

Raffles Education Corporation

(Incorporated in the Republic of Singapore)

Company Registration No. 199400712N

RESPONSE TO QUERY BY SGX-ST ON SECOND QUARTER RESULTS FOR FY2016 ("FY2016 Q2") ANNOUNCED ON 11 FEBRUARY 2016

1. SGX-ST Query

In paragraph 8, under "Net current liabilities", it was mentioned that the "Management is confident that the Group will continue to repay or re-finance its borrowings when they fall due". Please provide basis for the Management's views.

Company's Response

Paragraph 8 item 18.g) - Mortgage loan against 51 Merchant Road amounting to \$70.7 million which will mature in April 2016.

The Group has been paying the monthly principal repayment and interest to the financial institution (the "Bank") and out of the \$70.7 million outstanding, there is an existing extension option relating to \$38.4 million. Furthermore, the Group has already started the re-financing negotiation with the Bank for the whole \$70.7 million and is not aware of any factor that might affect this re-financing.

Paragraph 8 item 18.h) - Bonds of \$79.9 million which will be due in February 2016.

The Group will repay its Bonds of \$79.9 million from a combination of collection from receivables & working capital of \$69.9 million and an additional \$10 million bank loan.

Based on the Group's operational cashflows and support from bankers and creditors, including the availability of \$340 million under the Multicurrency Medium Term Note Programme, Management is confident that the Group will continue to repay or re-finance its borrowings when they fall due.

On behalf of the Board

Chew Hua Seng
Chairman and Group Chief Executive Officer

15 February 2016