,806)	-	-	(24,211)	(4,300)	(28,511)
Total comprehensive income for the year		-	-	8,580	15	(32,806)	-	40,213	16,002	(3,406)	12,596
Share-based payment		-	-	-	-	-	131	-	131	-	131
Dividends		-	-	-	-	-	-	-	-	(901)	(901)
Contribution from non-controlling interests in subsidiary		-	-	-	-	-	-	-	-	465	465
Assignment of rights of dividend from non-controlling interest in a subsidiary	6	-	-	-	-	6	-	(2,926)	(2,920)	(370)	(3,290)
Disposal of subsidiaries	6	-	-	-	-	-	-	-	-	(40,673)	(40,673)
Balance at 30 June 2019		554,337	(39,683)	20,151	15	(25,635)	2,584	123,036	634,805	61,253	696,058

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Share capital $'000	Treasury shares $'000	Revaluation reserve (Note 18) $'000	Foreign currency translation reserve (Note 18) $'000	Share-based payments reserve (Note 18) $'000	Accumulated profits $'000	Total $'000	Non–controlling interests $'000	Total equity $'000
		← Attributable to equity holders of the Company						→		
Group										
Balance as previously stated at 1 July 2017 under FRSs		481,785	(39,683)	7,435	(17,021)	2,453	92,181	527,150	93,081	620,231
Effect of adoption of SFRS(I) 1	2.1	-	-	-	17,021	-	(17,021)	-	-	-
Balance at 1 July 2017		481,785	(39,683)	7,435	-	2,453	75,160	527,150	93,081	620,231
Net profit for the year		-	-	-	-	-	10,667	10,667	11,975	22,642
Other comprehensive income		-	-	4,136	7,114	-	-	11,250	1,409	12,659
Total comprehensive income for the year		-	-	4,136	7,114	-	10,667	21,917	13,384	35,301
Issue of shares	16	72,552	-	-	-	-	-	72,552	-	72,552
Dividends		-	-	-	-	-	-	-	(691)	(691)
Contribution from non-controlling interests in subsidiary		-	-	-	-	-	-	-	337	337
Change of ownership interest without loss of control		-	-	-	51	-	(78)	(27)	27	-
Balance at 30 June 2018		554,337	(39,683)	11,571	7,165	2,453	85,749	621,592	106,138	727,730

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Share capital $'000	Treasury shares $'000	Share-based payments reserve (Note 18) $'000	Accumulated losses $'000	Total equity $'000
Company						
Balance at 1 July 2018		554,337	(39,683)	2,453	(117,179)	399,928
Total comprehensive loss		-	-	-	(18,182)	(18,182)
Share-based payment		-	-	131	-	131
Balance at 30 June 2019		554,337	(39,683)	2,584	(135,361)	381,877
Balance at 1 July 2017		481,785	(39,683)	2,453	(94,458)	350,097
Total comprehensive loss		-	-	-	(22,721)	(22,721)
Issue of shares	16	72,552	-	-	-	72,552
Balance at 30 June 2018		554,337	(39,683)	2,453	(117,179)	399,928

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 $'000	2018 $'000 (Restated)
Operating activities			
Profit before income tax		28,056	42,421
Adjustments for:			
Depreciation for property, plant and equipment	4	13,369	11,821
Fair value gain on investment properties, net	5	(10,977)	(64,944)
Allowance for doubtful trade receivables	11	34	71
Impairment of goodwill	10	6,140	2,360
Amortisation of intangible assets	10	460	573
Bad trade receivables written off	23	246	155
Interest expense	22	16,801	15,508
Interest income	20	(621)	(1,178)
Loss/(Gain) on disposal of property, plant and equipment, net	23	484	(20)
Gain on disposal of subsidiary	20	(37,410)	-
Property, plant and equipment written off	23	902	38
Intangible assets written off	23	444	49
Share-based payment	21	131	-
Share of results of joint ventures		339	2,717
Share of results of associates		(277)	(1,689)
Operating profit before working capital changes		18,121	7,882
Working capital changes:			
Inventories		(6)	(31)
Trade and other receivables		6,525	3,439
Course fees received in advance		1,745	833
Education facilities rental service received in advance		(29)	157
Trade and other payables		7,451	(6,546)
Cash generated from operations		33,807	5,734
Interest paid		(16,669)	(15,785)
Interest received		621	1,178
Income and withholding tax paid, net		(1,321)	(1,834)
Net cash from/(used in) operating activities		16,438	(10,707)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 $'000	2018 $'000 (Restated)
Investing activities			
Additions of development costs and computer software	10	(153)	(526)
Additions of trademarks and licences	A	(340)	(18)
Payments for property, plant and equipment	B	(49,213)	(23,209)
Additions of investment properties	C	(2,789)	(7,943)
Net cash flow on disposal of subsidiaries	6	8,392	-
Proceeds from disposal of property, plant and equipment		94	111
Proceeds from disposal of investment properties in prior years		5,681	4,532
Additional investment in joint venture		(10)	-
Capital distribution from associate		-	1,604
Refund of deposit for cancellation of purchase of land		-	10,315
Net cash used in investing activities		(38,338)	(15,134)
Financing activities			
(Increase)/Decrease in bank balances pledged		(855)	32,385
Net proceeds from issue of shares	16	-	72,552
Loan from a Director		2,804	1,193
Repayment of loan to a director of subsidiaries		-	(2,144)
Drawdown of bank borrowings	D	48,070	96,470
Repayment of bank borrowings	D	(32,413)	(172,896)
Repayment of advances from third party		-	(5,157)
Contribution from non-controlling interest		465	337
Payment for acquisition of non-controlling interest in subsidiary		-	(1,960)
Advances from joint venture		-	9,912
Dividends payments to non-controlling interests		(901)	(316)
Net cash generated from financing activities		17,170	30,376
Net change in cash and cash equivalents		(4,730)	4,535
Cash and cash equivalents at beginning of financial year (Restated)		18,705	15,142
Effect of exchange rate changes on cash and cash equivalents		(6,226)	(972)
Cash and cash equivalents at end of financial year	12, 34	7,749	18,705

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 $'000	2018 $'000 (Restated)
Note A			
Additions of trademarks and licences	10	9	10
Increase in prepayment in relation to trademarks and licences		331	8
Additions of trademarks and licences per consolidated statement of cash flows		340	18
Note B			
Additions of property, plant and equipment	4	64,546	12,864
(Increase)/Decrease in other payables in relation to property, plant and equipment		(15,013)	10,075
(Decrease)/Increase in prepayments in relation to property, plant and equipment		(320)	270
Payments for property, plant and equipment per consolidated statement of cash flows		49,213	23,209
Note C			
Additions of investment properties	5	10,272	2,143
(Decrease)/Increase in prepayments in relation to investment properties		(7,075)	689
(Increase)/Decrease in other payables in relation to investment properties		(408)	5,111
Additions of investment properties per consolidated statement of cash flows		2,789	7,943

Note D: Reconciliation of liabilities arising from financing activities

			Non-cash changes		
	2018 $'000 (Restated)	Cash flows $'000	Foreign currency realignment $'000	Amortisation of transaction costs $'000	2019 $'000
Borrowings	369,725	15,657	(5,443)	132	380,071

			Non-cash changes		
	2017 $'000	Cash flows $'000 (Restated)	Foreign currency realignment $'000	Amortisation of transaction costs $'000	2018 $'000 (Restated)
Borrowings	442,706	(76,426)	3,003	442	369,725

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

1. General corporate information

Raffles Education Corporation Limited (the "Company") is incorporated and domiciled in the Republic of Singapore (Registration Number: 199400712N), and its registered office and principal place of business at 51 Merchant Road, Raffles Education Square, Singapore 058283. 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 ventures.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. 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 ("$") which is the Company's functional currency. All financial information presented in Singapore dollar has been rounded to the nearest thousands ($'000), unless otherwise stated.

As at 30 June 2019, the Group's and the Company's current liabilities exceeded its current assets by approximately $115 million and $104 million respectively. The Directors are of the opinion that based on the Group's projected operational cash flow and continuing support from bankers and creditors, including the availability of $500 million Multicurrency Medium Term Note Programme and plans to dispose certain assets of the Group, the use of going concern basis in the preparation and presentation of the Group's financial statement is appropriate. Notwithstanding this condition exists, the Directors have assessed that there is no material uncertainty related to these conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

The preparation of financial statements in compliance with SFRS(I) requires the use of estimates and assumptions, based on management's best knowledge, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial year.

Information about significant sources of estimation uncertainty and critical accounting judgements that are significant to the financial statements are disclosed in Note 3 to the financial statements.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Convergence to SFRS(I)

These financial statements are the Group and the Company's first financial statements prepared in accordance with SFRS(I). The Group and the Company have previously prepared its financial statements in accordance with Financial Reporting Standards in Singapore ("FRS"). As required by SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International),* the Group and the Company have consistently applied the same accounting policies in its opening statement of financial position at 1 July 2017 and throughout all financial years presented, as if these policies had always been in effect subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. Comparative information for the financial year ended 30 June 2018 in these financial statements have been restated to give effect to these changes and the financial impact on transition from FRS to SFRS(I).

(a) Optional exemptions applied

The Group has applied the following exemptions in preparing their first set of financial statements in accordance with SFRS(I):

Cumulative transition differences

The Group has elected to deem the cumulative translation differences for all foreign operations to be zero on 1 July 2017 upon transiting to SFRS(I). The gain or loss on a subsequent disposal of any foreign operation shall exclude the translation differences that arose before 1 July 2017 and shall include later translation differences.

Short-term exemption on adoption of SFRS(I) 9 *Financial Instruments*

The Group has elected to apply the short-term exemptions upon adoption of SFRS(I) 9 on 1 July 2018. As a result, the financial instruments included in the comparatives have been accounted for in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* on the disclosure requirements in relation to SFRS(I) 9.

(b) New accounting standards effective on 1 July 2018

During the current financial year beginning 1 July 2018, the Group and the Company have adopted all applicable new and revised SFRS(I) that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS does not result in any changes to the Group's and the Company's accounting policies and have no material effect on the amounts reported for the current or prior financial years except as detailed below.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Convergence to SFRS(I) (Continued)

(b) New accounting standards effective on 1 July 2018 (Continued)

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39. As disclosed above in (a), the Group has elected to apply the short-term exemption by not restating the comparatives on adoption of SFRS(I) 9. The relevant accounting policy for financial instruments is disclosed in Note 2.10 to the financial statements.

The Group previously accounts certain available-for-sale investment in unquoted equity instruments at cost less impairment loss. The Group has elected to recognise changes in the fair value of this unquoted equity instruments in other comprehensive income. On adoption of SFRS(I) 9, the impact of the change in fair value is assessed to be insignificant. "Available-for-sale financial asset" is now shown as "Financial assets at fair value through other comprehensive income" in the Statement of Financial Position of the Group (Note 9).

As at 1 July 2018, the financial assets measured at amortised cost is subjected to expected credit loss impairment assessment under SFRS(I) 9. The impairment requirements under SFRS(I) 9 are different for different classes of financial assets. The relevant accounting policies on expected credit loss impairment allowance disclosed in Note 2.10 to the financial statements. There is no significant impact on adoption of SFRS(I) 9.

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. In addition, it also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

There is no significant impact to the financial statements, except for reclassification of course fees received in advance from trade and other payables of $10,704,000 as at 30 June 2018 (1 July 2017: $9,871,000).

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Convergence to SFRS(I) (Continued)

(c) Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I)

	Reported under FRS (Note 34) $'000	Effects of SFRS(I) $'000	Effect of SFRS(I) 15 $'000	Reported under SFRS(I) $'000
At 1 July 2017				
Non-current assets				
Property, plant and equipment	418,119	-	-	418,119
Investment properties	459,097	-	-	459,097
Investments in joint ventures	29,700	-	-	29,700
Investments in associates	7,122	-	-	7,122
Available-for-sale financial assets	612	-	-	612
Intangible assets	119,037	-	-	119,037
Deferred tax assets	2,510	-	-	2,510
Restricted bank balances	3,677	-	-	3,677
	1,039,874	-	-	1,039,874
Current assets				
Inventories	104	-	-	104
Trade and other receivables	114,166	-	-	114,166
Cash and bank balances	74,013	-	-	74,013
	188,283	-	-	188,283
Less:				
Current liabilities				
Trade and other payables	75,932	-	(9,871)	66,061
Course fees received in advance	-	-	9,871	9,871
Education facilities rental service received in advance	1,048	-	-	1,048
Income tax payable	3,767	-	-	3,767
Borrowings	173,085	-	-	173,085
	253,832	-	-	253,832
Net current liabilities	(65,549)	-	-	(65,549)

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Convergence to SFRS(I) (Continued)

(c) Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I) (Continued)

	Reported under FRS (Note 34) $'000	Effects of SFRS(I) $'000	Effect of SFRS(I) 15 $'000	Reported under SFRS(I) $'000
Less:				
Non-current liabilities				
Trade and other payables	23,789	-	-	23,789
Borrowings	269,621	-	-	269,621
Deferred tax liabilities	60,684	-	-	60,684
	354,094	-	-	354,094
Net assets	620,231	-	-	620,231
Equity				
Share capital	481,785	-	-	481,785
Treasury shares	(39,683)	-	-	(39,683)
Accumulated profits and other reserves	85,048	*	-	85,048
Equity attributable to equity holders of the Company	527,150	-	-	527,150
Non-controlling interests	93,081	-	-	93,081
Total equity	620,231	-	-	620,231

* Reclassification of the negative foreign currency translation reserve of $17,021,000 to accumulated profits. Both foreign currency translation reserve and accumulated profits are shown under "Accumulated profits and other reserves" on the statement of financial position.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Convergence to SFRS(I) (Continued)

(c) Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I) (Continued)

	At 30 June 2018				At 1 July 2018	
	Reported under FRS (Note 34)	**Effects of SFRS(I)**	**Effects of SFRS(I) 15**	**Reported under SFRS(I)**	**Effects of SFRS(I) 9**	**Reported under SFRS(I)**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets						
Property, plant and equipment	441,604	-	-	441,604	-	441,604
Investment properties	520,311	-	-	520,311	-	520,311
Investments in joint ventures	21,429	-	-	21,429	-	21,429
Investments in associates	6,704	-	-	6,704	-	6,704
Available-for-sale financial assets	620	-	-	620	(620)	-
Financial assets at FVOCI	-	-	-	-	620	620
Intangible assets	118,962	-	-	118,962	-	118,962
Deferred tax assets	2,883	-	-	2,883	-	2,883
Restricted bank balances	3,496	-	-	3,496	-	3,496
	1,116,009	-	-	1,116,009	-	1,116,009
Current assets						
Inventories	135	-	-	135	-	135
Trade and other receivables	97,822	-	-	97,822	-	97,822
Cash and bank balances	46,127	-	-	46,127	-	46,127
	144,084	-	-	144,084	-	144,084
Less:						
Current liabilities						
Bank overdrafts	-	-	-	-	-	-
Trade and other payables	56,711	-	(10,704)	46,007	-	46,007
Course fees received in advance	-	-	10,704	10,704	-	10,704
Education facilities rental service received in advance	1,205	-	-	1,205	-	1,205
Income tax payable	3,335	-	-	3,335	-	3,335
Borrowings	198,603	-	-	198,603	-	198,603
	259,854	-	-	259,854	-	259,854
Net current liabilities	(115,770)	-	-	(115,770)	-	(115,770)

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Convergence to SFRS(I) (Continued)

(c) Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I) (Continued)

	At 30 June 2018				At 1 July 2018	
	Reported under FRS (Note 34) $'000	Effects of SFRS(I) $'000	Effects of SFRS(I) 15 $'000	Reported under SFRS(I) $'000	Effects of SFRS(I) 9 $'000	Reported under SFRS(I) $'000
Less:						
Non-current liabilities						
Trade and other payables	19,726	-	-	19,726	-	19,726
Borrowings	171,122	-	-	171,122	-	171,122
Deferred tax liabilities	81,661	-	-	81,661	-	81,661
	272,509	-	-	272,509	-	272,509
Net assets	727,730	-	-	727,730	-	727,730
Equity						
Share capital	554,337	-	-	554,337	-	554,337
Treasury shares	(39,683)	-	-	(39,683)	-	(39,683)
Accumulated profits and other reserves	106,938	*	-	106,938	-	106,938
Equity attributable to equity holders of the Company	621,592	-	-	621,592	-	621,592
Non-controlling interests	106,138	-	-	106,138	-	106,138
Total equity	727,730	-	-	727,730	-	727,730

* Reclassification of the negative foreign currency translation reserve of $17,021,000 to accumulated profits. Both foreign currency translation reserve and accumulated profits are shown under "Accumulated profits and other reserves" on the statement of financial position.

(d) Reconciliation of the consolidated statement of comprehensive income and consolidated statement of cash flows reported in accordance with FRS to SFRS(I)

There was no material impact to the Group's statement of comprehensive income and statement of cash flows from the transition from FRS to SFRS(I).

(e) Reconciliation to Company's equity reported in accordance with FRS to SFRS(I)

The Company transitioned to SFRS(I) on 1 July 2017 hence, an opening statement of financial position was prepared on that date. There were no material impact to the Company's financial position on the transition to SFRS(I). The relevant accounting policies in the financial instruments have been disclosed in Note 2.10 to the financial statements.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

SFRS(I) issued but not yet effective

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning on or after 1 July 2019, and have not been early adopted:

- SFRS(I) 1-19 *Amendments to SFRS(I) 1-19: Plan Amendment, Curtailment or Settlement*
- SFRS(I) 9 *Prepayment Features with Negative Compensation*
- SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*
- SFRS(I) 16 *Leases*
- SFRS(I) 17 *Insurance Contracts*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Annual improvements to SFRS(I) 2015-2017 cycle
- Various Amendments to References to the Conceptual Framework in SFRS(I) standards
- SFRS(I) 3 *Amendments to SFRS(I) 3: Definition of a Business*
- Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above new SFRS(I), amendments to and interpretations of SFRS(I) will not have a material impact on the financial statements of the Group in the period of their initial adoption, except as disclosed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases* and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. FRS 116 requires lessees to capitalise all leases on the statement of financial position by recognising a “right-of-use” asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under SFRS(I) 16. SFRS(I) 16 also requires enhanced disclosures by both lessees and lessors.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

SFRS(I) 16 *Leases* (Continued)

Potential impact on the financial statements

On initial adoption of SFRS(I) 16, there may be a potentially significant impact on the accounting treatment for leases, which the Group as lessee currently accounts for as operating leases. On adoption of SFRS(I) 16, the Group will be required to capitalise its rented office premise and office equipment on the statements of financial position by recognising them as “right-of-use” assets and their corresponding lease liabilities for the present value of future lease payments. The Group plans to adopt the standard in the financial year beginning 1 July 2019 using the modified retrospective in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that year. The Group is currently finalising the transition adjustments.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Subsidiaries are entities over which the Group has control. Control exists when the Group is exposed or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the Group the ability to direct activities that significantly affect the entity’s returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Subsidiaries are consolidated from the date on which control commences until the date on which control ceases.

Investments in subsidiaries are stated at cost on the Company’s statement of financial position less any accumulated impairment losses.

In preparing the consolidated financial statements, intra-group transactions, balances and any unrealised gains arising from intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company using consistent accounting policies. Where necessary, accounting policies of subsidiaries are adjusted to ensure consistency with the policies adopted by the Group.

Non-controlling interests in subsidiaries are that part of the net results of operations and of net assets of subsidiaries attributable to interests which are not owned directly or indirectly by the Group. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

2. Summary of significant accounting policies (Continued)

2.3 Business combination

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. The consideration of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

If the business combination is achieved by stages, the Group's previously held equity interest in the subsidiary is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with SFRS(I) 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net of the acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2.4 Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Joint ventures are entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

2. Summary of significant accounting policies (Continued)

2.4 Associates and joint ventures (Continued)

The results, assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting (collectively referred to as equity-accounted investees), except when the investment is classified as held for sale, in which case it is accounted for under SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in equity-accounted investees are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the equity-accounted investees, less any impairment loss of individual investments. Losses of equity-accounted investees in excess of the Group's interest in those equity-accounted investees (which includes any long-term interests that, in substance, form part of the Group's net investment in the associates and joint ventures) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investees.

Where the Group transacts with equity-accounted investees of the Group, profits and losses are eliminated to the extent of the Group's interest in the respective equity-accounted investees. This applies to unrealised losses which are also eliminated but only to the extent that there is no impairment.

The most recent available audited financial statements of the equity-accounted investees are used by the Group in applying the equity method of accounting. Where audited financial statements are not available, the share of results are included by reference to their latest interim and annual management financial statements, adjusted for any effects of significant transactions or events made up to the end of the financial year.

Upon loss of significant influence or joint control over the equity-accounted investee, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the equity-accounted investee upon loss of significant influence or joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the retained assets or liabilities.

In the Company's separate financial statements, investments in equity-accounted investees are accounted for at cost less impairment losses. On disposal of an equity-accounted investee, the difference between the net disposal proceeds and the carrying amount of the investment is taken to profit or loss.

2. Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment

Property, plant and equipment held for use in the supply of goods and services or administrative purposes, are initially recorded at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the assets to the location and necessary condition for its intended use, and the cost of dismantlement and removing the item and restoring the site on which they are located.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that the future economic benefits, in excess of standard performance of the asset before the expenditure was made, will flow to the Group, and the cost can be reliably measured. All other repair and maintenance expenses are recognised in profit or loss when incurred.

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

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.

	Useful lives
Leasehold land, buildings and improvements#	3 - 50 years
Plant and equipment	10 years
Furniture, fittings and equipment	7 - 10 years
Computer equipment	4 - 5 years
Motor vehicle	10 years

Majority of the leasehold land and buildings are depreciated over 20 - 50 years.

The assets' residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at the end of each reporting period.

Construction in-progress represents buildings under construction, which is stated at cost. 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. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

2. Summary of significant accounting policies (Continued)

2.6 Investment properties

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 with any changes therein recognised in profit or loss.

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.

If an owner-occupied property becomes an investment property, the property is remeasured to fair value. Any revaluation increase arising from the revaluation of such property is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On disposal of an investment property, the difference between the net disposal proceeds and carrying amount is recognised in profit or loss.

2.7 Intangible assets

An intangible asset that is acquired separately is capitalised at cost. Intangible asset from a business acquisition is capitalised at fair value at date of acquisition. After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss.

(i) Goodwill on acquisitions

Goodwill on acquisitions represents the excess of the cost of the acquisition (See Note 2.3) over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment loss. Goodwill arising on acquisition of subsidiaries is presented separately as intangible assets. Goodwill on acquisition of associates and jointly controlled entities is included in carrying amount of the investments.

Acquisition of non-controlling interests in a subsidiary are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on proportional amount of the net assets of the subsidiary.

2. Summary of significant accounting policies (Continued)

2.7 Intangible assets (Continued)

(i) Goodwill on acquisitions (Continued)

Prior to 1 July 2009, goodwill arising on the acquisition of a non-controlling interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

(ii) Trademarks and licenses

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.

(iii) Development costs

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.

(iv) Computer software

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.

2. Summary of significant accounting policies (Continued)

2.7 Intangible assets (Continued)

(iv) Computer software (Continued)

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.

2.8 Impairment of non-financial assets

Non-financial assets other than goodwill

The carrying amounts of non-financial assets are reviewed at the end of each financial year for impairment loss and whenever events or changes in circumstances or objective evidence indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised if the carrying amount of the asset or its cash-generating unit ("CGU") exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment loss is recognised in profit or loss, unless the asset is carried at revalued amount, in which case such impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less cost to sell and value-in-use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction. Value-in-use is the estimated future cash flows discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

An impairment loss for an asset other than goodwill, is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's (CGU's) carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the assets in prior years. Reversals of impairment loss are recognised in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of impairment loss is treated as a revaluation increase.

2. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial assets (Continued)

Goodwill

Goodwill recognised separately as an intangible asset is tested annually for impairment and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's CGUs expected to benefit from the synergies arising from the business combination. If the recoverable amount of the CGU is less than the carrying amount of the unit, including the goodwill, impairment loss is recognised in profit or loss and allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised as an expense and is not reversed in subsequent periods.

2.9 Inventories

Inventories comprising mainly teaching materials are measured at the lower of cost (first-in first-out method) and net realisable value. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.10 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off.

2. Summary of significant accounting policies (Continued)

2.10 Financial instruments (Continued)

Financial assets (Continued)

Amortised cost (Continued)

Impairment provisions for other financial assets are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it had previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income.

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments and tax recoverable) and cash and bank balances in the statements of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

2. Summary of significant accounting policies (Continued)

2.10 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through other comprehensive income

The Group made an irrevocable election to classify certain equity investments at fair value through other comprehensive income which is carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Accounting policy for financial assets prior to 1 July 2018

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into “loans and receivables” and “available-for-sale financial assets”. The classification depends on the nature and purpose of these financial assets and is determined at initial recognition. Management will re-evaluate this designation at each reporting date.

Effective interest method

The effective interest method calculates the amortised cost of a financial instrument and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments to the net carrying amount of the financial instrument other than those financial instruments at fair value through profit or loss.

2. Summary of significant accounting policies (Continued)

2.10 Financial instruments (Continued)

Accounting policy for financial assets prior to 1 July 2018 (Continued)

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides goods and services directly to receivables with no intention of trading the receivables. Loans and receivables are measured at amortised cost, where applicable, using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial. Loans and receivables are presented as “trade and other receivables” (excluding prepayments and tax recoverable) and “cash and bank balances” on the statements of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments in equity securities are designated in this category. They are presented as non-current assets unless management intends to dispose off the investment within 12 months after the reporting date.

After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment to be impaired at which time the cumulative gain or loss previously reported in equity is included in profit or loss. The fair value of investment that is actively traded in organised financial markets is determined by reference to the relevant Exchange’s quoted market bid prices at the close of business on each reporting date.

Investment in equity instruments whose fair values cannot be reliably measured are measured at cost less impairment loss, if any.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the assets have been adversely impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets’ carrying amounts and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amounts of all financial assets are reduced by the impairment losses directly.

2. Summary of significant accounting policies (Continued)

2.10 Financial instruments (Continued)

Accounting policy for financial assets prior to 1 July 2018 (Continued)

Impairment of financial assets (Continued)

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Reversal of impairment loss in respect of equity instruments classified as available-for-sale is recognised through equity. Reversal of impairment loss on debt instruments is recognised in profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

With the exception of available-for-sale equity instruments (as described in the preceding paragraph), if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

If there is objective evidence that there is an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.10 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial guarantee contracts. The accounting policies adopted for financial liabilities are set out below.

(i) Trade and other payables

Trade and other payables (excluding accruals for property and land use tax and business taxes) are initially recorded at the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

The fair values of financial liabilities are determined as follows:

- the fair value of financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flows analysis using price from observable current market transactions and dealer quotes for similar instruments.

(ii) Borrowings

Interest-bearing bank loans and overdrafts are initially recognised at fair value, net of transaction costs incurred, and are subsequently recognised at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption value is recognised in profit or loss over the period of the borrowings, where possible, using the effective interest method.

Borrowings which are due to be settled within 12 months after the reporting date are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the reporting date are presented as non-current borrowings in the statements of financial position.

2. Summary of significant accounting policies (Continued)

2.10 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

(iii) Financial guarantee contracts

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Prior to 1 July 2018, financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amounts initially recognised less the cumulative amounts of income recognised, the liability is recorded at the higher amount with the difference charged to profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and consideration paid is recognised in profit or loss.

Offsetting financial instruments

Both financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset them and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Equity instruments and treasury shares

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments and are recorded at the proceeds received, net of direct issue costs.

When a share recognised as equity is repurchased, it is classified as treasury shares. The consideration paid, including any directly attributable incremental cost is presented as a deduction from total equity, until they are subsequently cancelled, sold or reissued.

When the treasury shares are subsequently cancelled, the cost of the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

2. Summary of significant accounting policies (Continued)

2.10 Financial instruments (Continued)

Equity instruments and treasury shares (Continued)

When the treasury shares are subsequently sold or reissued pursuant to the performance share plan, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised as change in equity of the Company.

2.11 Cash and bank balances

Cash and bank balances compromise cash on hand and demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. For the purposes of the consolidated statement of cash flows, cash and cash equivalents exclude any pledged deposits and restricted bank balances.

2.12 Provisions

Provisions are recognised if as a result of a past event the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to any provision is recognised in profit or loss.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.13 Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group is the lessee

Payments made and rental payable under operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits for the leased assets are consumed. Contingent rentals arising under operating leases, if any, are recognised as an expense in the period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

2. Summary of significant accounting policies (Continued)

2.13 Operating leases (Continued)

When the Group is the lessor

Rental income from operating leases (net of any incentives given to lessee) is recognised on a straight-line basis over the lease term. Assets subject to operating leases are included in investment properties and are stated at fair values and not depreciated.

2.14 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes).

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.

Rental income received and receivable from investment properties is recognised in profit or loss on a straight-line basis over the term of the relevant operating leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

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.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, on an effective yield basis.

Dividend income from investments is recognised when the shareholders' rights to receive payment has been established.

2.15 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the conditions for the grant will be met and will be received.

Grants in recognition of specific expenses are recognised in profit or loss over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in profit or loss over the period in which such assets are depreciated and used in the projects subsidised by the grants. The government grant is subject to tax.

2. Summary of significant accounting policies (Continued)

2.16 Income tax expense

Income tax expense represents the sum of current and deferred taxes.

Current income tax is the expected amount of tax payable on taxable income for the financial year to tax authorities, using tax rates and tax laws enacted or substantively enacted by the end of the reporting period in countries where the Group operates.

Deferred income tax is provided using the liability method, for all temporary differences arising between the carrying amounts and tax bases of assets and liabilities in the financial statements at the end of the reporting period. Deferred tax liability is not recognised on temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Current and deferred income taxes are recognised in profit or loss except to the extent that it relates to items or transactions which are recognised directly in equity, in which case such income tax is recognised in equity. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

In determining the amount of current and deferred tax, the Group and the Company consider the impact of uncertain tax positions and whether additional taxes may be due. The Group and the Company believe that their accruals for tax liabilities are adequate for all open years based on their assessment of multiple factors, including interpretation and enforcement of tax laws and prior experience. These assessments rely on estimates and assumptions and involve significant judgements about future events. New information may become available that cause the Group and the Company to change their judgements regarding the adequacy of existing tax liabilities which will impact the tax expense in the period that such determination is made.

2. Summary of significant accounting policies (Continued)

2.17 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligation once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the end of the reporting period.

Share-based payments

The Company operates the following equity-settled share-based payment plan:

Share option plan

The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share-based payments reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of grant. In the valuation process, no account is taken of any performance conditions except of conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The expense recognised in profit or loss during each financial year reflects the manner in which the benefits will accrue to employees under the options plan over the vesting period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

When the options are exercised and new ordinary shares are issued, the proceeds received (net of any attributable transaction costs) and the corresponding amount of share option reserve are credited to share capital, or to the treasury shares account, when treasury shares are reissued to employees.

2. Summary of significant accounting policies (Continued)

2.17 Employee benefits (Continued)

Share option plan (Continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payments arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2.18 Finance costs

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalisation.

All other finance costs are recognised as an expense in the periods in which they are incurred.

2.19 Foreign currencies

Functional and presentation currency

Individual financial statements of each entity in the Group are measured and presented using the currency of the primary economic environment in which the entity operates ("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.

Transactions and balances

Transactions in currencies other than the entity's functional currency ("foreign currency") are translated to the respective functional currencies of the Group's entities at the exchange rates prevailing on the date of the transactions.

2. Summary of significant accounting policies (Continued)

2.19 Foreign currencies (Continued)

Transactions and balances (Continued)

At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the rates prevailing at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated using the exchange rates prevailing on the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement and on retranslation of monetary assets and liabilities are recognised in profit or loss for the financial year. Exchange differences arising on the settlement and on retranslation of non-monetary assets and liabilities are recognised in profit or loss except for differences arising on the retranslation of items of which gains and losses are recognised directly in equity.

Foreign operations

For the purpose of presenting consolidated financial statements, the results and financial positions of the Group's foreign operations (none of which has the currency of a hyperinflationary economy) are translated into Singapore dollar as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;

- income and expenses are translated at average exchange rates for the financial year;

- all resulting foreign exchange differences, if any, are transferred to the foreign currency translation reserve. Such exchange differences are reclassified to profit or loss and as part of the gain or loss on disposal in the period in which the foreign operation is disposed off; and

- goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at exchange rates prevailing at the end of the reporting period.

On the disposal of the Group's entire interest in a foreign operation or a disposal resulting in loss of control over subsidiary that includes a foreign operation, or a disposal resulting in loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal resulting in loss of significant influence over an associate that includes a foreign operation, all exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

On partial disposal where the Group still retains control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. On partial disposal where the Group still retains significant influence and joint control over an associate and jointly controlled entity that include a foreign operation respectively, the proportionate share of accumulated exchange differences is reclassified to profit or loss.

2. Summary of significant accounting policies (Continued)

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders. Dividends proposed or declared after the end of the reporting period are not recognised as a liability at the end of the reporting period.

2.21 Segment reporting

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.

2.22 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the Group's net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial year.

Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. The Company has one category of potentially dilutive ordinary shares which is share options.

For share options, the weighted average number of ordinary shares in issue is adjusted to include the dilutive effect arising from the exercise of all outstanding share options granted to employees where such shares would be assumed to be issued at a price lower than the fair value (average share price during the financial year). The difference between the weighted average number of shares to be issued at the exercise prices under the options scheme and the weighted average number of shares that would have been issued at the fair value based on assumed proceeds from the issue of these shares are treated as ordinary shares issued for no consideration. The number of such shares issued for no consideration is added as the dilutive effect to the number of ordinary shares outstanding for diluted EPS calculation. Adjustment, if any, will be made to the net profit or loss attributable to equity holders when calculating diluted EPS.

The average fair value of the Company's shares for the purpose of calculating dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Group's accounting policies and which have the significant effect on the amounts recognised in the consolidated financial statements.

(i) Classification between investment properties and property, plant and equipment

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.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the accounting policies (Continued)

(ii) Evaluation of levels of control and influence

The Group and the Company carry on parts of its business activities through subsidiaries, associates or joint ventures. 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 definition of control, significant influence and joint control is defined in Note 2.2 and Note 2.4 to the financial statements respectively. 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.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of certain CGU to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 30 June 2019 was approximately $104,741,000 (30 June 2018: $116,243,000, 1 July 2017: $116,232,000).

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(ii) Valuation of investment properties

The accounting policy relating to investment properties are described in Note 2.6 to the financial statements. In applying this policy, judgement made in the context of valuation of investment properties can materially impact the Group's financial position and performance. Accordingly, the Group engaged independent valuation specialists who used recognised valuation techniques, subjective assumptions and estimates such as future cash flows from these assets to determine the fair values of the investment properties. These estimates are based on local market conditions existing at the reporting date. In arriving at their estimates of market values, the independent valuation specialists used their market knowledge and professional judgement and did not rely solely on historical transaction comparables. The carrying amount of investment properties as at 30 June 2019 was approximately $477,638,000 (30 June 2018: $520,311,000, 1 July 2017: $459,097,000).

(iii) Impairment of investments in subsidiaries, associates and joint ventures

Management follows the guidance of SFRS(I) 1-36 *Impairment of Assets*, in determining whether investments in subsidiaries, associates and joint ventures are impaired. This requires assumptions to be made regarding the duration and extent to which the recoverable amount of an investment is less than its costs, the financial health, and near-term business outlook of the investments including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Management's assessment for impairment of investments in subsidiaries, associates and joint ventures are based on the estimation of value-in-use of the CGU by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate to calculate the present value of those cash flows or fair value less cost of disposal. The Group's carrying amount of investments in joint ventures and associates as at 30 June 2019 were approximately $14,046,000 and $53,656,000 (30 June 2018: $21,429,000 and $6,704,000, 1 July 2017: $29,700,000 and $7,122,000) respectively. As at 30 June 2019, the Company's investment in subsidiaries is $450,622,000 (30 June 2018: $455,625,000, 1 July 2017: $465,919,000).

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iv) Income tax position

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.

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 such education-related income is tax exempted according to the tax practices in PRC and their experience as education operators in PRC. Further, there are no specific tax implementation measures applicable for such income in PRC yet and tax liabilities cannot be reliably quantified as at year end.

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. The carrying amounts of the Group's income tax payable, deferred tax assets and liabilities as at 30 June 2019 are $1,771,000 (30 June 2018: $3,335,000, 1 July 2017: $3,767,000), $5,966,000 (30 June 2018: $2,883,000, 1 July 2017: $2,510,000) and $63,641,000 (30 June 2018: $81,661,000, 1 July 2017: $60,684,000) respectively. As at 30 June 2019, the Company's income tax payable is $51,000 (30 June 2018: $51,000, 1 July 2017: $51,000).

(v) Expected credit loss for trade and other receivables

Management establishes the loss allowance for receivables based on expected credit loss model. In determining the expected credit losses for trade receivables, management categorised the trade debtors based on their historical loss pattern, historical payment profile and adjusted for the current condition and forecast of future economic conditions that may affect the ability of the customers to settle the trade receivables at the reporting date. For non-trade debtors, management considers the performance, financial capability as well as payment profile of these non-trade debtors in order to determine the appropriate stage of expected credit loss for these debtors. Probability or risk of default is then being estimated by considering the future conditions. Additionally, management also evaluates expected credit loss for customer in financial difficulties separately (credit-impaired). The carrying amounts of trade and other receivables of the Group and the Company as at 30 June 2019 are $98,912,000 and $255,643,000 (30 June 2018: $97,822,000 and $245,805,000, 1 July 2017: $114,166,000 and $244,613,000) respectively.

4. 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 vehicle $'000	Construction in-progress $'000	Total $'000
Group								
2019								
Cost								
Balance at 1 July 2018	60,788	422,218	1,934	21,494	12,287	2,173	3,059	523,953
Additions	796	53,723	334	2,932	1,143	337	5,281	64,546
Disposals	-	-	(271)	(1,282)	(658)	(139)	-	(2,350)
Written off	-	(1,420)	-	(70)	(34)	-	-	(1,524)
Disposal of subsidiaries (Note 6)	-	(38,092)	-	-	-	-	-	(38,092)
Reclassification	(1,426)	109	(1)	(2)	3	-	1,317	-
Transfer to investment properties (Note 5)	-	(8,789)	-	-	-	-	-	(8,789)
Transfer to intangible assets (Note 10)	-	-	-	-	(52)	-	-	(52)
Transfer from intangible assets (Note 10)	-	-	-	-	81	-	-	81
Foreign currency realignment	(494)	(10,185)	(93)	(686)	(355)	(91)	(203)	(12,107)
Balance at 30 June 2019	59,664	417,564	1,903	22,386	12,415	2,280	9,454	525,666

4. 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 vehicle $'000	Construction in-progress $'000	Total $'000
Group								
2019								
Accumulated depreciation and impairment losses								
Balance at 1 July 2018	-	58,451	1,847	12,276	8,427	1,348	-	82,349
Depreciation charged	-	9,549	245	1,910	1,480	185	-	13,369
Disposals	-	-	(263)	(760)	(611)	(138)	-	(1,772)
Written off	-	(537)	-	(51)	(34)	-	-	(622)
Disposal of subsidiaries (Note 6)	-	(10,256)	-	-	-	-	-	(10,256)
Reclassifications	-	12	-	(12)	-	-	-	-
Transfer to investment properties (Note 5)	-	(792)	-	-	-	-	-	(792)
Transfer to intangible assets (Note 10)	-	-	-	-	(51)	-	-	(51)
Foreign currency realignment	-	(1,726)	(87)	(391)	(255)	(63)	-	(2,522)
Balance at 30 June 2019	-	54,701	1,742	12,972	8,956	1,332	-	79,703
Carrying amounts								
Balance at 30 June 2019	59,664	362,863	161	9,414	3,459	948	9,454	445,963

4. 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 vehicle $'000	Construction in-progress $'000	Total $'000
Group								
2018								
Cost								
Balance at 1 July 2017	49,324	327,250	1,847	18,053	12,055	2,343	83,276	494,148
Additions	1,429	1,229	46	3,484	2,344	232	4,100	12,864
Disposals	-	(451)	-	(490)	(501)	(454)	-	(1,896)
Written off	-	(901)	-	(1,110)	(2,218)	-	-	(4,229)
Reclassification	-	84,771	12	1,358	498	(1)	(86,638)	-
Transfer from investment properties (Note 5)	8,289	12,115	-	-	-	-	-	20,404
Transfer to investment properties (Note 5)	-	(6,314)	-	-	-	-	-	(6,314)
Transfer from intangible assets (Note 10)	-	-	-	-	15	-	-	15
Foreign currency realignment	1,746	4,519	29	199	94	53	2,321	8,961
Balance at 30 June 2018	60,788	422,218	1,934	21,494	12,287	2,173	3,059	523,953

4. 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 vehicle $'000	Construction in-progress $'000	Total $'000
Group								
2018								
Accumulated depreciation and impairment losses								
Balance at 1 July 2017	-	51,054	1,806	11,881	9,673	1,615	-	76,029
Depreciation charged	-	8,438	12	1,823	1,390	158	-	11,821
Disposals	-	(433)	-	(430)	(490)	(452)	-	(1,805)
Written off	-	(909)	-	(1,069)	(2,213)	-	-	(4,191)
Reclassifications	-	-	-	(12)	12	-	-	-
Transfer to investment properties (Note 5)	-	(425)	-	-	-	-	-	(425)
Foreign currency realignment	-	726	29	83	55	27	-	920
Balance at 30 June 2018	-	58,451	1,847	12,276	8,427	1,348	-	82,349
Carrying amounts								
Balance at 30 June 2018	60,788	363,767	87	9,218	3,860	825	3,059	441,604
Balance at 1 July 2017	49,324	276,196	41	6,172	2,382	728	83,276	418,119

4. Property, plant and equipment (Continued)

Land, buildings and improvements consist of certain land use rights. As these land use rights could not be reliably allocated between land, buildings and improvements, the rights were not separately disclosed.

As of 30 June 2019, legal ownership and title deeds of certain properties of carrying amount $Nil (30 June 2018: $17.6 million, 1 July 2017: $16.7 million) have not been formally transferred from vendor to the Group due to delay in the completion of certain formal procedures.

Certain freehold land and leasehold land, buildings and improvements with carrying value of $246.5 million (30 June 2018: $264.1 million, 1 July 2017: $159.3 million) were mortgaged to secure borrowings as referred to in Note 14 to the financial statements.

Borrowing costs of $0.7 million (2018: $3.8 million) which arose on the financing specifically for the construction in-progress were capitalised during the financial year.

5. Investment properties

	Group	
	2019	**2018**
	$'000	**$'000**
Balance at beginning of financial year	520,311	459,097
Additions	10,272	2,143
Disposal of subsidiaries (Note 6)	(63,293)	-
Fair value gain recognised in profit or loss, net	10,977	64,944
Transfer from property, plant and equipment (Note 4)	7,997	5,889
Transfer to property, plant and equipment (Note 4)	-	(20,404)
Revaluation gain on transfer from owner-occupied property recognised in other comprehensive income	11,834	5,704
Foreign currency realignment	(20,460)	2,938
Balance at end of financial year	477,638	520,311

(a) The investment properties in the current financial year 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. ("RISB"), Raffles K12 Sdn. Bhd. ("RAS"), Raffles Assets Australia Pty Limited ("RAA"), Mandurah Resort Pty Ltd ("Mandurah"), Raffles Asset (Private) Limited ("RASL"), Raffles Siviez 1750 Pte. Ltd. ("Siviez") and 4 Vallees Pte. Ltd. ("4Vallees"). OUC owns and leases out investment properties to colleges within its self-contained campus. The land under RISB, Mandurah and RASL are vacant as at 30 June 2019. RAS has utilised part of the land for cafeteria and boarding facilities rental. Building construction on the land of TLG is ongoing. RAA owns a commercial building and leases out to various tenants. Siviez owns a commercial building. 4Vallees owns a hotel and facilities ("Hotel") and seven commercial units ("commercial units"), of which six are rented out.

Rental income from the Group's investment properties which are leased out under operating leases, amounted to $19.9 million (2018: $17.8 million). Direct operating expenses arising from rental and non-rental generating investment properties amounted to $4.9 million and $2.4 million (2018: $4.6 million and $2.7 million) respectively.

5. Investment properties (Continued)

(b) Investment properties are stated at fair value, determined based on professional valuation carried out by firms of independent 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 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 external valuation experts, 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.

5. Investment properties (Continued)

(b) (Continued)

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	2.51% - 5.75% per annum (30 June 2018: 2.93% - 8.50% per annum, 1 July 2017: 2.93% - 8.50% per annum)	Increase in capitalisation rate would result in lower fair value.
	Monthly rental rate	\$2.5 - \$37.0 per sqm (30 June 2018: \$3.9 - \$39.4 per sqm, 1 July 2017: \$3.5 - \$38.8 per sqm)	Increase in monthly rental rate would result in higher fair value.
Direct comparison approach	Price per square metre[1]	\$94 - \$1,342 per sqm (30 June 2018: \$101 - \$1,534 per sqm, 1 July 2017: \$98 - \$2,238 per sqm)	Increase in price per square metre would result in higher fair value.

[1] The yield adjustments are made for any difference in the nature, location or condition of the specific property.

(c) As at 30 June 2019, \$272.6 million (30 June 2018: \$341.7 million, 1 July 2017: \$284.0 million) of the Group's investment properties are held under remaining leasehold interests between 30 to 35 years (30 June 2018: 31 to 36 years, 1 July 2017: 32 to 37 years). The remaining investment properties are freehold.

(d) Certain investment properties with carrying values totalling \$194.6 million (30 June 2018: \$167.5 million, 1 July 2017: \$164.0 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.

(f) As at reporting date, the title deeds of certain land and buildings with carrying values of approximately \$Nil (30 June 2018: \$8.3 million, 1 July 2017: \$7.6 million) have not been transferred to the Group due to delay in the completion of certain formal procedures.

(g) As at reporting date, an investment property with carrying value of \$9.5 million (30 June 2018: \$10.2 million, 1 July 2017: \$9.9 million) is currently pending procedural approval by the local authority on the mix development and further fragmentation of the land.

6. Investments in subsidiaries

	Company 30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Quoted equity shares, at cost	68,736	68,736	68,736
Unquoted equity shares, at cost	410,365	409,853	407,833
Less: Allowance for impairment losses	(28,479)	(22,964)	(10,650)
	450,622	455,625	465,919

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

	Company 2019 $'000	2018 $'000
Balance at beginning of financial year	22,964	10,650
Allowance made during the financial year	6,684	12,314
Allowance written off against provision during the financial year	(1,169)	-
Balance at end of financial year	28,479	22,964

As at each reporting date, the Company carried out a review of the recoverable amount of the investment in subsidiaries, resulting in the recognition of impairment losses of approximately $6,684,000 (2018: $12,314,000) for the financial year ended 30 June 2019, due to the losses reported and cessation of operations by these subsidiaries. The recoverable amount of $Nil has been determined on the basis of its underlying net assets amount.

Particulars of the significant subsidiaries are as follows:

Subsidiaries	Effective equity interest held by the Group 30 June 2019 %	30 June 2018 %	1 July 2017 %	Country of incorporation/ principal place of business	Principal activities
Wanbo Institute of Science & Technology[(a)]	100	100	100	People's Republic of China	Provision of vocational and technical training
Tianjin University of Commerce Boustead College[(a)]	100	100	100	People's Republic of China	Provider of education services

6. Investments in subsidiaries (Continued)

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

Subsidiaries	Effective equity interest held by the Group 30 June 2019 %	30 June 2018 %	1 July 2017 %	Country of incorporation/ principal place of business	Principal activities
Raffles College of Higher Education Sdn. Bhd.[(a)] ("RKL")	70*	70	70	Malaysia	Provision of training programmes and courses in various areas of design and management
Raffles Iskandar Sdn. Bhd.[(a)]	70	70	70	Malaysia	Provision of training programmes and courses in various areas of design and commerce
Raffles K12 Sdn. Bhd.[(a)]	100	100	100	Malaysia	Operating an American system school
Raffles College of Higher Education Pte. Ltd.	100	100	100	Singapore	Provider of education services
Langfang Tonghui Education Consulting Co., Ltd[(a)]	99	99	99	People's Republic of China	Provider of education consulting and development services
Langfang Development Zone Oriental University City Education Consultancy Co., Ltd[(a)]	75**	75**	75**	People's Republic of China	Provider of education supporting services
4 Vallees Pte. Ltd.	94	94	97	Singapore	Property investment
Raffles Assets (Singapore) Pte. Ltd.	100	100	100	Singapore	Property investment
Raffles Assets Australia Pty Limited[(b)]	100	100	100	Australia	Property investment

6. Investments in subsidiaries (Continued)

Notes on significant subsidiaries:

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

(a) Audited by overseas member firms of BDO
(b) Audited by other firms of auditors, RSM Australia Partners, Australia

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.

* During the financial year, the non-controlling interest of RKL has assigned to the Group 15% of its rights, title and interest in and for all present and future dividends.

** Indirectly held through Oriental University City Holdings (H.K.) Limited ("OUCHK"), which together with its subsidiaries, is referred to as OUCHK Group. OUCHK is listed on the Growth Enterprise Market ("GEM") of the Hong Kong Stock Exchange.

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
Subsidiaries	**30 June 2019 %**	**30 June 2018 %**	**1 July 2017 %**	
Langfang Oriental Institute of Technology ("LOIT")[a]	-	49	49	People's Republic of China
Oriental University City Holdings (H.K.) Limited and its subsidiaries ("OUCHK Group")	25	25	25	People's Republic of China

Note on subsidiaries:

(a) Indirectly held subsidiary which was disposed during the financial year

6. Investments in subsidiaries (Continued)

Non-controlling interests

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:

	LOIT		OUCHK Group	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Revenue	-	-	14,590	13,159
Profit before income tax	(879)	10,902	8,939	43,359
Income tax expense	-	(3,144)	(3,026)	(11,177)
Profit after income tax	(879)	7,758	5,913	32,182
Profit allocated to NCI	(431)	3,802	1,478	8,046
Other comprehensive income allocated to NCI	-	-	(2,730)	639
Total comprehensive income allocated to NCI	(431)	3,802	(1,252)	8,685
Dividends paid to NCI	-	-	(901)	(316)
Cash flows from operating activities	-	-	7,968	6,242
Cash flows from investing activities	-	-	(8,790)	4,700
Cash flows from financing activities	-	-	(3,685)	(8,157)
Net cash inflows	-	-	(4,507)	2,785

	LOIT			OUCHK Group		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Assets:						
Current assets	-	-	-	12,777	11,482	18,086
Non-current assets	-	95,202	82,955	235,535	244,477	206,659
Liabilities:						
Current liabilities	-	-	-	(4,654)	(4,770)	(7,630)
Non-current liabilities	-	(8,405)	(5,172)	(27,033)	(25,957)	(18,434)
Net assets	-	86,797	77,783	216,625	225,232	198,681
Accumulated non-controlling interests	-	42,530	38,114	54,156	56,308	49,670

6. Investments in subsidiaries (Continued)

Disposal of subsidiaries

Disposal of Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd ("LDZ Sino-Singapore Education Investment")

During the financial year, the Group disposed LDZ Sino-Singapore Education Investment together with the college LOIT which it operated for a consideration of approximately $83.7 million (RMB 420 million).

Pursuant to the terms of the Sale and Purchase Agreement with the purchaser, the purchaser acquired LDZ Sino-Singapore Education Investment from the Group for a consideration of RMB 420 million. The purchaser has paid RMB 42 million (equivalent to $8.4 million) during the financial year and RMB 84 million ("the First Tranche Payment") will be due on or before 30 September 2019 while the remaining balance RMB 294 million ("the Second Tranche Payment") shall be paid before 30 September 2020.

At the date of disposal, the present value of the remaining receivable from the purchaser amounted to approximately RMB 360.5 million (equivalent to $72.0 million) which will be subsequently measured at amortised cost using the effective interest method.

The effects of the disposal as at the date of disposal were:

Carrying amounts of net assets over which control was lost	**$'000**
Property, plant and equipment (Note 4)	27,836
Investment properties (Note 5)	63,293
Trade and other receivables	677
Deferred tax liabilities (Note 15)	(8,123)
Non-controlling interests	(40,673)
Net assets derecognised	43,010
Gain on disposal of subsidiaries (Note 20)	37,410
Receivables for disposal of subsidiaries	(72,028)
Net cash inflow	8,392

7. Investments in joint ventures

	Group		
	30 June 2019 $'000	**30 June 2018 $'000**	**1 July 2017 $'000**
Unquoted equity shares, at cost	63,431	69,921	75,073
Share of post-acquisition reserves of joint ventures	(49,385)	(48,492)	(45,373)
	14,046	21,429	29,700

7. Investments in joint ventures (Continued)

Particulars of the joint ventures are as follows:

Joint ventures	Effective equity interest held by the Group 30 June 2019 %	30 June 2018 %	1 July 2017 %	Country of incorporation/ principal place of business	Principal activities
Educomp-Raffles Higher Education Limited ("ERHEL")[a]	58	58	58	India	Provision of training programmes and courses in various areas of design and management
Value Vantage Pte. Ltd. ("VVPL")[b]	50	50	50	Singapore	Investment holding
Raffles Education Middle East Training Co. Ltd[c]	50	50	50	Saudi Arabia	Provision of education services and training programmes

Notes on joint ventures:

[a] Audited by overseas member firm of BDO

[b] Audited by BDO LLP, Singapore

[c] Based on management's assessment and judgement, the financial information of the insignificant joint venture is immaterial for disclosures.

Summarised financial information of each of the Group's significant joint ventures are presented below:

	ERHEL			VVPL		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Current assets[1]	25,078	24,511	28,966	11,920	26,249	36,832
Non-current assets	13,936	14,619	16,771	-	-	-
Current liabilities	(33,424)	(32,742)	(34,676)	(10,093)	(10,562)	(10,394)
Net assets	5,590	6,388	11,061	1,827	15,687	26,438
[1] *Included in the above amounts are:*						
Cash and bank balances	2,898	1,384	1,483	995	1,018	25,109

7. Investments in joint ventures (Continued)

Summarised financial information of each of the Group's significant joint ventures are presented below: (Continued)

	ERHEL		VVPL	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	-	135	-	-
(Loss)/profit after tax[2], representing total comprehensive income	(705)	(3,970)	140	(447)
[2] *Included in the above amounts are:*				
Depreciation and amortisation	(479)	(935)	-	-
Interest income	-	38	1	18
Interest expense	-	(43)	-	-
Dividend received from joint venture	-	-	500	-
Capital distribution from joint venture	-	-	6,500	5,152

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts).

During the financial year, dividend and capital distribution from joint venture of $500,000 (2018: $Nil) and $6,500,000 (2018: $5,152,000) were offset against payable to joint venture.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in significant joint ventures, is as follows:

	ERHEL			VVPL		
	30 June 2019	**30 June 2018**	**1 July 2017**	**30 June 2019**	**30 June 2018**	**1 July 2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Proportion of Group's interest	58%	58%	58%	50%	50%	50%
Group's share of net assets	3,242	3,705	6,415	914	7,844	13,219
Investment pending share transfer completion	10	-	-	-	-	-
Goodwill	10,780	10,780	10,780	-	-	-
Group's carrying amount of investment in joint ventures	14,032	14,485	17,195	914	7,844	13,219

8. Investments in associates

	Group 30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Quoted equity shares, at cost	3,029	3,029	4,633
Unquoted equity shares, at cost	48,862	1,070	1,070
Share of post-acquisition results	1,765	2,605	1,419
	53,656	6,704	7,122

Details of associates are as follows:

Associates	Effective equity interest held by the Group 30 June 2019 %	30 June 2018 %	1 July 2017 %	Country of incorporation/ principal place of business	Principal activities
KHID Co., Ltd[b][c]	50.0	50.0	50.0	Mongolia	Investment holding
Axiom Properties Limited ("Axiom")[a][d]	14.3	14.4	14.7	Australia	Property development and investment
Langfang He Zhong Real Estate Development Co., Ltd. ("He Zhong")[e]	34.1	-	-	People's Republic of China	Property development and property leasing

Notes on associates:

[a] Audited by overseas member firm of BDO

[b] Audited by Confidence Audit LLC, Mongolia

[c] Based on management's assessment and judgement, the financial information of the insignificant associate is immaterial for disclosure.

[d] Although OUCHK's ownership interest in Axiom is less than 20%, OUCHK has the rights to appoint representative on the board of directors of Axiom. The Directors of OUCHK therefore considered that OUCHK has the power to exercise significant influence and accounted the investment in Axiom as an associate since the date when OUCHK has the significant influence.

[e] Pursuant to the settlement agreement in relation to the sale of land and properties, the Group obtained 34.1% equity interest in He Zhong as settlement of the unpaid balance by the buyer (Note 11). The interest in He Zhong has been classified as an associate as the Group has significant influence through its board representation in He Zhong.

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8. Investments in associates (Continued)

As at 30 June 2019, the fair value of the Group's investment in Axiom, which is listed on the Australian Securities Exchange, was $2,805,000 (30 June 2018: $3,306,000, 1 July 2017: $4,158,000). The fair value measurement is classified within Level 1 of the fair value hierarchy.

Summarised financial information of He Zhong and Axiom are as follows:

	He Zhong		Axiom	
	30 June 2019 $'000	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Current assets	16,566	9,124	12,439	2,453
Non-current assets	126,499	14,683	15,821	76,695
Current liabilities	(2,698)	(390)	(630)	(1,447)
Non-current liabilities	-	-	-	(48,349)
Net assets	140,367	23,417	27,630	29,352

	He Zhong	Axiom	
	2019 $'000	2019 $'000	2018 $'000
Revenue	-	435	3,979
(Loss)/Profit after tax	-	(2,504)	8,811
Other comprehensive income	-	(791)	(3,131)
Total comprehensive income	-	(3,295)	5,680
Capital distribution received	-	-	1,604

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

8. Investments in associates (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in the associates, is as follows:

	Axiom 30 June 2019 $'000	He Zhong 30 June 2019 $'000	Total 30 June 2019 $'000	Axiom 30 June 2018 $'000	Axiom 1 July 2017 $'000
Share of net assets	4,452	47,865	52,317	5,322	5,741
Goodwill	522	-	522	548	540
Carrying value of investment	4,974	47,865	52,839	5,870	6,281
Add:					
Carrying value of individually immaterial associate			817	834	841
Carrying value of the Group's investments in associates			53,656	6,704	7,122

9. Financial assets at FVOCI/Available-for-sale financial assets

	Group 2019 $'000	Group 2018 $'000
At 1 January	620	612
Fair value recognised in OCI	15	-
Foreign currency realignment	(29)	8
	606	620

[(1)] See Note 2.1 to the financial statements on the details of reclassification of available-for-sale financial assets as at 1 July 2018 on the adoption of SFRS(I) 9.

The unquoted equity interest was acquired as part of the assets in certain subsidiaries of OUC during the financial year 2008. As this equity interest in unquoted corporation in the People's Republic of China is not similar in size and activity to any quoted entities and there is no active market for this equity interest, this unquoted equity interest is carried at cost less impairment loss, if any, based on management's assessment prior to 1 July 2018.

The fair value was determined based on professional valuation carried out by independent valuation specialists. The valuation was done based on asset-based business valuation method which use level 3 inputs.

10. Intangible assets

	Goodwill on acquisitions $'000	Trademarks and licenses $'000	Development costs $'000	Computer software and computer software under development $'000	Total $'000
Group					
2019					
Cost					
Balance at 1 July 2018	118,603	631	3,645	2,364	125,243
Additions	-	9	61	92	162
Written off	(8,500)	-	(283)	(1,997)	(10,780)
Transfer from property, plant and equipment (Note 4)	-	-	-	52	52
Transfer to property, plant and equipment (Note 4)	-	-	-	(81)	(81)
Foreign currency realignment	(5,362)	(26)	(97)	(1)	(5,486)
Balance at 30 June 2019	104,741	614	3,326	429	109,110
Accumulated amortisation and impairment losses					
Balance at 1 July 2018	2,360	173	1,925	1,823	6,281
Amortisation	-	25	430	5	460
Impairment	6,140	-	-	-	6,140
Written off	(8,500)	-	(13)	(1,823)	(10,336)
Transfer from property, plant and equipment (Note 4)	-	-	-	51	51
Foreign currency realignment	-	2	(60)	-	(58)
Balance at 30 June 2019	-	200	2,282	56	2,538
Carrying amounts					
As at 30 June 2019	104,741	414	1,044	373	106,572

10. Intangible assets (Continued)

	Goodwill on acquisitions $'000	Trademarks and licenses $'000	Development costs $'000	Computer software and computer software under development $'000	Total $'000
Group					
2018					
Cost					
Balance at 1 July 2017	116,232	635	13,385	2,357	132,609
Additions	-	10	455	71	536
Written off	-	-	(10,297)	(49)	(10,346)
Transfer to property, plant and equipment (Note 4)	-	-	-	(15)	(15)
Foreign currency realignment	2,371	(14)	102	-	2,459
Balance at 30 June 2018	118,603	631	3,645	2,364	125,243
Accumulated amortisation and impairment losses					
Balance at 1 July 2017	-	137	11,768	1,667	13,572
Amortisation	-	36	381	156	573
Impairment	2,360	-	-	-	2,360
Written off	-	-	(10,297)	-	(10,297)
Foreign currency realignment	-	-	73	-	73
Balance at 30 June 2018	2,360	173	1,925	1,823	6,281
Carrying amounts					
As at 30 June 2018	116,243	458	1,720	541	118,962
As at 1 July 2017	116,232	498	1,617	690	119,037

10. Intangible assets (Continued)

	Trademarks $'000	Computer software under development $'000	Total $'000
Company			
2019			
Cost			
Balance at 1 July 2018	221	286	507
Additions	-	73	73
Balance at 30 June 2019	221	359	580
Accumulated amortisation			
Balance at 1 July 2018	149	-	149
Amortisation	8	-	8
Balance at 30 June 2019	157	-	157
Carrying amounts			
As at 30 June 2019	64	359	423
2018			
Cost			
Balance at 1 July 2017	218	263	481
Additions	3	23	26
Balance at 30 June 2018	221	286	507
Accumulated amortisation			
Balance at 1 July 2017	137	-	137
Amortisation	12	-	12
Balance at 30 June 2018	149	-	149
Carrying amounts			
As at 30 June 2018	72	286	358
As at 1 July 2017	81	263	344

10. Intangible assets (Continued)

Goodwill on acquisition

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:

	Group		
	30 June 2019 $'000	**30 June 2018 $'000**	**1 July 2017 $'000**
China Education Limited ("CEL")	93,365	98,019	94,164
Raffles College Pty Ltd ("RCDC")	-	6,333	10,481
Wanbo Technology Vocation Institute ("Wanbo")	7,659	8,041	7,791
Others[(1)]	3,717	3,850	3,796
	104,741	116,243	116,232

(1) Individually insignificant.

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

Impairment testing of goodwill

The recoverable amounts of the CGUs are determined from value-in-use calculations.

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

The pre-tax discount rate applied to the cash flow projections is 7% (30 June 2018: 7%, 1 July 2017: 7%) per annum except for RCDC which is based on 17% per annum as at 30 June 2018 and 1 July 2017, and reflects specific risks relating to the business segment and cash flows beyond the one-year period. The growth rates used are based on the historical trend.

During the financial year, RCDC ceased its operations. Consequently, impairment loss of approximately $6,140,000 (2018: $2,360,000) relating to RCDC was recognised in profit or loss and the goodwill and corresponding accumulated impairment losses of $8,500,000 respectively were written off against provision during the financial year.

Sensitivity analysis

The management has estimated that even if the revenue growth rate is reduced by 1% (30 June 2018 and 1 July 2017: 1%) per annum, if the projected net cash flows had been 10% (30 June 2018 and 1 July 2017: 10%) lower or if the estimated discount rate applied to the cash flows had been 8% instead of 7% (30 June 2018 and 1 July 2017: 8% instead of 7%), there is no significant impact to the carrying amount of goodwill allocated to the significant CGUs, namely CEL and Wanbo.

11. Trade and other receivables

	Group			Company		
	30 June 2019 $'000	**30 June 2018 $'000**	**1 July 2017 $'000**	**30 June 2019 $'000**	**30 June 2018 $'000**	**1 July 2017 $'000**
Current						
Trade receivables:						
Third parties	2,345	2,314	2,721	-	-	-
Less:						
Loss allowance	(47)	(72)	-	-	-	-
	2,298	2,242	2,721	-	-	-
Other receivables:						
Third parties	885	184	10,304	-	-	-
Receivable from disposal of subsidiaries[(a)]	16,352	-	-	-	-	-
Receivables from sale of investment properties[(b)]	-	55,329	58,934	-	-	-
Deposits	8,125	9,925	8,411	-	-	-
Prepayments	5,413	17,978	22,726	37	152	104
Receivable from former joint venture	145	153	338	-	-	-
Dividends receivable from a subsidiary	-	-	-	-	1,131	-
Subsidiaries[(c)]	-	-	-	245,767	232,444	221,563
Less: Loss allowance	-	-	-	(25,104)	(20,863)	(7,880)
	-	-	-	220,663	211,581	213,683
Joint ventures[(c)]	9,003	8,813	8,347	554	550	555
Tax recoverable[(d)]	1,536	1,796	34	-	-	-
Others	518	1,402	2,351	17	65	41
	41,977	95,580	111,445	221,271	213,479	214,383
	44,275	97,822	114,166	221,271	213,479	214,383
Non-current other receivables:						
Receivable from disposal of subsidiaries[(a)]	54,637	-	-	-	-	-
Subsidiaries[(c)]	-	-	-	34,372	32,326	30,230
	54,637	-	-	34,372	32,326	30,230
	98,912	97,822	114,166	255,643	245,805	244,613

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

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.

11. Trade and other receivables (Continued)

The concentration of credit risk for trade receivables is limited due to the large, diverse and unrelated customer base. As at 30 June 2019, the Group has significant non-trade receivables from the disposal of subsidiaries (30 June 2018 and 1 July 2017: receivables from sale of investment properties) while the Company has significant non-trade amounts due from subsidiaries.

The Group applied the simplified approach and provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on observable ageing buckets. The Group's loss allowance as at 30 June 2019 amounted to $47,000.

Analysis of trade receivables as at 30 June 2018 and 1 July 2017 are as follows:

	Group	
	30 June 2018 $'000	1 July 2017 $'000
Not past due and not impaired	1,011	1,133
Past due but not impaired	1,231	1,588
	2,242	2,721
Impaired receivables	72	-
Less: Allowance for impairment	(72)	-
	-	-
Total trade receivables, net	2,242	2,721

The age analysis of trade receivables past due but not impaired as at 30 June 2018 and 1 July 2017 are as follows:

	Group	
	30 June 2018 $'000	1 July 2017 $'000
0-30 days	86	76
31-60 days	15	7
Over 61 days	1,130	1,505
	1,231	1,588

11. Trade and other receivables (Continued)

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 the performance, financial capability as well as any delay in agreed payment 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:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Balance at beginning of financial year	72	-	20,863	7,880
Allowance made for the financial year	34	71	4,760	19,495
Written off against allowance	(57)	-	(519)	(6,512)
Foreign currency realignment	(2)	1	-	-
Balance at end of financial year	47	72	25,104	20,863

Further notes on trade and other receivables:

(a) This mainly relates to the amount due from a third party arising from the disposal of Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd ("LDZ Sino-Singapore Education Investment") which operated LOIT (Note 6).

(b) Receivables from sale of investment properties relate to outstanding balances of $Nil (2018: $55.3 million) from disposal of 490mu land and properties in OUC in prior years. Pursuant to the settlement agreement with the buyer, the Group obtain 34.1% equity interest in He Zhong as settlement of the unpaid balance amounting to RMB 239.2 million (equivalent to $47.8 million) (Note 8).

(c) The amounts due from subsidiaries and joint ventures are non-trade in nature, unsecured, interest-free and are to be settled in cash, except for the amount of $Nil (30 June 2018: $29.0 million, 1 July 2017: $29.1 million) advanced to subsidiaries as at the end of the financial year which bears interest at Nil% (30 June 2018: 3%, 1 July 2017: 3%) per annum. The carrying amount of these amounts approximates its fair value.

(d) Certain tax recoverable of $1.5 million (30 June 2018: $1.5 million, 1 July 2017: $Nil) was pledged to secure borrowings as referred to in Note 14 to the financial statements.

12. Cash and bank balances

	Group			Company		
	30 June 2019 $'000	**30 June 2018 $'000**	**1 July 2017 $'000**	**30 June 2019 $'000**	**30 June 2018 $'000**	**1 July 2017 $'000**
Current						
Fixed deposits with banks	25,664	26,672	59,929	-	-	-
Cash and bank balances	9,144	19,455	14,084	163	423	661
	34,808	46,127	74,013	163	423	661
Non-current						
Restricted bank balances	3,530	3,496	3,677	-	-	-
	38,338	49,623	77,690	163	423	661
Less: Pledged fixed deposits and bank balances	(27,059)	(27,422)	(58,871)			
Less: Restricted bank balances	(3,530)	(3,496)	(3,677)			
Cash and cash equivalents for purpose of consolidated statement of cash flows	7,749	18,705	15,142			

Group

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

At each reporting date, fixed deposits have an average maturity of 3 months (30 June 2018: 14 months, 1 July 2017: 4 months) from the end of the financial year with the following effective interest rates per annum:

	Group		
	30 June 2019	**30 June 2018**	**1 July 2017**
Chinese renminbi	1.50% - 1.85%	1.85%	1.34% - 2.40%

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13. Trade and other payables

	Group			Company		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Current						
Trade payables	3,284	1,979	3,554	-	-	-
Subsidiaries	-	-	-	243,435	201,075	144,157
Joint ventures	-	9,912	5,152	-	-	-
Other accruals	14,439	8,849	12,376	1,851	2,040	1,960
Accruals for property and land use tax	100	203	2,366	-	-	-
Accruals for business taxes	838	787	2,129	-	-	-
Accruals for capital expenditure	6,170	3,666	18,660	-	-	-
Amount due to a Director	15,767	13,066	10,941	15,338	13,066	765
Loan from a director of subsidiaries	-	-	2,144	-	-	2,144
Purchase from non-controlling interest of additional interest in subsidiary	-	-	1,960	-	-	-
Payable for assignment of the dividend from non-controlling interest in a subsidiary	3,265	-	-	-	-	-
Dividend payable to non-controlling interest	-	368	-	-	-	-
Payable to EISB[(a)]	-	2,519	2,399	-	-	-
Payable for purchase of Campus Facilities by BC[(b)]	6,815	-	-	-	-	-
Other payables	4,805	4,658	4,380	-	-	-
	55,483	46,007	66,061	260,624	216,181	149,026
Non-current other payables						
Subsidiary	-	-	-	-	-	47,600
Joint ventures	2,813	-	-	-	-	-
Accruals for capital expenditure	1,917	-	-	-	-	-
Advance from third party	-	-	5,088	-	-	-
Payable to EISB[(a)]	-	19,390	18,464	-	-	-
Payable for purchase of Campus Facilities by BC[(b)]	25,109	-	-	-	-	-
Other payables	1,350	336	237	-	-	-
	31,189	19,726	23,789	-	-	47,600
	86,672	65,733	89,850	260,624	216,181	196,626

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

13. Trade and other payables (Continued)

The amounts due to subsidiaries, joint ventures and a Director are unsecured, interest-free and repayable on demand, except for the amount payable to a subsidiary of $54.7 million (30 June 2018: $47.6 million, 1 July 2017: $47.6 million) as at the end of the financial year which bears interest at a range of 3.40% to 6.33% (30 June 2018: 2.82% to 3.40%, 1 July 2017: 2.63% to 2.83%) per annum.

Loan from a director of subsidiaries is unsecured, interest-free, repayable on demand and was settled in cash during the financial year ended 30 June 2018.

The carrying amount of non-current other payables approximate its fair value.

Further notes on trade and other payables:

(a) This mainly relates to amount due to Education@Iskandar Sdn. Bhd. ("EISB") for the purchase of land in EduCity, Iskandar Johor, Malaysia.

During financial year 2013, one of the subsidiaries, Raffles K12 Sdn. Bhd. ("RAS") entered into Sale and Purchase Agreement ("SPA") with EISB for the purchase of land in EduCity, Iskandar Johor, Malaysia to construct and develop the Raffles American School catering to students from kindergarten to year 12.

Pursuant to the terms of the SPA, RAS purchased the land from EISB for $29,661,000 (RM74,487,600) and at the date of signing of the SPA, RAS has paid 10% of the purchase of $2,966,100 (RM7,448,760) to EISB. The outstanding amount was fully paid during the financial year 2019.

(b) This mainly relates to the amount payable for the purchase of the Campus Facilities by subsidiary Tianjin University of Commerce Boustead College ("BC").

Pursuant to the terms of the Sale and Purchase Agreement, BC will pay to the vendor an aggregate consideration of RMB 260 million. The first tranche of RMB 80 million has been paid during the financial year 2019, the second tranche of RMB 35 million will be payable on or before 30 September 2019. The balance of RMB 145 million will be further payable over a period of years between 30 September 2020 to 30 September 2023.

14. Borrowings

	Group			Company		
	30 June 2019 $'000	30 June 2018 $'000 (Restated)	1 July 2017 $'000	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Borrowings:						
- Secured bank overdrafts[(a)]	7,944	3,269	-	-	-	-
- Secured bank borrowings[(a)]	362,756	354,583	343,570	54,928	74,178	70,715
- Unsecured bank borrowings[(a)]	9,371	11,873	19,463	9,371	11,873	14,375
- Unsecured Notes[(b)]	-	-	79,673	-	-	79,673
	380,071	369,725	442,706	64,299	86,051	164,763
Repayable:						
- within one financial year	123,389	198,603	173,085	64,299	86,051	158,997
- more than one financial year	256,682	171,122	269,621	-	-	5,766
	380,071	369,725	442,706	64,299	86,051	164,763
Secured borrowings repayable:						
- within one financial year	114,018	186,730	73,949	54,928	74,178	64,949
- more than one financial year	256,682	171,122	269,621	-	-	5,766
	370,700	357,852	343,570	54,928	74,178	70,715
Unsecured borrowings repayable:						
- within one financial year	9,371	11,873	99,136	9,371	11,873	94,048

(a) Security for borrowings are as follows:

- bank borrowings of $Nil million (30 June 2018: $6.3 million, 1 July 2017: $20.5 million) of the Company are secured by letter of guarantee by a subsidiary;

- bank borrowings of $293.1 million (30 June 2018: $276.9 million, 1 July 2017: $260.9 million) are secured by letter of guarantee by the Company;

- standby letter of credit for $24.9 million (30 June 2018: $24.9 million, 1 July 2017: $53.9 million) are secured by pledged bank deposits of $25.7 million (30 June 2018: $26.7 million, 1 July 2017: $58.9 million) (Note 12); and

- certain property, plant and equipment (Note 4) with carrying amount of $246.5 million (30 June 2018: $264.1 million, 1 July 2017: $159.3 million) and investment properties (Note 5) with carrying amount of $194.6 million (30 June 2018: $167.5 million, 1 July 2017: $164.0 million).

- bank borrowings of $1.3 million (30 June 2018: $1.2 million, 1 July 2017: $Nil) are secured by certain tax recoverable of $1.5 million (30 June 2018: $1.5 million, 1 July 2017: $Nil) (Note 11).

- bank overdrafts are repayable on demand. Bank overdrafts are secured together with corresponding subsidiaries' bank loan. The effective interest rates of the bank overdrafts range from 5.65% to 7.56% (30 June 2018: 6.5% to 7.7%, 1 July 2017: Nil%) per annum.

14. Borrowings (Continued)

(a) Security for bank borrowings are as follows: (Continued)

The current bank borrowings have an average maturity of 2 months (30 June 2018: 9 months, 1 July 2017: 7 months) from the end of the financial year. The non-current bank borrowings have an average maturity of 3.27 years (30 June 2018: 3.83 years, 1 July 2017: 3.61 years) from the end of the financial year.

The effective interest rates of the bank borrowings range from 1.55% to 8.30% (30 June 2018: 1.55% to 7.00%, 1 July 2017: 1.53% to 7.00%) per annum. The carrying amount of the borrowings approximates its fair value due to frequent re-pricing.

(b) During the financial year 2012, the Company established a $300 million Multicurrency Medium Term Notes Programme ("MTN Programme"). Under this MTN Programme, the Company may subject to compliance with all relevant laws, regulations and directives, from time to time, issue notes in Singapore dollars or any other currency (the "Notes") and may bear fixed, floating or variable rates of interest. Hybrid Notes or zero coupon notes may also be issued under the MTN Programme. During the financial year 2015, the MTN Programme was increased to $500 million.

As at 30 June 2019 and 30 June 2018, there was no Notes outstanding.

As at 1 July 2017, the following Notes were outstanding:

Date of issue	**Amount**	**Fixed interest rate (per annum)**	**Maturity date**
3 May 2013	$50 million	5.9%	3 May 2018
7 May 2015	$30 million	5.9%	3 May 2018

15. 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		
	30 June 2019 $'000	**30 June 2018 $'000**	**1 July 2017 $'000**
Deferred tax assets	5,966	2,883	2,510
Deferred tax liabilities	(63,641)	(81,661)	(60,684)

15. **Deferred tax assets and liabilities** (Continued)

Deferred tax assets

	Other payables $'000	Tax losses $'000	Accelerated tax capital allowance $'000	Others $'000	Total $'000
Group					
Balance at 1 July 2018	1,286	1,555	36	6	2,883
Credited to profit or loss	2,592	582	-	-	3,174
Foreign currency realignment	(146)	55	-	-	(91)
Balance at 30 June 2019	3,732	2,192	36	6	5,966
Balance at 1 July 2017	1,289	1,178	36	7	2,510
Credited to profit or loss	58	400	-	-	458
Foreign currency realignment	(61)	(23)	-	(1)	(85)
Balance at 30 June 2018	1,286	1,555	36	6	2,883

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
Group					
Balance at 1 July 2018	(550)	(48,893)	(32,233)	15	(81,661)
Credited/(Charged) to profit or loss	(109)	(6,928)	16,769	21	9,753
Charged to equity	-	(3,254)	-	-	(3,254)
Disposal of subsidiaries (Note 6)	-	8,123	-	-	8,123
Foreign currency realignment	7	2,104	1,287	-	3,398
Balance at 30 June 2019	(652)	(48,848)	(14,177)	36	(63,641)
Balance at 1 July 2017	(638)	(28,302)	(31,729)	(15)	(60,684)
Credited/(Charged) to profit or loss	95	(18,927)	-	31	(18,801)
Charged to equity	-	(1,568)	-	-	(1,568)
Foreign currency realignment	(7)	(96)	(504)	(1)	(608)
Balance at 30 June 2018	(550)	(48,893)	(32,233)	15	(81,661)

At each reporting date, no deferred tax liabilities have been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries, as the management does not expect the subsidiaries to distribute its earnings in the foreseeable future. Unremitted earnings totalled $215.6 million (30 June 2018: $166.7 million, 1 July 2017: $181.3 million) as at 30 June 2019.

16. Share capital

	Group and Company			
	2019	2018	2019	2018
	Number of ordinary shares		$'000	$'000
Issued and paid up:				
Balance at beginning of financial year	1,458,446,772	1,045,295,233	554,337	481,785
Placement of new ordinary shares	-	95,000,000	-	28,249
Shares issued pursuant to rights issue	-	318,151,539	-	44,303
Balance at end of financial year	1,458,446,772	1,458,446,772	554,337	554,337

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 previous financial year, the Company:

(a) Issued 95,000,000 new ordinary shares (share placement) at $0.30 each in October 2017 with net placement proceeds of $28.2 million fully utilised for:

- repayment of loans and borrowings of $21.1 million; and
- general working capital of $7.1 million.

(b) Issued and allotted 318,151,539 new ordinary shares at an issue price of $0.14 for each ordinary share pursuant to the renounceable non-underwritten rights issue on the basis of three rights share for every ten ordinary shares in the capital of the Company in April 2018, with the net proceeds of $44.3 million fully utilised for:

- repayment of loans and borrowings including the Notes due in May 2018 of $39.9 million; and
- general working capital of $4.4 million.

17. Treasury shares

	Group and Company			
	2019	2018	2019	2018
	Number of ordinary shares		$'000	$'000
At beginning and end of the financial year	79,790,100	79,790,100	39,683	39,683

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

18. Accumulated profits/(losses) and other reserves

	Group			Company		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Revaluation reserve[1]	20,151	11,571	7,435	-	-	-
Fair value reserve[2]	15	-	-	-	-	-
Foreign currency translation reserve[3]	(25,635)	7,165	-	-	-	-
Share-based payments reserve[4]	2,584	2,453	2,453	2,584	2,453	2,453
Accumulated profits/(losses)	123,036	85,749	75,160	(135,361)	(117,179)	(94,458)
	120,151	106,938	85,048	(132,777)	(114,726)	(92,005)

[1] *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.

[2] *Fair value reserve*

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets measured at FVOCI until they are derecognised. Upon derecognition, the cumulative fair value changes will be transferred to accumulated profits.

[3] *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.

[4] *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.

19. Revenue

Disaggregation of revenue

Operating segment

	Education		Education Facilities Rental Service		Real Estate Investment and Development		Corporate and Others		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Course fees	70,719	73,653	-	-	-	-	4	12	70,723	73,665
Rental income from investment properties	-	1	14,590	13,159	5,308	4,649	-	-	19,898	17,809
Student accommodation fees	3,114	2,922	-	-	-	-	-	-	3,114	2,922
Canteen operation	578	203	-	-	-	-	-	-	578	203
Other fees	3,533	2,227	-	-	1	-	7	6	3,541	2,233
	77,944	79,006	14,590	13,159	5,309	4,649	11	18	97,854	96,832

Geographical segment

	Asean		North Asia		South Asia		Australia		Europe		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Course fees	31,107	30,499	36,116	38,734	1,132	1,176	864	2,562	1,504	694	70,723	73,665
Rental income from investment properties	1	1	15,979	14,451	-	-	2,792	2,203	1,126	1,154	19,898	17,809
Student accommodation fees	565	278	2,549	2,644	-	-	-	-	-	-	3,114	2,922
Canteen operation	425	43	153	160	-	-	-	-	-	-	578	203
Other fees	2,356	1,489	1,047	708	1	1	-	-	137	35	3,541	2,233
	34,454	32,310	55,844	56,697	1,133	1,177	3,656	4,765	2,767	1,883	97,854	96,832

19. Revenue (Continued)

Course fees received in advance

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

	Group		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Course fees received in advance	12,449	10,704	9,871

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

20. Other operating income

	Group	
	2019 $'000	2018 $'000
Interest income	621	1,178
Foreign exchange gain	6,691	2,745
Gain on disposal of subsidiaries (Note 6)	37,410	-
Gain on disposal of property, plant and equipment	16	65
Government grant	67	62
Others	287	348
	45,092	4,398

21. Personnel expenses

	Group	
	2019 $'000	2018 $'000
Salaries, bonuses and allowances	37,163	37,017
Contributions to defined contribution plans	5,427	5,204
Share-based payment expenses	131	-
Other social expenses	1,115	849
	43,836	43,070

Personnel expenses include Directors' remuneration as shown in Note 29 of the financial statements.

22. Finance costs

	Group	
	2019	**2018**
	$'000	**$'000**
Interest expenses:		
- Bank borrowings	16,801	11,205
- Unsecured Notes	-	4,303
	16,801	15,508

23. Profit before income tax

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

	Group	
	2019	**2018**
	$'000	**$'000**
Audit fees paid to auditors:		
- Auditor of the Company	395	394
- Other auditors	618	503
Non-audit fees paid to auditors:		
- Auditor of the Company	32	28
Bad trade receivables written off	246	155
Foreign exchange loss	3,746	5,442
Intangible assets written off	444	49
Loss/(gain) on disposal of property, plant and equipment, net	484	(20)
Marketing and advertisement expenses	5,214	4,331
Operating lease expenses		
- Rental of premises	5,613	6,211
- Rental of equipment	127	138
Professional fees	1,992	4,121
Property, plant and equipment written off	902	38
Property management fees	2,085	1,214
Revenue, property and land use tax	3,767	4,456
Repair and maintenance	4,551	4,606
Royalty, registration and administration fees	2,733	5,523
Transport and communication	2,120	2,324
Utilities	4,167	3,656

24. Income tax (credit)/expense

	Group	
	2019	2018
	$'000	$'000
Income tax		
- Current financial year	1,592	1,402
- (Over)/underprovision in respect of prior years	(1,716)	34
	(124)	1,436
Deferred tax		
- Current financial year	3,449	18,437
- Overprovision in respect of prior financial years	(16,376)	(94)
	(12,927)	18,343
	(13,051)	19,779

Domestic income tax in Singapore is calculated at 17% (2018: 17%) of the estimated assessable profit for the financial year. The income tax (credit)/expense varied from the amount of income tax expense/(credit) determined by applying the Singapore income tax rate of 17% (2018: 17%) to profit before income tax as a result of the following differences:

	Group	
	2019	2018
	$'000	$'000
Profit before income tax	28,056	42,421
Income tax calculated at Singapore statutory rate of 17%	4,770	7,212
Tax effect of income not subject to taxation	(2,881)	(1,970)
Tax exemption	(35)	(430)
Tax effect of non-allowable expenses	5,051	6,724
Deferred tax assets not recognised for current financial year	2,106	935
Effect of different tax rates of overseas operations	(3,970)	7,368
(Over)/underprovision of current income tax in respect of prior years	(1,716)	34
Overprovision of deferred tax in respect of prior years	(16,376)	(94)
Total income tax (credit)/expense recognised in profit or loss	(13,051)	19,779

Subject to the agreement by relevant tax authorities, at each reporting date, the Group has unutilised tax losses of $27.2 million (2018: $22.4 million) available for offset against future profits and deferred tax assets have not been recognised in respect of these items due to the unpredictability of future taxable profits. As at 30 June 2019, included within the unutilised tax losses are tax loss amounting to $13.1 million that are due for expiry on 30 June 2026.

25. Earnings per share

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

Earnings

	Group	
	2019	**2018**
	$'000	**$'000**
Profit attributable to equity holders of the Company	40,213	10,667

Number of shares

	Group			
	2019		**2018**	
	Basic	**Diluted**	**Basic**	**Diluted**
Weighted average number of ordinary shares in issue ('000)	1,378,657	1,378,657	1,181,946	1,181,946

3,354,000 (2018: 637,639) 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.

26. Share-based payments

Raffles Education Corporation Scheme ("REC Scheme") and Raffles Education Corporation Employees' Share Options Scheme ("REC ESOS Scheme")

Statutory and other information regarding the REC Scheme and REC 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 REC Scheme, shall not exceed 15% of the issued share capital of the Company on the day preceding that date of grant.

26. Share-based payments (Continued)

Raffles Education Corporation Scheme ("REC Scheme") and Raffles Education Corporation Employees' Share Options Scheme ("REC ESOS Scheme") (Continued)

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

	2019		2018	
	Number of share options ('000)	Weighted average exercise price $	Number of share options ('000)	Weighted average exercise price $
Outstanding at beginning of financial year	637	1.202	2,083	1.321
Granted	3,195	0.148	-	-
Expired/cancelled	(478)	(0.967)	(1,446)	(1.374)
Outstanding at end of financial year	3,354	0.232	637	1.202
Exercisable as at end of financial year	324		637	

During the financial year, 3,195,000 (2018: Nil) share options were granted. The weighted average fair value of the share options granted are $234,000 for the vesting period from September 2019 to September 2020.

The fair value of share options as at the date of grant is estimated by an external independent valuer using the Binomial option-pricing model, taking into account the terms and conditions upon which the options were granted. The significant inputs into the model were share prices at date of grant, exercise price, yield, expected volatility, risk-free interest rate and option life expected. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the share options is indicative of future trends, which may not necessarily be the actual outcome. The inputs to the model used are shown below.

Date of grant	Expected dividend yield (%)	Expected volatility (%)	Risk-free interest rate (%)	Expected life of options (years)	Exercise price* $	Share price at date of grant* $
9.2.2010	0.0	30	2.55	10	1.110	1.035
24.3.2011	2.5	38	1.32	5.5	0.780	0.810
14.9.2018	0.0	45	2.50	10	0.148	0.151
14.9.2018	0.0	45	2.50	10	0.148	0.151

* Exercise prices are adjusted for share consolidation in financial year 2011.

27. Contingent liabilities

Group

(a) The Company and three of its subsidiaries are involved in two 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.

Company

(c) As at 30 June 2019, the Company has given guarantees amounting to $293.1 million (30 June 2018: $276.9 million, 1 July 2017: $295.4 million) to banks in respect of banking facilities granted to the subsidiaries (Note 14) and the guarantees amount represents the maximum exposure. The earliest period that the guarantees could be called is within 12 months (30 June 2018 and 1 July 2017: 12 months).

(d) As at 30 June 2019, the Company has given guarantees amounting to $Nil (30 June 2018: $21.9 million, 1 July 2017: $20.9 million) to EISB in respect of the outstanding payable to the purchase of land (Note 13).

(e) 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.

28. Commitments

(a) Capital commitments

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

	Group		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Capital commitments in respect of property, plant and equipment	36,104	34,706	103,654

(b) Operating lease commitments (when the Group is a lessee)

As at each reporting date, the commitments in respect of non-cancellable operating leases for rental of premises and equipment are as follows:

	Group		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Future minimum lease payments payable:			
Within one year	2,137	2,505	2,819
Between one and five years	1,057	3,544	1,593
After five years	-	122	-
	3,194	6,171	4,412

These leases have no escalation clauses, restriction and do not provide contingent rents. Renewals are at the option of the specific entity that holds the lease.

(c) 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:

	Group		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Future minimum lease payments receivable:			
Within one year	7,911	6,462	5,384
Between one and five years	15,348	12,045	10,311
After five years	2,403	844	1,570
	25,662	19,351	17,265

The Group leased out commercial space to non-related parties under non-cancellable operating leases. Majority of leases are renewable on annual basis.

29. 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	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
With associate				
Capital distribution	-	1,604	-	-
With joint venture				
Capital distribution	6,500	5,152	-	-
Dividend income	500	-	-	-
With subsidiaries				
Settlement of liabilities on behalf by subsidiaries	-	-	(8,748)	(6,421)
Dividend income	-	-	2,814	2,060
Interest income	-	-	-	987
Management service fee (reversal)/income	-	-	(2)	1,785
Recharge of rental and utilities	-	-	(448)	(480)
(Write-off)/write-back of inter-company balances, net	-	-	(519)	19,854
With related parties				
Loan from a Director	11,212	67,600	10,812	26,342

Key management personnel remuneration

	Group	
	2019	**2018**
	$'000	**$'000**
Directors' fees	242	244
Salaries and other short-term employee benefits	873	1,255
	1,115	1,499

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).

30. Report by segments

The Group has four reportable segments are 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 RAS, 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.

- 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.

30. Report by segments (Continued)

The accounting policies of the reportable segments are the same as described in the summary of significant accounting policies in Note 2 to the financial statements.

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, financial assets at FVOCI/available-for-sale financial assets, 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.

Capital expenditure includes the total cost incurred to acquire property, plant and equipment, investment properties, and intangible assets directly attributable to the segment.

30. Report by segments (Continued)

	Education $'000	Education Facilities Rental Service $'000	Real Estate Investment & Development $'000	Corporate & Others $'000	Total $'000
As at 30 June 2019					
Revenue from external customers	77,944	14,590	5,309	11	97,854
Inter-segment revenue	22	686	1,698	10,431	12,837
Interest income	172	199	250	-	621
Gain on disposal of subsidiaries	-	-	37,410	-	37,410
Net fair value gain on investment properties	1,486	1,006	8,173	312	10,977
Finance costs	(8,173)	(190)	(1,724)	(6,714)	(16,801)
Depreciation and amortisation	(9,652)	(338)	(1,378)	(2,461)	(13,829)
Impairment of goodwill	(6,140)	-	-	-	(6,140)
Share of results from joint ventures	-	-	-	(339)	(339)
Share of results from associates	(17)	(480)	774	-	277
Reportable segment profit/(loss) before income tax	(9,361)	8,253	45,699	(16,535)	28,056
Net profit/(loss) for the financial year	(7,021)	5,227	59,395	(16,494)	41,107
Other information:					
Additions to property, plant and equipment	64,255	18	263	10	64,546
Additions to investment properties	-	2,467	7,805	-	10,272
Additions to intangible assets	80	-	-	82	162
Investment in joint ventures	-	-	-	14,046	14,046
Investment in associates	817	4,974	47,865	-	53,656
Segment assets	405,682	242,307	285,384	89,887	1,023,260
Segment liabilities	(220,981)	(5,894)	(59,743)	(193,750)	(480,368)

30. Report by segments (Continued)

	Education $'000	Education Facilities Rental Service $'000	Real Estate Investment & Development $'000	Corporate & Others $'000	Total $'000
As at 30 June 2018					
Revenue from external customers	79,006	13,159	4,649	18	96,832
Inter-segment revenue	510	726	1,841	11,950	15,027
Interest income	186	113	879	-	1,178
Net fair value gain on investment properties	1,655	34,474	28,131	684	64,944
Finance costs	(3,029)	(533)	(1,647)	(10,299)	(15,508)
Depreciation and amortisation	(8,024)	(341)	(1,408)	(2,621)	(12,394)
Impairment of goodwill	(2,360)	-	-	-	(2,360)
Share of results from joint ventures	-	-	-	(2,717)	(2,717)
Share of results from associates	(8)	1,697	-	-	1,689
Reportable segment profit/(loss) before income tax	5,317	42,633	24,055	(29,584)	42,421
Net profit/(loss) for the financial year	5,429	31,456	15,330	(29,573)	22,642
Other information:					
Additions to property, plant and equipment	12,452	389	23	-	12,864
Additions to investment properties	-	-	2,143	-	2,143
Additions to intangible assets	456	-	-	80	536
Investment in joint ventures	-	-	-	21,429	21,429
Investment in associates	834	5,870	-	-	6,704
Segment assets	361,958	244,597	360,788	93,149	1,060,492
Segment liabilities	(165,601)	(6,437)	(62,054)	(210,006)	(444,098)

30. 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.

	30 June 2019 $'000	30 June 2018 $'000
Assets		
Total assets for reportable segments	1,023,260	1,060,492
Investments in joint ventures	14,046	21,429
Investments in associates	53,656	6,704
Unallocated assets	150,876	171,468
Consolidated total assets	1,241,838	1,260,093
Liabilities		
Total liabilities for reportable segments	(480,368)	(444,098)
Unallocated liabilities	(65,412)	(88,265)
Consolidated total liabilities	(545,780)	(532,363)

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, investment properties, investment in joint ventures, investment in associates and intangible assets.

	Asean $'000	North Asia $'000	South Asia $'000	Australasia $'000	Europe $'000	Total $'000
30 June 2019						
Revenue from external customers	34,454	55,844	1,133	3,656	2,767	97,854
Non-current assets	346,071	652,028	9,924	72,004	72,485	1,152,512
30 June 2018						
Revenue from external customers	32,310	56,697	1,177	4,765	1,883	96,832
Non-current assets	353,499	609,147	10,663	63,069	72,632	1,109,010

Singapore and the People's Republic of China contributed revenue of $12,107,000 and $55,175,000 (2018: $14,252,000 and $55,998,000) respectively. Non-current assets in Singapore and the People's Republic of China amounted to $97,658,000 and $651,177,000 (30 June 2018: $108,019,000 and $608,275,000) respectively.

31. Financial instruments and financial risk management

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

	Group			Company		
	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000	30 June 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Financial assets						
Financial assets at amortised cost/Loans and receivables	130,301	127,671	169,096	255,769	246,076	245,170
Financial assets at FVOCI/ Available-for-sale financial assets	606	620	612	-	-	-
	130,907	128,291	169,708	255,769	246,076	245,170
Financial liabilities						
Financial liabilities at amortised cost	465,805	434,468	528,061	324,923	302,232	361,389

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 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.

31. Financial instruments and financial risk management (Continued)

(a) Credit risk (Continued)

Cash and bank balances are mainly deposits with banks and financial institutions which are regulated and with high credit-ratings assigned by international credit rating agencies. Management determined that cash and bank balances are subject to immaterial credit loss.

Further disclosure regarding trade and other receivables are disclosed in Note 11 to the financial statements.

(b) Interest rate risk

Interest rate risk is the risk that the fair value 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 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 (30 June 2018 and 1 July 2017: 100 basis point), with all other variables held constant.

	30 June 2019		**30 June 2018**		**1 July 2017**	
	Increase interest rate (basis point)	**Decrease in profit $'000**	**Increase interest rate (basis point)**	**Decrease in profit $'000**	**Increase interest rate (basis point)**	**Decrease in profit $'000**
Group						
Borrowings	100	(3,497)	100	(3,251)	100	(3,019)
Company						
Borrowings	100	(643)	100	(861)	100	(851)
Amount due to a subsidiary	100	(547)	100	(476)	100	(476)

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

31. Financial instruments and financial risk management (Continued)

(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.

The Group's exposures to foreign currencies such as Chinese Renminbi ("RMB"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD"), Swiss Franc ("CHF") and Euro ("EUR") at each reporting date were as follows:

	Note	SGD	RMB	MYR	AUD	CHF	EUR	Others	Total in SGD equivalents
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
30 June 2019									
Financial assets at FVOCI	9	-	606	-	-	-	-	-	606
Trade and other receivables		1,310	79,539	1,091	114	781	71	9,057	91,963
Intra-group balances, net		(3,885)	41,251	(44)	(4,038)	3,696	(7,947)	(29,033)	-
Cash and bank balances	12	992	31,699	333	7	18	(7)	1,766	34,808
Restricted bank balances	12	-	-	-	-	3,530	-	-	3,530
Trade and other payables		(18,508)	(46,868)	(11,468)	(540)	(312)	(1,248)	(6,790)	(85,734)
Borrowings	14	(169,787)	(11,816)	(132,702)	(28,423)	(17,283)	(8,471)	(11,589)	(380,071)
		(189,878)	94,411	(142,790)	(32,880)	(9,570)	(17,602)	(36,589)	(334,898)
Less: net (assets)/ liabilities denominated in respective entities' functional currencies		155,143	(171,904)	135,353	25,732	10,663	24,989	7,355	187,331
Currency exposure		(34,735)	(77,493)	(7,437)	(7,148)	1,093	7,387	(29,234)	(147,567)

31. Financial instruments and financial risk management (Continued)

(c) Foreign currency risk (Continued)

	Note	SGD $'000	RMB $'000	MYR $'000	AUD $'000	CHF $'000	EUR $'000	Others $'000	Total in SGD equivalents $'000
Group									
30 June 2018									
Available-for-sale financial assets	9	-	620	-	-	-	-	-	620
Trade and other receivables		1,326	64,287	1,125	1,701	719	92	8,798	78,048
Intra-group balances, net		(300)	39,278	(186)	(1,820)	3,658	(192)	(40,438)	-
Cash and bank balances	12	5,726	36,366	1,057	335	24	1,075	1,544	46,127
Restricted bank balances	12	-	-	-	-	3,496	-	-	3,496
Trade and other payables		(25,778)	(8,952)	(25,195)	(627)	(258)	(812)	(3,121)	(64,743)
Borrowings (Restated)	14	(184,612)	-	(114,430)	(30,146)	(17,713)	(9,804)	(13,020)	(369,725)
		(203,638)	131,599	(137,629)	(30,557)	(10,074)	(9,641)	(46,237)	(306,177)
Less: net (assets)/ liabilities denominated in respective entities' functional currencies		171,203	(97,649)	133,727	23,623	10,995	18,865	16,930	277,694
Currency exposure		(32,435)	33,950	(3,902)	(6,934)	921	9,224	(29,307)	(28,483)
1 July 2017									
Available-for-sale financial assets	9	-	612	-	-	-	-	-	612
Trade and other receivables		2,182	78,343	1,800	247	656	1,280	6,898	91,406
Intra-group balances, net		(14,338)	21,674	(35,717)	(1,661)	7,437	(5,172)	27,777	-
Cash and bank balances	12	1,574	68,707	841	230	25	194	2,442	74,013
Restricted bank balances	12	-	-	-	-	3,677	-	-	3,677
Trade and other payables		(8,502)	(23,055)	(34,521)	(800)	(5,814)	(4,129)	(8,534)	(85,355)
Borrowings	14	(263,226)	(10,732)	(98,401)	(31,598)	(19,259)	(6,621)	(12,869)	(442,706)
		(282,310)	135,549	(165,998)	(33,582)	(13,278)	(14,448)	15,714	(358,353)
Less: net (assets)/ liabilities denominated in respective entities' functional currencies		235,004	(201,990)	124,537	25,326	15,658	15,127	18,943	232,605
Currency exposure		(47,306)	(66,441)	(41,461)	(8,256)	2,380	679	34,657	(125,748)

31. Financial instruments and financial risk management (Continued)

(c) Foreign currency risk (Continued)

It is estimated that a five percentage point strengthening in foreign currencies against the respective functional currencies would decrease the Group's profit before income tax by approximately $7,378,000 (30 June 2018: $1,424,000, 1 July 2017: $6,287,000). 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.

The Company's exposures to foreign currencies such as Chinese Renminbi ("RMB"), United States Dollar ("USD") and Australian Dollar ("AUD") at each reporting date were as follows:

	Note	SGD $'000	RMB $'000	USD $'000	AUD $'000	Others $'000	Total in SGD equivalents $'000
Company							
30 June 2019							
Trade and other receivables		209,510	25,000	-	-	21,096	255,606
Cash and bank balances	12	157	-	6	-	-	163
Trade and other payables		(102,947)	(102,286)	(39,832)	(9,721)	(5,838)	(260,624)
Borrowings	14	(64,299)	-	-	-	-	(64,299)
		42,421	(77,286)	(39,826)	(9,721)	15,258	(69,154)
Less: net liabilities denominated in functional currency		(42,421)	-	-	-	-	(42,421)
Currency exposure		-	(77,286)	(39,826)	(9,721)	15,258	(111,575)
30 June 2018							
Trade and other receivables		197,586	24,660	-	3,329	20,078	245,653
Cash and bank balances	12	416	-	7	-	-	423
Trade and other payables		(86,936)	(73,642)	(39,990)	(9,812)	(5,801)	(216,181)
Borrowings	14	(86,051)	-	-	-	-	(86,051)
		25,015	(48,982)	(39,983)	(6,483)	14,277	(56,156)
Less: net liabilities denominated in functional currency		(25,015)	-	-	-	-	(25,015)
Currency exposure		-	(48,982)	(39,983)	(6,483)	14,277	(81,171)

31. Financial instruments and financial risk management (Continued)

(c) Foreign currency risk (Continued)

	Note	SGD $'000	RMB $'000	USD $'000	AUD $'000	Others $'000	Total in SGD equivalents $'000
Company							
1 July 2017							
Trade and other receivables		175,170	23,114	7,046	1,027	38,152	244,509
Cash and bank balances	12	652	-	9	-	-	661
Trade and other payables		(95,553)	(90,921)	-	(8,644)	(1,508)	(196,626)
Borrowings	14	(164,763)	-	-	-	-	(164,763)
		(84,494)	(67,807)	7,055	(7,617)	36,644	(116,219)
Less: net liabilities denominated in functional currency		84,494	-	-	-	-	84,494
Currency exposure		-	(67,807)	7,055	(7,617)	36,644	(31,725)

It is estimated that a five percentage point strengthening in foreign currencies against the Singapore dollar would increase the Company's loss before income tax by approximately $5,579,000 (30 June 2018: $4,059,000, 1 July 2017: $1,586,000). A five percentage point weakening in the foreign currencies against the Singapore dollar would have an equal but opposite effect. The analysis assumes that all other variables, in particular interest rates, remain constant.

(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.

Short-term funding is obtained from borrowing facilities from banks and financial institutions.

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
Group				
30 June 2019				
Trade and other payables	54,635	34,673	89,308	85,734
Borrowings	127,143	329,047	456,190	380,071
	181,778	363,720	545,498	465,805

31. Financial instruments and financial risk management (Continued)

(d) Liquidity risk (Continued)

	Contractual undiscounted cash flows (including interest payments)			
	Within one financial year $'000	More than one financial year $'000	Total $'000	Carrying amount $'000
Group				
30 June 2018				
Trade and other payables	45,028	19,775	64,803	64,743
Borrowings	204,358	219,358	423,716	369,725
	249,386	239,133	488,519	434,468
1 July 2017				
Trade and other payables	61,564	24,595	86,159	85,355
Borrowings	177,022	327,613	504,635	442,706
	238,586	352,208	590,794	528,061
Company				
30 June 2019				
Trade and other payables	260,646	-	260,646	260,624
Borrowings	64,468	-	64,468	64,299
	325,114	-	325,114	324,923
30 June 2018				
Trade and other payables	217,543	-	217,543	216,181
Borrowings	86,666	-	86,666	86,051
	304,209	-	304,209	302,232
1 July 2017				
Trade and other payables	150,368	48,728	199,096	196,626
Borrowings	168,805	5,951	174,756	164,763
	319,173	54,679	373,852	361,389

(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.

32. 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 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, as it deems beneficial to the interests of its shareholders.

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.

		Group	
	30 June 2019 $'000	**30 June 2018 $'000**	**1 July 2017 $'000**
Net debt	341,733	320,102	365,016
Total capital	634,805	621,592	527,150
Net gearing ratio	54%	51%	69%

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 2019 and 30 June 2018.

Apart from the above, the Group's current overall strategy remains unchanged for financial years ended 30 June 2019 and 30 June 2018.

33. Properties of the Group

Location	Description	Existing use	Tenure	Unexpired lease term (years)	Site area ('000 sqm)	Gross floor area ('000 sqm)
(a) No. 1 Chuangye Road, Hefei City, Anhui Province, the PRC	Education college	Education facilities and hostels	Leasehold	24 - 26	111	94
(b) Northeastern side along the crossing of Yangguang Road and Gongyuan Road, Xinqiao Industrial Park, Anhui Province, the PRC	Education college development	Vacant	Leasehold	47	283	-
(c) No. 28, Jinjing Road, Xiqing District, Tianjin City, the PRC	Education college	Education facilities and hostels	Leasehold	33 - 36	141	119
(d) 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	47	1	2
(e) Oriental University City, Langfang Economic and Development Zone, Hebei Province, the PRC#	Education campus city	Facilities for educational, recreational, hostels, commercial, retail and utility activities	Leasehold	30 - 35	555	381

33. Properties of the Group (Continued)

	Location	Description	Existing use	Tenure	Unexpired lease term (years)	Site area ('000 sqm)	Gross floor area ('000 sqm)
(f)	Raffles Education Square 51 Merchant Road Singapore	Commercial development of multi storey office block and conservation shophouses	Education facilities	Leasehold	73	3	7
(g)	Mukim of Pulai, District of Johor Bahru, State of Johor, Malaysia# 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#	Education college	American K12 school facilities	Freehold	-	186	72
(i)	Lot 102-104, 106 Section 88A Kuala Lumpur, Malaysia	Education college	Education facilities	Leasehold	49 - 50	5	4
(j)	Soi Bangna – Trat 37 Bangkaew Sub-district Bang Phli District Samut Prakarn Province, Thailand#	Education college	Education facilities	Freehold	-	45	33

33. Properties of the Group (Continued)

Location	Description	Existing use	Tenure	Unexpired lease term (years)	Site area ('000 sqm)	Gross floor area ('000 sqm)
(k) Kadirana North Village Dunagaha Pattu of Aluthkorale @ Katana in Gampaha District Western Province of Sri Lanka#	University campus/ commercial development	Vacant	Freehold	-	101	-
(l) 94 Mandurah Terrace, Mandurah, Western Australia#	Commercial/ residential/ education development	Vacant	Freehold	-	2	-
(m) 1 - 3 Fitzwilliam Street, Parramatta, New South Wales, Australia#	Commercial building	Education facilities and office use	Freehold	-	2	10
(n) Chemin des Cibles 17 1997 Haute-Nendaz Switzerland#	Hotel and commercial units	Hotel and commercial units	Freehold	-	6	7
(o) Route de Siviez 37, 1995 Siviez Switzerland#	Commercial building	Commercial use	Freehold	-	2	2
(p) Via Felice Casati, 16, Milan, Italy	Commercial building	Education facilities and office use	Freehold	-	1	3

Valuation performed in financial years 2019 and 2018 by independent professional valuers, as referred to in Note 5 of the financial statements.

34. Reclassification

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements.

The Group has reclassified:

1) Bank overdrafts as borrowings as the bank overdrafts do not form part of the cash management and were also secured together with corresponding subsidiaries' bank loan; and

2) Education facilities rental services received in advance from trade and other payables and presented on the statements of financial position.

	Group	
	Previously reported $'000	**After reclassification $'000**
As at 1 July 2017		
Consolidated statement of financial position		
Liabilities		
Current liabilities		
Trade and other payables	76,980	75,932
Education facilities rental service received in advance	-	1,048
As at 30 June 2018		
Consolidated statement of financial position		
Liabilities		
Current liabilities		
Trade and other payables	57,916	56,711
Education facilities rental service received in advance	-	1,205
Bank overdrafts	3,269	-
Borrowings	195,334	198,603
Financial year ended 30 June 2018		
Consolidated statement of cash flows		
Drawdown of bank borrowings	93,201	96,470
Cash and cash equivalents at end of financial year	15,436	18,705

35. 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 2019 were authorised for issue by the Board of Directors of the Company on 20 September 2019.

STATISTICS OF SHAREHOLDINGS

AS AT 24 SEPTEMBER 2019

Issued and fully paid-up capital	1,458,446,772
Number of shares issued and paid-up shares (excluding treasury shares)	1,378,656,672
Number/percentage of treasury shares held	79,790,100 / 5.79%
Class of shares	Ordinary
Voting rights	One vote per share

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of Shares Held (excluding treasury shares)	Percentage of Shares
1 - 99	596	6.59	21,582	0.00
100 - 1,000	1,005	11.12	595,411	0.04
1,001 - 10,000	4,093	45.29	20,108,880	1.46
10,001 - 1,000,000	3,288	36.38	173,220,102	12.57
1,000,001 & ABOVE	56	0.62	1,184,710,697	85.93
	9,038	100.00	1,378,656,672	100.00

Top Twenty Shareholders as at 24 September 2019

S/No.	Name	No. of Shares	% of Shares
1	OEI HONG LEONG	134,565,569	9.76
2	RAFFLES NOMINEES (PTE) LIMITED	121,931,603	8.84
3	DB NOMINEES (SINGAPORE) PTE LTD	110,253,757	8.00
4	CITIBANK NOMINEES SINGAPORE PTE LTD	105,695,162	7.67
5	SING INVESTMENTS & FINANCE NOMINEES (PTE) LTD	91,650,000	6.65
6	SBS NOMINEES PTE LTD	73,427,998	5.33
7	RHB SECURITIES SINGAPORE PTE LTD	69,105,689	5.01
8	GUTHRIE VENTURE PTE LTD	61,750,000	4.48
9	OEI HONG LEONG ART MUSEUM LIMITED	43,353,440	3.14
10	LIU YINGCHUN	39,371,700	2.86
11	DBS NOMINEES PTE LTD	37,758,187	2.74
12	DORIS CHUNG GIM LIAN	24,943,159	1.81
13	WATERWORTH PTE LTD	23,400,000	1.70
14	CHEW CHIEW SIANG STEVEN	22,075,730	1.60
15	CHEW HUA SENG OR DORIS CHUNG GIM LIAN	21,019,763	1.52
16	OCBC SECURITIES PRIVATE LTD	18,107,389	1.31
17	GOI SENG HUI	18,042,400	1.31
18	LIM AND TAN SECURITIES PTE LTD	17,906,619	1.30
19	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	15,770,892	1.14
20	TEO CHIANG SONG	13,000,000	0.94
		1,063,129,057	77.11

STATISTICS OF SHAREHOLDINGS

AS AT 24 SEPTEMBER 2019

Substantial Shareholders

As shown in the Register of Substantial Shareholders

	No of Shares	
Name of Shareholders	**Direct Interest**	**Deemed Interest**
Chew Hua Seng[(1)(2)]	428,864,605	34,043,159
Doris Chung Gim Lian[(1)(2)]	170,992,922	291,914,842
Oei Hong Leong[(3)]	134,565,569	43,353,440

Notes: -

(1) Ms Chung Gim Lian, Doris is the spouse of Mr Chew Hua Seng. In this regards, Ms Chung Gim Lian is deemed to have an interest in the shareholdings of Mr Chew Hua Seng and vice versa.

(2) Includes 136,949,763 shares which are held jointly by Mr Chew Hua Seng and Ms Chung Gim Lian, Doris.

(3) Mr Oei Hong Leong is deemed to have an interest in the shares held by Oei Hong Leong Art Museum Limited ("OHLAM") due to his direct interests of 90% in the ultimate holding company of OHLAM.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Chew Hua Seng
(Chairman and CEO)

Lim How Teck
(Lead Independent Non-Executive Director)

Teo Cheng Lok John
(Independent Non-Executive Director)

Gan Hui Tin
(Independent Non-Executive Director)

Joseph He Jun
(Non-Independent Non-Executive Director)

COMPANY SECRETARY
Keloth Raj Kumar

REGISTERED OFFICE
51 Merchant Road, Raffles Education Square
Singapore 058283
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Facsimile: (65) 6338 5167
Website: www.raffles-education-corporation.com

SHARE REGISTRAR
B.A.C.S Pte. Ltd.
8 Robinson Road
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Singapore 048544

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

Audit Partner-in-charge: Ng Kian Hui
(Appointed with effect from financial year 2019)

PRINCIPAL BANKERS
United Overseas Bank Limited
80 Raffles Place
UOB Plaza
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Citibank NA, Singapore Branch
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RafflesEducation

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Company Reg. No.199400712N