

RAFFLES EDUCATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199400712N)
(the "Company")

ANNUAL GENERAL MEETING HELD ON 27 OCTOBER 2023
RESPONSES TO RELEVANT QUESTIONS FROM SHAREHOLDERS

The Board of Directors ("Board") of Raffles Education Corporation Limited ("Company", together with its subsidiaries, the "Group") refers to its notice of annual general meeting ("AGM") dated 10 October 2023.

The Board wishes to thank shareholders for taking the time to send their questions ahead of the Company's AGM. The Board wishes to inform shareholders that responses to relevant questions submitted by shareholders are set out below:

QUESTION 1

Page 155 - RPT: Loan from a director 9m

What is the interest rate on this RPT? Have this been reviewed and approved by Audit Committee?

COMPANY'S RESPONSE:

The loan from a director is interest free which the Board is aware.

QUESTION 2

Page 153 - Contingent Liabilities

What is the nature of the 4 arbitration/legal proceedings? Can the Board elaborate? What commercial transactions? Where are these transactions/proceedings occurring? In India? In China? In Singapore?

COMPANY'S RESPONSE:

Path Education:

Forum:

Singapore International Arbitration Centre (SIAC).

Nature of Case:

In this case, the Company, and Path Education Corporation Pte. Ltd. (subsidiary of Raffles) are claimants, claiming for the return of overpayment of purchase consideration, breach of warranties, and tort for misrepresentation. The Defendants counterclaimed for the balance of the price consideration, which was to be paid in accordance with a price adjustment mechanism under the share purchase agreement.

Progress of Case:

The company is currently awaiting the arbitration award. The award is delayed as the arbitrator has been unwell for some time.

Raffles Education Investment India Pte. Ltd. (REIL):

Forum:

Delhi High Court, India.

Nature of the Case:

REIL, the Petitioners, have filed these proceedings for enforcement of a final award dated 31.03.2017 passed by SIAC in arbitration proceedings initiated by the Petitioners against Educomp Asia Pacific Ltd., the Respondent, challenging the termination of a Sale & Purchase Agreement (SPA), by the Respondent.

Vide the award, Petitioners have been awarded, inter alia, damages of INR 16.32 crores (about SGD 2.72 million) along with simple interest of 5.33% per annum from 19 August 2015 until date of payment (if paid today about SGD 1.2 million) for the Respondent's breach of the SPA and the Respondent has been directed to equalise the investment made by the Petitioners in JRRES for its operations from the date of the SPA till the date of award (INR 11.83 crores approximately, about SGD 1.97 million). The Delhi High Court, vide judgment dated 7 July 2023, has ruled that the award is enforceable.

Progress of Case:

The matter is listed on 7 November 2023 for hearing of the application filed on behalf of the Petitioners seeking disclosure and production of bank account statements from the Respondent.

Raffles Design International India Pvt. Ltd. (RDI or Raffles Mumbai) v. Jai Radha Raman Education Society.

Forum:

Delhi High Court, India.

Nature of Case:

A suit was instituted by RDI against JRRES for claiming reimbursement of Rs. 53,982,435 (about SGD 0.9 million) along with interest. These sums were paid by RDI on behalf of JRRES for various expenses of JRRES towards salaries of the staff employed by JRRES, amounts owed to vendors, dues to students, to ensure

continued functioning of the College run by JRRES during the on-going deadlock in its management.

Progress of Case:

The proceedings were adjourned to 4 December 2023 in light of the judgment dated 24 January 2023 in CS(OS) 655/2017 wherein Mr. Chew Hua Seng was appointed as interim party administrator of JRRES with the stipulation that recovery proceedings initiated by Raffles entities, including this suit be kept in abeyance pending further orders of the Court.

Educomp-Raffles Higher Education Ltd. (“ERHEL” a subsidiary of Raffles) v. Jai Radha Raman Education Society

Forum:

Delhi High Court, India.

Nature of Case:

A suit has been filed by ERHEL, a subsidiary of Raffles Education Corporation, against JRRES for recovering a sum of Rs. 513,655,098 (about SGD 8.56 million) along with interest at the rate of 16% amounting to Rs. 389,308,346 (about SGD 6.4 million) plus future interest.

Progress of Case:

The proceedings were adjourned to 4 December 2023 in light of the judgment dated 24 January 2023 in CS(OS) 655/2017 wherein Mr. Chew was appointed as interim party administrator of JRRES with the stipulation that recovery proceedings initiated by Raffles entities, including this suit be kept in abeyance pending further orders of the Court.

QUESTION 3

Page 149 - Audit fee

Noted that the company uses other auditors for audit purposes beside company auditor. Is there any cost savings? OR Is it because the company auditor decline or unable to take up some audit work?

COMPANY’S RESPONSE:

BDO LLP is the auditor in Singapore who audits the Company and Singapore subsidiaries. The audit fees paid to other auditors were mainly paid to BDO LLP’s overseas affiliates for audit of foreign subsidiaries.

QUESTION 4

Page 149 - there is an FX loss \$31.5m and in Page 148 Note 23 - there is an FX gain from other income of \$46.7m.

(a) are these paper loss/gain in nature? i.e. translation of FX?

(b) in Page 80, there is a FX translation loss of \$85.6m, this amount does not seem to tie to the above. Can CFO clarify on this?

COMPANY'S RESPONSE:

- (a) The foreign exchange loss of \$31.5 million and foreign exchange gain of \$46.7 million were mainly unrealised gain or loss arising from translation of monetary assets and liabilities at the end of the financial year.
- (b) The foreign currency translation loss of \$85.6 million was mainly due to currencies exchange differences which arose from –
- i. consolidation and translation of the assets and liabilities of Group's foreign operations into Singapore Dollars, using exchange rates prevailing as at year end;
 - ii. consolidation and translation of income and expense items of Group's foreign operations into Singapore Dollars at the average exchange rates; and
 - iii. consolidation of non-monetary items of Group's foreign operations into Singapore Dollars at historical cost and were not retranslated.

Please refer to item 2.18 Foreign currency transactions and translation on pages 108 and 109.

QUESTION 5

Page 80 - with a loss of 8.9m in 2023 vs a profit of 7.7m in 2022.

Why is there still an increase of directors' fees in view of a bad financial results? Note: There are no dividends declared for shareholders.

COMPANY'S RESPONSE:

There was no change in the rates for committee chairman or member. Increase in directors' fee was mainly due changes in composition of the board committees and their length of services for both years.

By Order of the Board
RAFFLES EDUCATION CORPORATION LIMITED

27 October 2023