

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

**SIGNING OF SALE AND PURCHASE AGREEMENT FOR THE PROPOSED
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN HEFEI YUREN EDUCATION
MANAGEMENT CO., LTD**

1. INTRODUCTION

Further to the announcement released on 19 November 2025, regarding the non-binding Memorandum of Understanding, the board of directors (the “**Board**”) of Raffles Education Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that on 26 November 2025, the Company’s indirect wholly-owned subsidiaries in the Peoples’s Republic of China (“**PRC**”):

- Foodbev (Shanghai) Co., Ltd. (“**Foodbev**”);
- Raffles Lasalle Education Consultancy (Shanghai) Ltd. (“**RLEC**”); and
- Shanghai Shangxin Commercial Consulting Co., Ltd. (“**SSC**”),

(collectively, the “**Sellers**”), entered into a definitive sale and purchase agreement (the “**SPA**”) with Hefei Heyi Education Consulting Management Co., Ltd (the “**Buyer**”) for the disposal of the Sellers’ entire 100% equity interest (the “**Sale Shares**”) in Hefei Yuren Education Management Co., Ltd. (the “**Target Company**”) to the Buyer (the “**Proposed Disposal**”).

The Target Company is the sole promoter of Wanbo Science and Technology Vocational College (the “**College**”).

2. PRINCIPAL TERMS OF THE SPA

2.1 The Sale Shares

The Sale Shares constitute the entire issued share capital of the Target Company, held as to 90% by Foodbev, 9% by RLEC and 1% by SSC.

2.2 Consideration

The total consideration for the Proposed Disposal is RMB 426,444,157 (approximately S\$76million the “**Total Consideration**”). The Total Consideration comprises:

- (a) The Buyer’s assumption of the Sellers’ liabilities owed to the Target Company and the College amounting to RMB 314,444,157 (approximately S\$56million the “**Sellers’ Liabilities**”); and
- (b) A cash payment of RMB 112,000,000 (approximately S\$20million payable by the Buyer to the Sellers (the “**Total Payment Amount**”).
Net cash inflow to the Group, after deducting all estimated taxes (RMB 50million approximately S\$ 9million) and including estimated expenses, is RMB 62million (approximately S\$ 11million).

2.3 Payment and Implementation Schedule

The transaction shall be implemented according to the following schedule:

(a) Management Takeover & Liability Repayment:

Within three (3) days of the SPA signing date, the Buyer shall take over the management of the Target Company. The Buyer shall then repay RMB 50,000,000 of the assumed Sellers' Liabilities to the Target Company, which amount shall be used to settle a corresponding debt owed by the Target Company to the College.

(b) Cash Consideration Payments to Sellers:

The Total Payment Amount of RMB 112,000,000 payable by the Buyer to the Sellers shall be paid in the following instalments:

(i) Initial Payment: RMB 75,000,000 to be paid within three (3) working days after the completion of the share transfer registration of the Sale Shares.

(ii) Second Instalment: RMB 37,000,000 to be paid no later than 31 August 2026.

Each instalment payment shall be distributed to the Sellers in proportion to their respective shareholdings in the Target Company.

2.4 Conditions Precedent

Completion of the Proposed Disposal ("**Completion**") is conditional upon the fulfilment of, inter alia, the following conditions:

- (a) The Target Company's business licence not being revoked from the SPA date up to the Completion Date.
- (b) The ownership of core assets (such as land and real estate) of the Target Company and the College being clear as at the SPA date and all qualifications held by the Target Company and the College are genuine and valid.
- (c) The Company obtaining the necessary approval from its Board and shareholders in accordance with the governance requirements applicable to Singapore-listed companies.

The Sellers have undertaken to take all reasonable measures to ensure the satisfaction of these conditions.

2.5 Completion

Completion is scheduled to take place no later than 31 March 2026, or such date as the parties may mutually agree in writing. On completion, the Sellers and their affiliates within the Group, including the Company, shall have no further outstanding liabilities to the Target Company and the College.

3. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is a strategic initiative to strengthen the Group's balance sheet. The transaction enables the Group to eliminate approximately RMB 314 million of intra-group liabilities through the Buyer's assumption thereof, while also securing cash proceeds.

The net effect is a significant enhancement of the Group's financial position, providing liquidity for working capital and improving capital structure. The Board believes the terms are fair and reasonable and that the disposal is in the interests of the Company and its shareholders as a whole.

4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

For illustrative purposes only, the financial effects of the Proposed Disposal on the Group's consolidated financial position are set out below. These pro forma effects have been prepared based on the Group's audited financial statements for the financial year ended 30 June 2025 and assuming that the Proposed Disposal had been completed on 1 July 2024, the first day of the financial year under review. They are presented for the purpose of illustrating the impact of the transaction on the historical financial information and do not represent the Group's actual financial position after completion.

	Before the Proposed Disposal	After the Proposed Disposal
Net Tangible Assets ("NTA") per share (Cents)	39.15	36.87
Earnings/(Loss) per share ("EPS")	0.55	(1.83)
Net Gearing Ratio	34.52%	34.51%

Note:

- (1) NTA is calculated based on the total assets, less any intangible assets and total liabilities of the Group.
- (2) The "Before Proposed Disposal" columns are based on the Group's audited consolidated financial statements for the financial year ended 30 June 2025.
- (3) The "After Proposed Disposal" columns are computed after adjusting for:
 - (a) the net gain/loss on disposal after deducting estimated transaction expenses and taxes;
 - (b) the elimination of the Target Company's and the College's assets and liabilities from the Group's consolidated statement of financial position; and
 - (c) the receipt of the Total Payment Amount.
- (4) The gain/loss on disposal is subject to finalisation of transaction costs and applicable taxes.
- (5) Net Gearing ratio is calculated as net borrowings divided by total shareholders' equity.

5. REQUIREMENTS UNDER CHAPTER 10 OF THE LISTING MANUAL

Chapter 10 of the Listing Manual governs the continuing listing obligations of listed companies in respect of acquisitions and disposals. Rule 1014(1) of the Listing Manual states that where any of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceed 20%, a transaction is classified as a major transaction. Rule 1014(2) of the Listing Manual further states that such major transaction must be made conditional upon approval by shareholders in a general meeting.

Based on the latest audited consolidated financial statements of the Group for FY2025, the relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Bases of Computation	Relative Figures
1006(a)	Net asset ⁽¹⁾ value of the assets to be disposed of, compared with the Group's net asset value	6.3%
1006(b)	Net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits	12.1%
1006(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation ⁽³⁾ , based on the total number of issued shares excluding treasury shares	47.5%
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

(1) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities.

(2) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(3) Under Rule 1002(5) of the Listing Manual, "market capitalisation" of the Company is determined by multiplying 1,429,465,527 Shares in issue (excluding treasury shares) by the weighted average price of the Shares of approximately S\$0.1118 for trades done on 25 November 2025, being the full market day on which the SGX-ST is open for trading of securities immediately preceding the date of the SPA.

(4) This basis is not applicable as the Proposed Disposal is not an acquisition.

(5) This basis is not applicable as it only applies to a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

As the relative figures under Rule 1006(c) of the Listing Manual exceeds 20%, the Proposed Disposal constitutes a "major transaction" under Rule 1014 of the Listing Manual and is subject to the approval of the Shareholders at the EGM.

6. INTERESTS OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the date of this announcement, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholdings, if any, in the Company).

7. DIRECTORS' RESPONSIBILITY STATEMENT

The directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company, and its subsidiaries, and the directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information contained in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection at the Company's registered office at Unit #15-22, 111 Somerset, Singapore 238164 during normal business hours on any weekday for three (3) months from the date of this announcement.

Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their investments which may be prejudicial to their interests. In the event that shareholders wish to deal in the shares of the Company, they should seek their own professional advice and consult with their own stockbrokers.

By Order of the Board
Raffles Education Limited
26 November 2025