

# RAFFLES EDUCATION CORPORATION LIMITED

Company registration Number: 199400712N

## FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) **An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

UNAUDITED FULL YEAR CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE	Item No.	Group		
		2015 \$'000	Restated* 2014 \$'000	Increase/ (Decrease) %
<b>Revenue</b>	8.1	119,895	124,839	(4)
Other operating income	8.2	7,914	60,145	(87)
Personnel expenses	8.3	(45,605)	(55,908)	(18)
Depreciation and amortisation expenses^	8.4	(11,040)	(14,307)	(23)
Other operating expenses		(59,353)	(60,402)	(2)
Net fair value gain on investment properties	8.5	23,031	7,331	214
Finance costs	8.6	(13,456)	(11,833)	14
Share of results of joint ventures	8.7	901	30,116	(97)
Share of results of associates		52	128	(59)
<b>Profit before income tax</b>		22,339	80,109	(72)
Income tax expense	8.8	(2,968)	(21,608)	(86)
Profit after tax from continuing operations		19,371	58,501	(67)
<b>Discontinued operations – Note A</b>				
Loss after tax from discontinued operations		-	(237)	NM
		19,371	58,264	(67)
<b>Other comprehensive income, net of tax</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Revaluation gain on transferring owner occupied property to investment property		-	5,631	NM
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Currency translation differences arising from consolidation of foreign operations	8.9	38,423	(6,134)	NM
<b>Total comprehensive income</b>		57,794	57,761	-
Attributable to:				
<b>Equity holders of the Company</b>		16,983	55,374	(69)
Non-controlling interests		2,388	2,890	(17)
<b>Net profit</b>		19,371	58,264	(67)
Attributable to:				
<b>Equity holders of the Company</b>		51,411	54,541	(6)
Non-controlling interests		6,383	3,220	98
<b>Total comprehensive income</b>		57,794	57,761	-

NM – Not meaningful

\* Refer to item 5.1

^ Refer to item 5.2

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)**

NOTES TO THE UNAUDITED FULL YEAR CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE	Group		
	2015 \$'000	Restated* 2014 \$'000	Increase/ (Decrease) %
<b>Continuing operations</b>			
Interest income <sup>1</sup>	1,241	1,554	(20)
Government grant <sup>1</sup>	-	5,954	NM
Compensation income <sup>1</sup>	-	4,065	NM
Net reversal on provision for land restructuring costs in OUC <sup>1</sup>	403	-	NM
Gain on divestment of investment properties <sup>1</sup>	-	45,460	NM
Foreign exchange gain <sup>1</sup>	5,541	2,109	163
Foreign exchange loss <sup>2</sup>	(5,754)	(3,649)	58
(Allowance)/write back for doubtful trade receivables <sup>2</sup>	(180)	36	NM
Bad trade receivables written off <sup>2</sup>	(203)	(263)	(23)
Net reversal of government grant receivable for OUC land restructuring <sup>2</sup>	(403)	-	NM
Compensation for early termination of tenancy agreement and demolition of car park <sup>2</sup>	(1,003)	(3,916)	(74)
Rental expenses <sup>2</sup>	(8,221)	(9,133)	(10)
Amortisation of finance charge on non-current payables <sup>3</sup>	-	(572)	NM
Over provision of income tax expense in prior periods	6,276	10	62,660

NM – Not meaningful

<sup>1</sup> included in other operating income

<sup>2</sup> included in other operating expenses

<sup>3</sup> included in finance cost

Note A :

	Group	
	2015 \$'000	2014 \$'000
<b>Discontinued operations</b>		
Revenue	-	-
Other operating income	-	327
Expenses	-	(564)
Loss before tax from discontinued operations	-	(237)
Income tax expense	-	-
Net loss from discontinued operations	-	(237)

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE	Item No.	Group		Company	
		2015 \$'000	Restated* 2014 \$'000	2015 \$'000	2014 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	8.10	324,884	290,157	-	-
Investment properties	8.11	416,387	301,943	-	-
Investment in subsidiaries		-	-	426,581	426,549
Investment in joint ventures		67,863	66,828	-	-
Investment in associates		1,396	1,432	-	-
Available-for-sale financial assets	8.12	4,523	610	-	-
Intangible assets		114,450	115,755	112	128
Deferred tax assets		1,099	755	-	-
Other receivable	8.13	10,970	10,160	22,974	4,854
Restricted bank balances		2,890	-	-	-
		944,462	787,640	449,667	431,531
<b>Current assets</b>					
Inventories		118	119	-	-
Trade and other receivables	8.14	241,598	247,752	308,531	272,756
Cash and cash equivalents		80,904	58,061	14,121	1,099
		322,620	305,932	322,652	273,855
Less:					
<b>Current liabilities</b>					
Trade and other payables	8.15	69,295	75,315	105,457	102,361
Course and education service deferred income		15,065	16,569	-	-
Income tax payable	8.16	72,501	76,966	265	265
Borrowings	8.18	266,095	81,280	190,632	74,800
		422,956	250,130	296,354	177,426
<b>Net current (liabilities)/assets</b>	8.20	(100,336)	55,802	26,298	96,429
Less:					
<b>Non-current liabilities</b>					
Trade and other payables	8.17	42,105	46,003	-	-
Borrowings	8.18	124,472	184,411	78,960	128,508
Deferred tax liabilities	8.19	18,174	9,743	-	-
		184,751	240,157	78,960	128,508
<b>Net assets</b>		659,375	603,285	397,005	399,452
<b>Capital and reserves</b>					
Share capital		481,785	481,785	481,785	481,785
Treasury shares		(32,730)	(24,065)	(32,730)	(24,065)
Accumulated profits/(losses) and other reserves		116,941	105,975	(52,050)	(58,268)
Equity attributable to equity holders of the Company		565,996	563,695	397,005	399,452
Non-controlling interests	8.21	93,379	39,590	-	-
<b>Total equity</b>		659,375	603,285	397,005	399,452

\* Refer to item 5.1

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

<b>GROUP BORROWINGS AND DEBTS SECURITIES</b>	<b>Group</b>	
	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b><u>Amount repayable in one year or less, or on demand:</u></b>		
Secured <sup>4,5,7</sup>	88,963	6,480
Unsecured	177,132	74,800
	266,095	81,280
<b><u>Amount repayable after one year:</u></b>		
Secured <sup>4,6,7</sup>	45,512	55,903
Unsecured	78,960	128,508
	124,472	184,411
<b>Total borrowings</b>	<b>390,567</b>	<b>265,691</b>

**Details of collateral**

<sup>4</sup> Bank borrowings of \$81,328,000 were secured by letter of guarantee by the Company and certain properties of the Group.

<sup>5</sup> Bank borrowings of \$13,500,000 were secured by a standby letter of credit issued by a bank, which is secured by a letter of guarantee from the Company.

<sup>6</sup> Bank borrowings of \$22,740,000 were secured by letter of guarantee by the Company, trade and other receivables and property of two subsidiaries in Australia.

<sup>7</sup> Bank borrowings of \$16,907,000 were secured by rental income from the properties, restricted bank balances and certain assets of a third party.

For more details, refer to items 8.18.d.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b>UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE</b>	<b>Item No.</b>	<b>2015 \$'000</b>	<b>Restated* 2014 \$'000</b>
<b>Cash flows from operating activities</b>			
Profit before income tax from continuing operations		22,339	80,109
Loss before income tax from discontinued operations		-	(237)
		22,339	79,872
Adjustments for:			
Allowance/(write back) for doubtful trade receivables		180	(36)
Amortisation of intangible assets		1,274	1,735
Bad trade receivables written off		203	263
Depreciation for property, plant and equipment		9,766	12,572
Net fair value gain on investment properties		(23,031)	(7,331)
Gain on divestment of investment properties		-	(45,460)
Compensation income		-	(4,065)
Interest expense		13,456	11,833
Interest income		(1,241)	(1,554)
Net (gain)/loss on disposal of property, plant and equipment		(19)	231
Property, plant and equipment written off		4	2
Share of results of joint ventures		(901)	(30,116)
Share of results of associates		(52)	(128)
Operating profit before working capital changes		21,978	17,818
Working capital changes:			
Trade and other receivables		(2,802)	11,084
Inventories		1	(10)
Course and education service deferred income		(1,505)	451
Trade and other payables		3,639	(4,093)
Cash generated from operations		21,311	25,250
Interest paid		(12,572)	(10,715)
Interest received		1,241	1,554
Income and withholding tax paid, net		(5,813)	(3,213)
Net cash generated from operating activities	8.22	4,167	12,876
<b>Cash flows from investing activities</b>			
Additions to computer software		(1)	(52)
Additions to trademarks		(1)	(366)
Acquisition of subsidiaries, net of cash acquired <sup>#</sup>		-	(4,774)
Advance payment for development cost of new projects		-	(16,136)
Capital contributions to joint ventures		-	(2,011)
Cash proceeds from disposal of interest in former subsidiary	8.23	16,616	-
Proceeds from divestment of investment properties	8.23	22,418	77,382
Additions to property, plant and equipment	8.24	(55,738)	(19,848)
Acquisitions of investment properties	8.24	(71,269)	(1,960)
Deposit for acquisition of additional shares in joint venture	8.24	(2,401)	-
Proceeds from sale of property, plant and equipment		118	92
Purchases of available-for-sale financial assets	8.24	(3,761)	-
Payment of remaining purchase consideration for acquisition of subsidiary		(203)	-
Dividends received from associate		88	-
Net cash (used in)/from investing activities		(94,134)	32,327

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)**

<b>UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE</b>	<b>Item No.</b>	<b>2015 \$'000</b>	<b>Restated* 2014 \$'000</b>
<b>Cash flows from financing activities</b>			
Increase in restricted bank balances		(2,890)	-
Investment in subsidiary by non-controlling interest	8.23	17,160	-
Net proceeds from issue of bonds	8.23	29,595	-
Draw down of borrowings	8.23	99,752	131,928
Repayment of borrowings	8.24	(15,837)	(104,465)
Net payment for repurchase of shares	8.24	(8,665)	(2,682)
Acquisition of equity interest from non-controlling interest		-	(81,273)
Acquired by non-controlling interests		-	(1,338)
Dividends payments to non-controlling interests		(37)	-
Dividends payments to equity holders of the Company	8.24	(10,162)	-
Net cash from/(used in) financing activities		108,916	(57,830)
Net change in cash and cash equivalents		18,949	(12,627)
Cash and cash equivalents at beginning of financial year		58,061	69,802
Effect of exchange rate changes on cash and cash equivalents		3,894	886
<b>Cash and cash equivalents at end of financial year</b>	8.25	<b>80,904</b>	<b>58,061</b>

\* Refer to item 5.1

# The fair value of the identifiable assets and liabilities of the business acquired as at the date of acquisition were as follows:

<b>Acquisition of subsidiary</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Non-current assets	-	4,954
Net assets acquired	-	4,954
Goodwill arising on consolidation	-	16
Consideration payable	-	4,970
Amount outstanding to vendor	-	(196)
<b>Net cash outflow on acquisition of subsidiary</b>	-	<b>4,774</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**

GROUP	Attributable to equity holders of the Company							Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Revaluation reserve	Foreign currency translation reserve	Share-based payment reserve	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>FY2015</b>									
Balance at 1 July 2014	481,785	(24,065)	7,181	(14,791)	2,453	111,132	563,695	39,590	603,285
Total comprehensive income	-	-	-	34,428	-	16,983	51,411	6,383	57,794
Repurchase of shares	-	(8,665)	-	-	-	-	(8,665)	-	(8,665)
Dividends	-	-	-	-	-	(10,162)	(10,162)	(37)	(10,199)
Investment in subsidiary by non-controlling interest	-	-	(195)	(1,778)	-	(28,310)	(30,283)	47,443	17,160
<b>Balance at 30 June 2015</b>	<b>481,785</b>	<b>(32,730)</b>	<b>6,986</b>	<b>17,859</b>	<b>2,453</b>	<b>89,643</b>	<b>565,996</b>	<b>93,379</b>	<b>659,375</b>
<b>FY2014</b>									
Balance at 1 July 2013	481,785	(21,383)	1,255	(9,135)	2,453	99,443	554,418	48,879	603,297
Total comprehensive income	-	-	4,710	(5,543)	-	55,374	54,541	3,220	57,761
Repurchase of shares	-	(2,682)	-	-	-	-	(2,682)	-	(2,682)
Acquisition of additional interest in joint ventures	-	-	-	-	-	(2,813)	(2,813)	-	(2,813)
Acquisition of equity interest from non-controlling interests	-	-	576	(156)	-	(25,641)	(25,221)	(29,855)	(55,076)
Equity swap of interest in subsidiary with non-controlling interest	-	-	640	(126)	-	(15,231)	(14,717)	17,346	2,629
Disposal of interest in joint venture	-	-	-	169	-	-	169	-	169
<b>Balance at 30 June 2014</b>	<b>481,785</b>	<b>(24,065)</b>	<b>7,181</b>	<b>(14,791)</b>	<b>2,453</b>	<b>111,132</b>	<b>563,695</b>	<b>39,590</b>	<b>603,285</b>

COMPANY	Share capital	Treasury shares	Share-based payment reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
	<b>FY2015</b>				
Balance at 1 July 2014	481,785	(24,065)	2,453	(60,721)	399,452
Total comprehensive income	-	-	-	16,380	16,380
Dividends	-	-	-	(10,162)	(10,162)
Repurchase of shares	-	(8,665)	-	-	(8,665)
<b>Balance at 30 June 2015</b>	<b>481,785</b>	<b>(32,730)</b>	<b>2,453</b>	<b>(54,503)</b>	<b>397,005</b>
<b>FY2014</b>					
Balance at 1 July 2013	481,785	(21,383)	2,453	(77,340)	385,515
Total comprehensive income	-	-	-	16,619	16,619
Repurchase of shares	-	(2,682)	-	-	(2,682)
<b>Balance at 30 June 2014</b>	<b>481,785</b>	<b>(24,065)</b>	<b>2,453</b>	<b>(60,721)</b>	<b>399,452</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

#### **SHARE CAPITAL**

During the financial year ended 30 June 2015, 26,237,800 ordinary shares were repurchased.

Subsequent to the financial year ended 30 June 2015, 1,774,100 ordinary shares were repurchased.

During the financial year ended 30 June 2015, no ordinary shares were issued in respect of the conversion of share options.

As at 30 June 2015, the company has 1,045,295,233 issued and fully paid ordinary shares (including 54,133,800 treasury shares).

#### **SHARE OPTIONS**

As at 30 June 2015, there was unexercised share option for 2,860,265 unissued ordinary shares (30 June 2014: 3,146,928) under the Raffles Education Corporation Employees' Share Option Schemes.

#### **TREASURY SHARES**

As at 30 June 2015, there were 54,133,800 treasury shares (30 June 2014: 27,896,000).

- 1(d)(iii) To show total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.**

The total number of issued shares was 991,161,433 (excluding treasury shares) as at 30 June 2015 (30 June 2014: 1,017,399,233).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial period ended 30 June 2015.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements (SSRE) 2400, or an equivalent standard)**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.



**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited annual financial statements as at 30 June 2014, except as stated in Note 5 below.

In the current financial year, the Group has adopted all applicable new/amended/revised Singapore Financial Reporting Standards ("FRS") and Interpretation of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year beginning on 1 July 2014. Except as stated in Note 5 below, the adoption of these new/revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

- (1) On 1 July 2014, the Group adopted the FRS 111 – *Joint Arrangements* and FRS 28 (Revised) - *Investments in Associates and Joint Ventures* that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the FRS.

FRS 111 supersedes FRS 31, Interest in Joint Ventures, and INT FRS 13, Jointly Controlled Entities – Non-Monetary Contributions by Ventures. FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. Under FRS 111 all joint ventures must be accounted for under the equity method, as described in the revised FRS 28, with proportionate consolidation prohibited.

The Group previously proportionate consolidated the joint ventures. Upon adoption of FRS 111, the Group will now recognise its investment in joint ventures using the equity method, resulting in aggregation of the group's proportionate share of the joint ventures' net assets and items of profit and loss into a single line item which will be presented in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income as "investment in joint ventures" and "share of results of joint ventures" respectively. There is no material effect to the "Equity attributable to equity holders of the Company" and "Net profit/(loss) and Total comprehensive income/(loss) attributable to the equity holders of the Company".

The change in accounting policy has been applied retrospectively and comparatives have been restated accordingly.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change (Cont'd)

(Group)	2014 (as restated) \$'000	2014 (as previously reported) \$'000
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE</b>		
<b>Revenue</b>	124,839	127,390
Other operating income	60,145	102,494
Personnel expenses	(55,908)	(59,003)
Depreciation and amortisation expenses	(14,307)	(16,182)
Other operating expenses	(60,402)	(63,404)
Fair value gain on investment properties	7,331	7,331
Finance costs	(11,833)	(11,833)
Share of results of joint ventures	30,116	-
Share of results of associates	128	128
<b>Profit before income tax</b>	80,109	86,921
Income tax expense	(21,608)	(28,420)
Profit after tax from continuing operations	58,501	58,501

(Group)	2014 (as restated) \$'000	2014 (as previously reported) \$'000
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE</b>		
<b>Non-current assets</b>		
Property, plant and equipment	290,157	301,420
Investment in joint ventures	66,828	-
Intangible assets	115,755	127,829
Other non-currents assets	314,900	314,900
	787,640	744,149
<b>Current assets</b>		
Inventories	119	119
Trade and other receivables	247,752	320,070
Cash and cash equivalents	58,061	58,540
	305,932	378,729
Less:		
<b>Current liabilities</b>		
Trade and other payables	75,315	97,259
Course and education service deferred income	16,569	17,068
Income tax payable	76,966	83,820
Borrowings	81,280	81,280
	250,130	279,427
<b>Net current assets</b>	55,802	99,302
Less:		
<b>Non-current liabilities</b>		
Trade and other payables	46,003	46,012
Other non-current liabilities	194,154	194,154
	240,157	240,166
<b>Net assets</b>	<b>603,285</b>	<b>603,285</b>

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change (Cont'd)**

<b>CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE</b>	<b>2014 (as restated) \$'000</b>	<b>2014 (as previously reported) \$'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax from continuing operations	80,109	86,921
Loss before income tax from discontinued operations	(237)	(237)
	79,872	86,684
Adjustments for:		
(Write back)/allowance for trade receivables	(36)	18
Reversal of allowance for trade receivables	-	(54)
Amortisation of intangible assets	1,735	2,173
Bad trade receivables written off	263	287
Depreciation for property, plant and equipment	12,572	14,009
Fair value gain on investment properties	(7,331)	(7,331)
Gain on disposal of joint venture	-	(40,842)
Gain on divestment of investment properties	(45,460)	(45,460)
Compensation income	(4,065)	(4,065)
Interest expense	11,833	11,833
Interest income	(1,554)	(1,527)
Net loss on disposal of property, plant and equipment	231	284
Property, plant and equipment written off	2	2
Share of results of joint ventures	(30,116)	-
Share of results of associates	(128)	(128)
Operating profit before working capital changes	17,818	15,883
Working capital changes:		
Trade and other receivables	11,084	(8,852)
Inventories	(10)	(10)
Course and education service deferred income	451	378
Trade and other payables	(4,093)	17,371
Cash from operations	25,250	24,770
Interest paid	(10,715)	(10,715)
Interest received	1,554	1,527
Income and withholding tax paid	(3,213)	(3,228)
Net cash from operating activities	12,876	12,354
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	92	137
Proceeds from divestment of investment properties	77,382	77,382
Cash disposed from disposal of interest in joint ventures	-	(461)
Advance payment for development cost of new projects	(16,136)	(16,057)
Purchase of property, plant and equipment	(19,848)	(21,471)
Acquisition of subsidiaries, net of cash acquired	(4,774)	(4,774)
Acquisition of additional interest in joint ventures	-	29
Acquisition of investment properties	(1,960)	(1,960)
Acquisition of development costs	-	(83)
Additions of computer software	(52)	(52)
Additions of trademarks	(366)	(366)
Capital contributions to joint ventures	(2,011)	-
Net cash from investing activities	32,327	32,324

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change (Cont'd)**

<b>CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE</b>	<b>2014 (as restated) \$'000</b>	<b>2014 (as previously reported) \$'000</b>
<b>Cash flows from financing activities</b>		
Net cash used in financing activities	(57,830)	(57,830)
Net change in cash and cash equivalents	(12,627)	(13,152)
Cash and cash equivalents at beginning of financial year	69,802	70,895
Net effect of exchange rate changes	886	797
<b>Cash and cash equivalents at end of financial year</b>	<b>58,061</b>	<b>58,540</b>

- (2) The Group has revised the estimated useful lives of certain categories of property, plant and equipment ("PPE"). Previously under the Group's asset-light strategy, the Group expects the useful lives of the PPE to be constraint by the lease period of the various colleges and estimated a shorter time period in which the future economic benefits of the assets were expected to be consumed. Over the years, the Group has transformed from an asset-light education model to an asset-backed education, education management and education-linked investment and development model which includes investing properties for its colleges. Thus, the management expects use of its assets over longer period.

Following the review, the estimated useful lives of these categories of assets have been revised and are shown in the table below.

	<u>As at 30 June 2014</u>	<u>With effect from 1 July 2014</u>
Leasehold land, buildings and improvements <sup>#</sup>	3 - 50 years	3 - 50 years
Plant and equipment	10 years	10 years
Furniture, fittings and equipment	3 – 5 years	7 - 10 years
Computer equipment	3 – 5 years	4 – 5 years
Motor vehicle	1 – 7 years	10 years

<sup>#</sup> The estimated useful lives of certain properties have been revised from 20 years to 50 years

The change in estimate has been applied prospectively from 1 July 2014.

Accordingly, the revision of the estimated useful lives of these assets has resulted in \$2.6 million decrease in depreciation expense charged to the Group's income statement for the financial year ended 30 June 2015. Without the revision of the estimated useful lives of these assets, the depreciation expense for the financial year ended 30 June 2015 would have been \$12.4 million.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings Per Share (EPS) based on net profit attributable to shareholders of the Group for financial year ended 30 June	Group		Change +/- %
	2015	2014	
i) Based on the weighted average number of shares (in cents)	1.68	5.40	(69)
- Weighted average number of shares	1,009,531,835	1,024,974,236	
ii) On a fully diluted basis (in cents)	1.68	5.40	(69)
- Adjusted weighted average number of shares	1,009,531,835	1,024,974,236	

EPS based on net profit from continuing operations attributable to shareholders of the Group for the financial year ended 30 June	Group		Change +/- %
	2015	2014	
i) Based on the weighted average number of shares (in cents)	1.68	5.43	(69)
- Weighted average number of shares	1,009,531,835	1,024,974,236	
ii) On a fully diluted basis (in cents)	1.68	5.43	(69)
- Adjusted weighted average number of shares	1,009,531,835	1,024,974,236	

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

**NET ASSET VALUE (NAV)**

NET ASSET VALUE (NAV)	Group		Change +/- %	Company		Change +/- %
	2015	2014		2015	2014	
NAV per ordinary share (in cents)	57.10	55.41	3	40.05	39.26	2

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**COMMENTARY ON THE GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

- (1) Group revenue for FY2014 was \$124.8 million which included \$7.3 million from Langfang Oriental Institute of Technology ("LOIT"). Due to equity interests swap arrangement in June 2014, the Group has ceased consolidating the operational results of LOIT since beginning of FY2015 Q1. Excluding the above \$7.3 million revenue for FY2014, the revenue for FY2015 increased by \$2.4 million.
- (2) Decrease in other operating income from \$60.1 million for FY2014 to \$7.9 million for FY2015 was mainly due to the absence of the following incomes in FY2015:
- a) gain of \$45.5 million (before taxes) on divestment of investment properties of 490 mu land and properties in Oriental University City Limited ("OUCL").
  - b) government grant of \$5.9 million received by OUCL and Oriental University City Holdings (H.K.) Limited ("OUCHK") (collectively "OUC") from Langfang Development Zone Treasury Authority as fund for education development during FY2014.
  - c) compensation income of \$4.1 million receivable from Langfang City Government as OUC had assumed certain liabilities on their behalf in prior years.
- (3) Decrease in personnel expense from \$55.9 million for FY2014 to \$45.6 million for FY2015 was mainly due to decrease in headcount and profit sharing component.
- (4) Decrease in depreciation and amortisation expenses from \$14.3 million for FY2014 to \$11.0 million for FY2015 was mainly due to the change in the estimated useful lives of certain categories of property, plant and equipment (refer to item 5.2).
- (5) Net fair value gain of \$23.0 million arising from revaluation was recognized in FY2015 and mainly includes:
- a) \$17.9 million gain from the investment properties in OUC; and
  - b) \$5.4 million gain from the investment properties in Parramatta, Australia.
- (6) Increase in finance costs from \$11.8 million for FY2014 to \$13.5 million for FY2015 was mainly due to the increase in borrowings.
- (7) Share of profit from joint ventures decrease from \$30.1 million for FY2014 to \$0.9 million for FY2015 was mainly due to the one-off gain (net of tax) of \$34.0 million on disposal of 50% equity interest in Value Vantage Investment and Management (Hangzhou) Co., Ltd ("VVHZ") in FY2014.

This decrease was partially offset by the share of unrealised exchange gain of \$5.9 million recorded by Value Vantage Pte. Ltd. ("VVPL") mainly arising from the translation gain of the foreign currency receivable of RMB 682 million outstanding from the disposal of VVHZ.

- (8) Decrease in income tax expense from \$21.6 million in FY2014 to \$3.0 million in FY2015 was mainly due to the one-off provision of \$15.5 million tax provision in the divestment of 490 mu land and properties in OUCL for FY2014.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)**

**COMMENTARY ON THE GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)**

- (9) Net currency translation gain of \$38.4 million mainly arising from the appreciation of Chinese Renminbi to Singapore dollars.

**COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION**

- (10) Increase in Property, plant and equipment ("PPE") from \$290.2 million in FY2014 ("ended 30 June 2014") to \$324.9 million in FY2015 ("ended 30 June 2015") mainly due to:

- a) additions of \$47.6 million, mainly from:
- (i) purchase of property in Parramatta, Australia, for the part of the property intended for the Group's use. The remaining part of the property intended for leasing out is recorded as Investment Properties (refer item 8.11.a);
  - (ii) purchase of land in Bangna, Bangkok, intended for the development of Raffles American School in Bangkok; and
  - (iii) construction work in progress for Raffles American School ("RAS") in Iskandar, Malaysia.
- b) gain on foreign currency translation of \$4.0 million.

Increase was partially offset by:

- c) depreciation charge of \$9.8 million; and
- d) reclassification from PPE to investment properties of \$7.1 million (refer to item 8.11.d) as the building used previously was vacated for rental.
- (11) Increase of investment properties from \$301.9 million in FY2014 to \$416.4 million in FY2015 was mainly due to:
- a) purchase of \$20.7 million property in Parramatta, Australia in FY2015;
  - b) purchase of \$38.1 million hotel & facilities and 7 commercial units in Nendaz, Switzerland;
  - c) net fair value gain of \$23.0 million (refer to item 8.5 above);
  - d) reclassification from PPE to investment properties of \$7.1 million (refer to item 8.10.d);
  - e) reclassification upon completion of \$10.3 million advance payment for construction of Raffles International College, Bangkok, from prepayment; and
  - f) gain on foreign currency translation of \$19.5 million mainly due to the appreciation of Chinese Renminbi.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)

#### COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (CONT'D)

Increase above was offset by the exchange of \$4.5 million of investment properties for the settlement of certain compensation liabilities. Compensation liabilities arose from the early termination of tenancy agreement incurred in prior years in OUCL.

- (12) Increase of available-for-sale financial assets from \$0.6 million in FY2014 to \$4.5 million in FY2015 was mainly due to OUCHK's acquisition of 14.9% equity interest in Axiom Properties Limited, a company whose shares are listed on the Australian Stock Exchange, at a cash consideration of approximately \$3.8 million.
- (13) Non-current other receivable of \$11.0 million in FY2015 (FY2014: \$10.2 million) relates to prepayment for the purchase of land by Tianjin University of Commerce Boustead College ("BCT") to fulfill the requirements for BCT to apply for university status.
- (14) Breakdown of current trade and other receivables as follows:

	30/06/15 \$'000	Restated 30/06/14 \$'000
<b>Trade receivables:</b>		
Trade receivables	3,296	3,953
Less:		
Allowance for doubtful trade receivables	(155)	(1,356)
<b>Trade receivables, net</b>	<b>3,141</b>	<b>2,597</b>
<b>Other receivables:</b>		
Third parties <sup>(a)</sup>	24,822	11,695
Receivable from sale of interest in subsidiary <sup>(b)</sup>	18,284	34,900
Receivable from sale of investment properties <sup>(c)</sup>	104,855	118,735
Government grant receivables <sup>(d)</sup>	32,959	30,911
Prepayments <sup>(e)</sup>	14,971	8,974
Deposits	5,654	5,113
Receivable from former joint venture	226	209
Joint ventures <sup>(f)</sup>	35,133	32,700
Associates	210	7
Tax recoverable	964	1,236
Others	379	675
	238,457	245,155
<b>Total trade and other receivables</b>	<b>241,598</b>	<b>247,752</b>

Notes to current trade and other receivables:

- a) included short term loans from a third party of \$24.5 million (FY2014: \$11.4 million).



8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)**

**COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (CONT'D)**

Notes to current trade and other receivables (cont'd):

- b) \$16.6 million was received in FY2015 from outstanding due from the disposal of 50% equity interest in VVPL. In July 2011, the Group completed the disposal of 50% equity interest in VVPL for a consideration of \$46 million to an unrelated third party. Including the aforementioned \$16.6 million, the Group has since received \$27.7 million.
- c) decrease in the outstanding due from sale of investment properties in OUCL mainly due to \$22.4 million collection in FY2015.
- d) The corresponding liabilities were recorded in other payables and income tax payable reflected 8.16.a) below.
- e) Increase in prepayment was mainly due to:
- (i) Deposit of 10% for the acquisition of the remaining 41.82 per cent equity interest in Educomp-Raffles Higher Education Limited ("ERHEL"),
  - (ii) Advance payment for the purchase of land in Wanbo College for the upgrading of the college to University status ; and
  - (iii) Advance payment for the purchase of land and building in Siviez, Switzerland to be used for teaching and dormitories.
- f) Dividend receivable of \$30 million from VVPL is included in the amounts due from joint ventures.

(15) Breakdown of current trade and other payables as follows:

	<b>30/06/15 \$'000</b>	<b>Restated 30/06/14 \$'000</b>
<b>Trade payables (Current):</b>		
Third parties	3,338	2,357
<b>Other payables (Current):</b>		
Joint ventures	-	269
Associates	357	31
Accruals <sup>(a)</sup>	38,200	45,142
Purchase consideration payable	-	193
Amount due to joint venturers	16,200	16,200
Amount due to former related parties	2	-
Payable for Iskandar land	9,127	9,959
Others	2,071	1,164
	<b>65,957</b>	<b>72,958</b>
<b>Total trade and other payables (Current)</b>	<b>69,295</b>	<b>75,315</b>

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)

#### COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (CONT'D)

Notes to current trade and other payables:

- a) Some major accruals are as follows:

	30/06/15 \$'000	Restated 30/06/14 \$'000
<b>Accruals:</b>		
Accruals for other operating expenses	16,370	24,336
Provision for car park demolition in OUCL	7,444	6,894
Management fees to Joint Venturers of BCT	3,888	7,310
Capital expenditure in RAS	6,226	345

- (16) Breakdown of income tax payable by entities as follows:

	30/06/15 \$'000	Restated 30/06/14 \$'000
OUC <sup>(a)</sup>	70,999	76,258
Others	1,502	708
<b>Income tax payable</b>	<b>72,501</b>	<b>76,966</b>

Note :

- a) Included income tax and other taxes payable in relation to land restructuring in OUC amounting to \$32.3 million, adjusted for foreign currency translation (FY2014: \$29.9 million). There is related grant receivable as reflected in item 8.14.d) above.
- (17) Non-current trade and other payables mainly relates to amount payable for the purchase of:
- a) 65 acres of land for Raffles University Iskandar of \$21.5 million (FY2014: \$23.5 million); and
- b) 45 acres of land for Raffles American School in Iskandar, Malaysia of \$20.5 million (FY2014: \$22.3 million).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)**

#### **COMMENTARY ON THE GROUP STATEMENT OF FINANCIAL POSITION (CONT'D)**

- (18) Borrowings increased from \$265.7 million in FY2014 to \$390.6 million in FY2015 mainly due to:
- a) additional borrowings of \$24.0 million for purchase of the property in Parramatta, Australia;
  - b) additional borrowings of \$16.3 million for purchase of hotel property and commercial units in Nendaz, Switzerland; and
  - c) \$30 million bond issued during the year.

The current borrowings increased mainly due to the following :

- d) Mortgage loan against 51 Merchant Road amounting to \$74.9 million was reclassified from non-current to current borrowings in FY2015 compared to FY2014 as this borrowing will mature in April 2016.
- e) Bonds of \$79.7 million was reclassified from non-current to current borrowings in FY2015 compared to FY2014 as the bonds will be due in February 2016.

Accordingly, the non-current borrowings had decreased.

- (19) Deferred tax liabilities increased from \$9.7 million in FY2014 to \$18.2 million in FY2015 mainly due to fair value gain for the investment properties (refer to item 8.5).
- (20) Net current liabilities was mainly a result of the re-classification of non-current to current borrowings as mentioned in item 8.18 above. Management is confident that the Group will continue to re-finance its borrowings when they fall due.
- (21) On 16 January 2015, the Company's subsidiary, OUCHK listed its shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM"). Subsequent to the listing, the Company owns 75% of OUCHK.

Non-controlling interests as at 30 June 2015 represent mainly the non-controlling shareholders' equity interests in OUCHK and one of the subsidiary in OUCL.

#### **COMMENTARY ON THE GROUP STATEMENT OF CASHFLOWS**

- (22) Net cash from operating activities amounted to \$4.2 million.
- (23) Major contributor of cash inflows were:
- a) proceeds from the disposal of 50% equity interest in VVPL of \$16.6 million;
  - b) proceeds from sale of 118 mu and 499 mu investment properties of \$22.4 million;
  - c) proceeds from listing OUCHK on the GEM of \$17.2 million;
  - d) net proceeds from bonds issue of \$29.6 million; and
  - e) drawdown of borrowings of \$99.8 million;

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)**

**COMMENTARY ON THE GROUP STATEMENT OF CASHFLOWS (CONT'D)**

(24) Major cash outflows were:

- a) purchase of property, plant and equipment of \$55.7 million;
- b) purchase of investment properties of \$71.3 million;
- c) deposit for additional equity in joint venture of \$2.4 million;
- d) purchase of available-for-sales financial asset of \$3.8 million;
- e) repayment of borrowings of \$15.8 million;
- f) payment for repurchase of shares of \$8.7 million; and
- g) the payment of dividends to equity holders of the Company of \$10.2 million.

(25) The Group's cash position was \$80.9 million at the end of FY2015 (FY2014: \$58.1 million).

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

No forecast was made. The Group's operations are generally in line as stated in item 10 of the Group's results announcement for the third quarter and nine months ended 31 March 2015.

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

The current macroeconomic slow down, currency volatility and the impending global interest rate hike, have created new challenges in the markets the Group operates in.

Despite the challenging operating environment, increasing competition, higher labour costs and a more stringent regulatory environment, the Group will continue to streamline its operations and seek opportunities to achieve sustainable growth.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	1 cent per ordinary share under one-tier system
Tax Rate	Tax exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	1 cent per ordinary share under one-tier system
Tax Rate	Tax exempt

**(c) Date payable**

To be advised at a later date.

**(d) Books closure date**

To be advised at a later date.

**12. If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

**13. Negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual.**

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

(i) Business Segments

**2015**

	Private Education System \$'000	National Education System \$'000	Real Estate Investment & Development \$'000	Education Facilities Rental Service \$'000	Corporate & Others \$'000	Total \$'000
Revenue from external Customers	72,015	30,017	4,616	13,149	98	119,895
Inter-segment revenue	3,268	-	744	-	44,403	48,415
Interest income	499	305	382	45	10	1,241
Net fair value gain on investment properties	-	-	15,540	7,458	33	23,031
Finance cost	(5)	-	(1,066)	-	(12,385)	(13,456)
Depreciation and Amortisation	(2,508)	(3,816)	(1,238)	(88)	(3,390)	(11,040)
Share of results from Joint Ventures	-	-	-	-	901	901
Share of results from Associates	(75)	-	-	-	127	52
Reportable segment profit/(loss) before income tax	21,376	7,145	7,689	12,431	(26,302)	22,339
Net profit/(loss) for the financial year	20,109	7,145	9,061	9,601	(26,545)	19,371
<u>Other information:</u>						
Additions to property, plant and equipment	16,976	2,472	16,859	3,009	8,329	47,645
Additions to investment properties	-	-	58,790	160	-	58,950
Additions to intangible assets	-	-	-	-	2	2
Investment in Joint Ventures	-	-	-	-	67,863	67,863
Investment in associates	883	-	-	-	513	1,396
Segment assets	100,437	116,102	398,311	198,729	184,901	998,480
Segment liabilities	(82,314)	(5,815)	(56,669)	(2,902)	(369,332)	(517,032)

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)**

(i) Business Segments (Cont'd)

**2014 (Restated)**

	Private Education System \$'000	National Education System \$'000	Real Estate Investment & Development \$'000	Education Facilities Rental Service \$'000	Corporate & Others \$'000	Total \$'000
Revenue from external Customers	73,038	27,706	11,646	12,355	94	124,839
Inter-segment revenue	3,868	-	291	-	91,717	95,876
Interest income	422	295	582	253	2	1,554
Fair value gain on investment properties	1,509	-	3,578	1,981	263	7,331
Gain on disposal of investment properties	-	-	45,460	-	-	45,460
Finance cost	(575)	-	(204)	-	(11,054)	(11,833)
Depreciation and Amortisation	(3,530)	(2,957)	(3,076)	(174)	(4,570)	(14,307)
Share of results from Joint Ventures	-	-	-	-	30,116	30,116
Share of results from Associates	(22)	-	-	-	150	128
Reportable segment profit/(loss) before income tax	24,710	7,609	42,740	9,609	(4,559)	80,109
Net profit/(loss) from continuing operations for the financial year	24,085	7,609	23,245	8,894	(5,332)	58,501
Discontinued operation: Net loss for the financial year	(237)	-	-	-	-	(237)
<b>Other information:</b>						
Additions to property, plant and equipment	3,723	5,677	2,039	9,489	269	21,197
Additions to property, plant and equipment from acquisition of subsidiary	4,954	-	-	-	-	4,954
Additions to investment properties	-	-	1,960	-	-	1,960
Additions to intangible assets	-	-	-	-	418	418
Additions to goodwill arising from acquisition of subsidiary	16	-	-	-	-	16
Investment in Joint Ventures	-	-	-	-	66,828	66,828
Investment in associates	959	-	-	-	473	1,432
Segment assets	90,706	107,570	300,237	172,185	180,043	850,741
Segment liabilities	(78,174)	(8,596)	(17,765)	(8,477)	(290,566)	(403,578)

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)**

(ii) Geographical segments

	Asean \$'000	North Asia \$'000	South Asia \$'000	Australasia \$'000	Europe \$'000	Total \$'000
<b>2015</b>						
Continuing operations:						
Revenue from						
external customers	35,472	68,702	3,316	12,143	262	119,895
Non-current assets	275,707	560,490	6,076	54,247	39,430	935,950
<b>2014 (Restated)</b>						
Continuing operations:						
Revenue from						
external customers	35,644	73,118	3,376	12,701	-	124,839
Non-current assets	253,554	513,829	6,043	12,849	-	786,275

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

As part of the Group's evolving business strategy and plan, the Group has made changes to certain business segments and the comparative was reclassified to be in line with the current segments.

The percentage of revenue in FY2015 for Private Education System ("PES"), National Education System ("NES"), Real Estate Investment and Development, and Education Facilities Rental Service is approximately 60.1% (FY2014: 58.5%), 25.0% (FY2014: 22.2%), 3.8% (2014: 9.3%) and 11.0% (FY2014: 10.0%) respectively.

LOIT's revenue of \$7.3 million in FY2014 was included in the Real Estate Investment and Development segment. Excluding the above \$7.3 million revenue for FY2014, the revenue for FY2015 increased by \$2.4 million.

**16. A breakdown of sales**

		Group		
		30/06/15	Restated	Increase/
		\$'000	30/06/14	(Decrease)
			\$'000	%
(a)	Sales reported for first half year	59,584	62,139	(4)
(b)	Profit after tax reported for first half year	812	3,600	(77)
(c)	Sales reported for second half year	60,311	62,700	(4)
(d)	Profit after tax reported for second half year	18,559	54,901	(66)



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

Total Annual Dividend (Refer to Para 18 of Appendix 7.2 for the required details)

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	9,894	10,162
Preference	0	0
Total:	9,894	10,162

**18. INTERESTED PARTY TRANSACTIONS**

If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPT), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not obtain any general mandate from its shareholders for interested party transactions.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Doris Chung Gim Lian	46	Spouse of Mr. Chew Hua Seng, Chairman and CEO of Raffles Education Education Corporation Limited ("REC")	Director of Operations since 2009	Nil

**BY ORDER OF THE BOARD**

**Chew Hua Seng**  
Chairman  
27 August 2015