RAFFLES EDUCATION CORPORATION LIMITED

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

UPDATE ON CLAIMS BY AFFIN BANK BERHAD – SETTLEMENT

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1. The Board of Directors of Raffles Education Corporation Limited ("**Company**") refers to the Company's previous announcements dated 29 July 2021, 11 August 2021, 23 August 2021, 25 August 2021, 30 August 2021, 9 September 2021, 3 January 2022, 12 March 2022, 2 April 2022, 30 April 2022 and 1 June 2022 relating to the claim by Affin Bank Berhad ("**Affin Bank**") in connection with loan facilities extended by Affin Bank to the Company's wholly-owned subsidiaries, Raffles K12 Sdn Bhd and Raffles Iskandar Sdn Bhd ("**Borrowers**").

2. Following the last update provided by the Company on 1 June 2022, the Company wishes to announce that the interest rates imposed by Affin Bank pursuant to the Further Settlement is as follows:

Raffles K12

(i) Bank Base Lending Rate (BLR) + 1.75% per annum (p.a.) from June to July 2022.
(ii) Bank Base Lending Rate (BLR) + 1.5% per annum (p.a.) from August 2022 (after the overdraft facility of RM 1,000,000 and a term loan facility of RM12,221,000 are fully repaid by 1st August 2022 or earlier).

Raffles Iskandar

(i) Bank Base Lending Rate (BLR) + 1.75% per annum (p.a.) from June 2022.
(ii) Bank Base Lending Rate (BLR) + 1.5% per annum (p.a.) from December 2022 (after satisfactory conduct of the account for a continuous period of at least 6 months and/or when the principal amount of term loan is reduced to at least RM56,000,000, whichever is earlier).

3. The Company will make further announcements as and when there are material developments on the above matter.

4. 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 Corporation Limited
2 June 2022