

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors (the “Board”) of Raffles Education Limited (the “Company”) wishes to announce that the independent auditor, BDO LLP (the “Auditor”) has rendered an unmodified audit opinion with a Material Uncertainty Related to Going Concern matter in their report (the “Independent Auditor’s Report”) on the audited financial statements of the Group and the Company for the financial year ended 30 June 2025 (“FY2025 Audited Financial Statements”).

The relevant extracts of the Independent Auditor’s Report and Note 2 to the FY2025 Audited Financial Statements are attached to this announcement.

The opinion of the Auditor remains unqualified. The audited consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International).

The Directors, based on the mitigating factors set out in Note 2, are of the opinion that the net current liabilities position will not likely pose material uncertainty on the ability of the Group and of the Company as a going concern. The Auditor as part of their responsibility included the emphasis of matter paragraph in the Auditor’s Report to draw the users’ attention to this matter as in their judgment, it is fundamental for the users to understand the basis of preparation of the FY2025 Audited Financial Statements. The opinion of the Auditor remains unqualified.

Shareholders and investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD
Raffles Education Limited
14 October 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Raffles Education Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raffles Education Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 117 to 191, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2025;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2025, 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.

Material Uncertainty Related to Going concern

We draw attention to Note 2 in the financial statements, which indicates that as of 30 June 2025, the Group's and the Company's current liabilities exceeded its current assets by \$85.8 million and \$45.7 million respectively. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns. Our opinion is not modified in respect of this matter.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. General corporate information

Raffles Education Limited (the “Company”) is incorporated and domiciled in the Republic of Singapore (Registration Number: 199400712N), and its registered office and principal place of business is at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

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

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

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

2. Basis of preparation

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

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

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

Critical judgements applied:

- Classification between property, plant and equipment and investment property (Note 3 and 5)
- Evaluation of levels of control and influence (Note 6, 7 and 8)
- Determination of lease terms (Note 15)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2. Basis of preparation (Continued)

Significant accounting estimates and assumptions used:

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

Going concern

As at 30 June 2025, the Group's and the Company's current liabilities exceeded its current assets by \$85.8 million (2024: \$16.8 million) and \$45.7 million (2024: \$81.4 million) respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Company to continue as going concern.

The Directors are of the view that the financial statements of the Group and the Company have been prepared on a going concern basis after considering the following factors:

- (i) Positive cash flow generation from its operations based on the cash flow forecast that covers a period of at least 15 months from 30 June 2025;
- (ii) The Group is confident that its lenders will continue to give support to the Group;
- (iii) The Group's ability to refinance or extend the maturity date of its existing borrowings when necessary with financial institutions;
- (iv) The Group's ability to realise certain of its assets through sale/lease of its properties. The proposed sale process of the Group's property located at 51 Merchant Road is on-going;
- (v) The Company announced a proposed issue of unlisted and non-convertible, 5-year 10.5% unsecured bonds ("Bonds") of up to an aggregate principal amount of \$10,000,000 on 13 June 2025. Certain subscribers had subscribed for \$3,000,000 of the Bonds till date; and
- (vi) The Company has the ability to tap funds from its shareholders and the capital market.

Should the Group and the Company be unable to achieve the above-mentioned plans and measure and operates as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the financial statements and to provide for any future liabilities which might arise. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. Such adjustments have not been made to the financial statements.