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Issuer: Raffles Education Limited

Stock code: NR7

Meeting details:

Date: 30 October 2026

Time: 10.30 a.m.

Venue: 111 Somerset Road, #15-22 111 Somerset, Singapore 238164

Q1. In the education segment, revenue continued to decrease from \$102.1 million in FY2024 to \$101.9 million in FY2025 to \$97.2 million in FY2026. In FY2023, education segment revenue was \$98.5 million.

Revenue Contribution by Segments			Earnings Contribution by Segments		
(S\$'000)	2025	2026	(S\$'000)	2025	2026
Education	101,932	97,232	Education	24,401	(19,566)
Education Facilities			Education Facilities		
Rental Service	8,272	8,636	Rental Service	(13,594)	(3,050)
Corporate & Others	-	-	Corporate & Others	74	28,307
Real Estate	1,506	955	Real Estate	(6,523)	(12,043)
Investment & Development			Investment & Development		
Total	111,710	106,823	Total	4,358	(6,352)

(Source: company annual report)

The longer-term trend in student enrolment has shown a greater decline:

FY2023 – 24,840 students

FY2024 – 22,683 students

FY2025 – 17,859 students

FY2026 – 12,408 students

- (i) How does the group define and measure student enrolment, and has the methodology remained consistent across FY2023 to FY2026? Please provide a breakdown by institution, course category and geographical market, where applicable, to help shareholders understand the sources of the decline.
- (ii) In addition, given that enrolment declined by approximately 50% while segment revenue fell by only 1.3% between FY2023 and FY2026, what factors could explain the divergence?
- (iii) Has the group assessed how generative AI is affecting demand for its fashion and arts education programmes? Specifically, what changes has management observed in student enquiries, applications, enrolments and retention, and what evidence supports its assessment of AI's impact? What adjustments, if any, is the group making to its curriculum and course offerings to remain relevant?

Q2. In FY2026, the group recorded a net loss after tax of \$(6.35) million, while the loss attributable to shareholders was \$(5.61) million.

During the year, the group recognised a gain of \$52.8 million from the disposal of 51 Merchant Road for \$121.8 million, below the initial \$200 million guide price in 2023, and a loss of \$(29.4) million from the disposal of Hefei Yuren Education Management Co. Ltd.

Remuneration of Directors for the year ended 30 June 2026 is set out below:

Name of Director	Fees \$	Salary \$	Performance-Related Bonuses \$	Total \$
Mr Chew Hua Seng	-	1,237,930	480,228	1,718,158
Name of Director	Fees \$	Salary \$	PSP Shares \$	Total \$
Mr Lim How Teck	101,746.58	-	30,000	131,746.58
Mr Joseph Ho Yan Jun	62,500	-	30,000	92,500
Mdm Lim Siew Mun	94,246.58	-	30,000	124,246.58
BG (Retd) Chua Chwee Koh	89,246.58	-	30,000	119,246.58

(Source: company annual report)

In FY2026, Mr Chew Hua Seng received total remuneration of \$1,718,158, comprising \$1,237,930 in salary and \$480,228 in performance-related bonuses.

In FY2025, his estimated total remuneration was \$1,777,000, comprising \$1,012,890 in salary and \$764,110 in performance-related bonuses while his FY2024 salary was \$1,007,000 with no bonus.

- (i) Given the group's losses, including a loss attributable to shareholders of \$(5.61) million in FY2026 and cumulative losses of \$(17.17) million over three years, what specific performance criteria and outcomes justified the \$480,228 and \$764,110 performance-related bonuses awarded in FY2026 and FY2025 respectively to the chairman and CEO? How did the remuneration committee assess whether the award was aligned with shareholder interests?**

In addition, the chairman and CEO's base salary increased from approximately \$1.01 million in FY2025 to \$1.24 million in FY2026, an increase of about 22%.

- (ii) Was his service agreement renewed or revised during the year? If so, what factors justified the salary increase given the group's reduced scale and**

continued losses, and what external benchmarks or changes in responsibilities supported the decision?

The total remuneration paid to the key management personnel (who are not directors or the CEO) in FY 2026 was \$2,489,992. The level and mix of each of the key management personnel (who are also not directors or the CEO) in bands of \$50,000 are set out below:

Remuneration Band & Name of Key Management Personnel	Fees %	Salary %	Performance-Related Bonuses %	Others	Total
Between S\$550,000 to S\$600,000					
Executive 1	-	82	18	-	100
Between S\$300,000 to S\$350,000					
Executive 2	-	100	-	-	100
Between S\$250,000 to S\$300,000					
Executive 3	-	84	16	-	100
Executive 4	-	84	16	-	100
Between S\$200,000 to S\$250,000					
Executive 5	-	86	14	-	100

(Source: company annual report; emphasis added)

The company disclosed that the total remuneration paid to the key management personnel (who are not directors or the CEO) in FY2026 was \$2,489,992, and had identified five such executives. At the maximum of each band, the five would earn \$1.8 million, and not \$2,489,992.

- (iii) Can the remuneration committee (RC) reconcile the disclosed total of \$2,489,992 with the remuneration bands for the five executives given that the combined maximum of those bands is \$1.8 million?**

Separately, it is noted that professional fees amounted to \$4.47 million in FY2021, \$5.01 million in FY2022, \$5.86 million in FY2023, \$5.58 million in FY2024, \$4.04 million in FY2025 and \$3.58 million in FY2026.

- (iv) What were the principal components of professional fees in FY2026, including legal, advisory, consulting and other fees, where applicable? How does the board assess whether these costs are proportionate to the group's current scale and business needs?**

Mdm Lim Siew Mun and Mr Lim How Teck are retiring and seeking re-election at the annual general meeting (AGM). Rule 720(6) of the SGX Listing Rules requires the relevant information specified in Appendix 7.4.1 to be provided to shareholders.

- (v) Has the company provided all information required under Rule 720(6) and Appendix 7.4.1 for both directors seeking re-election, including the board's comments and the nominating committee's basis for its recommendation? If any required information has not been provided with the required notice period, will the company ensure that shareholders receive it with sufficient time to assess the candidates before voting by adjourning the AGM?**

Q3. The company is also seeking shareholder approval to purchase and cancel an aggregate of \$35,030,306 in principal amount of existing convertible bonds held by Mr Chew Hua Seng and Ms Doris Chung Gim Lian, and issue new unlisted, non-convertible, 5-year 5.5% unsecured bonds together with 538,927,784 detachable warrants, to the same parties.

The warrants are exercisable at \$0.065 per share over five years and could result in the issue of shares equivalent to approximately 29.6% of the existing share capital.

The proposed refinancing is an interested person transaction as defined under Chapter 9 of the Listing Manual.

The circular dated 14 October can be found here:

https://links.sgx.com/FileOpen/4.%20REL_Circular_Oct%202026_Combined.ashx?App=Announcement&FileID=906935

- (i) How was the independent financial adviser (IFA) selected and what criteria were applied? What role, if any, did the executive chairman or senior management play in the selection process and in the provision of information to the IFA?**
- (ii) Who initiated the proposed refinancing, and how did the independent directors independently establish that issuing five-year bonds with detachable warrants was the most appropriate solution?**
- (iii) Given that the group has monetised assets since the existing convertible bonds were issued in 2022, what alternatives were evaluated, including further asset disposals, internal cash generation and a more fundamental restructuring to reduce reliance on shareholder-related funding? How did the directors assess the risk that the refinancing defers rather than resolves the group's funding challenges, leaving another substantial repayment obligation in five years?**

In the circular, it was also disclosed that, following investigations by the MAS and CAD, five current and former directors were charged on 20 September 2024 in relation to the company's alleged failure to disclose defaults under certain credit facilities. The company

states that the ongoing investigations and legal proceedings have restricted the group's access to conventional bank financing over the past four to five years. The IFA also concluded that the proposed refinancing is not on normal commercial terms, citing, among other factors, the reliance on Mr Chew Hua Seng for funding.

- (iv) How did the independent directors assess the implications of the group's continued reliance on funding from interested persons, including the governance risks and the potential cost to independent shareholders? What concrete steps and milestones have been established to restore access to external financing and reduce this dependence before the existing bonds mature?**
- (v) If the proposed refinancing is approved, did the independent directors quantify the transfer of value away from minority shareholders to the controlling shareholders given that the warrants are deeply in the money? On what basis did the independent directors consider it fair?**

The company intends to declare a special interim dividend of S\$0.003 per share only if independent shareholders approve the proposed refinancing. This creates a potential voting incentive, particularly for shareholders focused on immediate returns, when they must also assess the transaction's longer-term costs and dilution.

- (vi) Who first proposed the special interim dividend?**
- (vii) How did the independent directors assess whether linking the dividend to approval could influence shareholders' voting decisions, particularly those focused on immediate returns? What safeguards ensure that shareholders can assess the refinancing on its own merits, taking into account its interest costs, warrant value, potential dilution and five-year repayment obligation, without the conditional dividend distorting that assessment?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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