

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

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**RESPONSE TO SGX REGCO QUERIES DATED 29 AUGUST 2024**

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The Board of Directors (the "**Board**") of Raffles Education Limited ("**Company**") refers to queries raised by SGX RegCo in respect of the Company's announcement dated 23 August 2024 on the Company's Results for the half year ended and full year ended 30 June 2024.

The Company wishes to respond to the queries as follows:

**Question 1**

We refer to the Company's full year results for FY2024 announced on 23 August 2024. We note that the Group's non-current other receivables balance of \$8.4 million mainly comprise of progressive payments for the acquisition of investment properties in Mongolia and prepayment for refurbishment and construction works of investment properties by OUCHK. As explained in the Company's response to SGX queries announced on 14 February 2024, the completion of the acquisition for the investment property in Mongolia is estimated to be completed by the fourth quarter of financial year 2024 and therefore progressive payments should materialize within 12 months.

Please disclose what is the balance in non-current other receivables that pertain to the acquisition of investment properties in Mongolia and explain whether this acquisition has been completed and why the balance is not classified under investment properties.

**Company's Response**

	S\$ million
Progressive payments for the acquisition of investment properties in Mongolia by OUCHK	5.4
Prepayment for refurbishment and construction works of investment properties by OUCHK	1.7
Others	1.3
Total	8.4

Progressive payments for the acquisition of investment properties in Mongolia was approximately \$5.4 million (equivalent to RMB28.4 million), which represented approximately 87% of the total purchase consideration of RMB32.7 million.

This acquisition has not been completed and will be settled based on the terms as set out in the sale and purchase agreement and/or variation terms negotiated and to be mutually agreed. Therefore, the balance has not been classified as investment properties.

## **Question 2**

**Which are the investment properties in OUCHK that materially contributed to the significant fair value loss of \$17 million? Please disclose the respective methodology(ies) applied for the valuation of these investment properties and what factors resulted in the fair value loss.**

### **Company's Response**

OUCHK's the fair value loss of \$17 million was made up as follows :

- a) fair value loss from OUCHK's Assets Held for Sale, located in Langfang, China, of approximately \$14.1 million (RMB 74.7million); and
- b) fair value loss from OUCHK's Investment Properties, located in Langfang, China and in Nendaz, Switzerland, of approximately \$2.9 million (RMB 15.4 million).

Both OUCHK's Assets Held for Sale and Investment Properties were measured at fair value determined using the income capitalisation method.

Income capitalisation method was adopted on the basis of capitalisation of rental derived from the rental potential of these properties at appropriate capitalisation rates as these properties are held for letting purpose and receiving rental income. The fair value losses derived from the lower valuation of Assets Held for Sale and Investment Properties, were mainly due to decline in market rent profiles, which resulted in lower capitalisation value.

## **Question 3**

**We note that the Company has included the sale of its 51 Merchant Road property as a consideration for the Group to prepare its financial statements on a going concern basis even though it has been more than a year since the close of public tender on 1 August 2023 with no further subsequent updates. Please provide an update of the Company's progress of its sale of 51 Merchant Road.**

### **Company's Response**

Management is still actively looking for buyers and there were visits over the past year by various potential buyers brought by real estate agents as well as business contacts, including visits made in the last 2 months.

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 investment, 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  
2 September 2024