

CIRCULAR DATED 14 OCTOBER 2026

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents in relation to this Circular or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled "DEFINITIONS".

If you have sold or transferred all your shares in the capital of Raffles Education Limited (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward the Notice of Extraordinary General Meeting ("**Notice of EGM**"), the attached Proxy Form and the Request Form to the purchaser or transferee as arrangements will be made by CDP for these documents to be sent to the purchaser or transferee.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s) which are not deposited with the CDP, you should immediately forward the Notice of EGM, the attached Proxy Form and the Request Form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has been made available on, and may be accessed at, the website of SGX-ST and the Company's website at <https://raffles.education/InvestorRelations.html>. Printed copies of this Circular will NOT be despatched to Shareholders. Nevertheless, printed copies of the Notice of EGM, the Proxy Form and the Request Form will be despatched to Shareholders. Shareholders who wish to obtain a printed copy of this Circular should complete the Request Form and return it by post to the office of the Share Registrar of the Company (B.A.C.S. Private Limited) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 or via email to main@zicoholdings.com, not later than 5.00 p.m. on 20 October 2026.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular. Approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for the New Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Proposed Transactions, the New Shares, the Company, its subsidiaries, or its securities.

RafflesEducation

RAFFLES EDUCATION LIMITED

(Company Registration Number: 199400712N)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED PURCHASE AND CANCELLATION OF EXISTING LISTED CONVERTIBLE BONDS, AND, AS CONSIDERATION FOR SUCH PURCHASE, THE PROPOSED ISSUE OF NEW UNLISTED, NON-CONVERTIBLE 5-YEAR 5.5% UNSECURED BONDS WITH UNLISTED DETACHABLE WARRANTS TO MR. CHEW HUA SENG AND MS. DORIS CHUNG GIM LIAN.

Independent Financial Adviser to the Independent Directors in respect of the Proposed Refinancing

ASIAN CORPORATE ADVISORS PTE. LTD.

(Company Registration Number: 200310232R)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	27 October 2026 (Tuesday) at 9.30 a.m. (Singapore Time)
Date and time of Extraordinary General Meeting	:	30 October 2026 (Friday) at 9.30 a.m. (Singapore Time)
Place of Extraordinary General Meeting	:	111 Somerset Road, #15-22, 111 Somerset, Singapore 238164

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout the Circular:

- “AIP”** : Shall have the meaning ascribed to it in Section 2.4.1(e) of this Circular
- “AIP Conditions”** : Shall have the meaning ascribed to it in Section 7 of this Circular
- “ALA”** : The additional listing application to the SGX-ST for the dealing in, listing of and quotation for the New Shares on the Main Board of the SGX-ST
- “Announcement Date”** : 11 May 2026, being the date on which the Company announced the Proposed Transactions
- “associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Audit Committee”** : The audit committee of the Company for the time being. As at the Latest Practicable Date, the Audit Committee comprises Mr. Lim How Teck (Chairman), Mdm. Lim Siew Mun and BG (Ret'd) Chua Chwee Koh
- “Binding Term Sheet”** : The binding term sheet entered into between the Company, Mr. Chew and Ms. Doris on 10 May 2026, in relation to:
- (a) the purchase by the Company of S\$34,383,487 Convertible Bonds held by Mr. Chew, together with all accrued and unpaid interest accruing up to and including the date of completion of the Proposed CB Purchase, which shall be satisfied in cash, and the issue by the Company and subscription by Mr. Chew of S\$34,383,487 in principal amount of New Bonds, with 528,976,723 detachable Warrants; and
 - (b) the purchase by the Company of S\$646,819 Convertible Bonds held by Ms. Doris together with all accrued and unpaid interest accruing up to and including the date of completion of the Proposed CB Purchase, which shall be satisfied in cash, and the issue by the Company and subscription by Ms. Doris of S\$646,819 in principal amount of New Bonds, with 9,951,061 detachable Warrants

DEFINITIONS

<i>“Board” or “Directors”</i>	:	The board of Directors of the Company as at the Latest Practicable Date
<i>“Bond Subscription Agreements”</i>	:	The bond subscription agreements dated 12 October 2026 entered into between the Company and Mr. Chew, and the Company and Ms. Doris, respectively in relation to the Proposed Refinancing
<i>“Business Day”</i>	:	A day (other than a Saturday or Sunday or gazetted public holiday) on which banks are open for general business in Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This circular to Shareholders dated 14 October 2026
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
<i>“Companies Act”</i>	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<i>“Company”</i>	:	Raffles Education Limited
<i>“Completion”</i>	:	Shall have the meaning ascribed to it in Section 2.6 of this Circular
<i>“Controlling Interest”</i>	:	The interest of a Controlling Shareholder
<i>“Controlling Shareholder”</i>	:	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued voting Shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
<i>“Convertible Bonds”</i>	:	6.0% convertible bonds issued by the Company on 23 September 2022 pursuant to the renounceable underwritten rights issue. Please refer to the Company’s announcements dated 7 June 2022, 8 June 2022, 28 July 2022, 6 August 2022, 22 August 2022, 30 August 2022, 21 September 2022, 23 September 2022, 27 September 2022, 30 September 2022, 10 August 2023, 25 October 2023, 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025, 31 December 2025, 8 January 2026, 15 January 2026, 21 January 2026, 30 January 2026, 4 February 2026, 11 February 2026, 20 February 2026, 9 April 2026, 29 April 2026, 28 May 2026, 17 June 2026, 24 June 2026, 8 July 2026, 22 July 2026, 5 August 2026 and 19 August 2026, and the offer information statement dated 30 August 2022 for further information on the Convertible Bonds
<i>“Constitution”</i>	:	The constitution of the Company, as amended, modified or supplemented from time to time

DEFINITIONS

“CPF”	:	The Central Provident Fund
“Cut-Off Date”	:	Means the date falling six (6) months after the date of the respective Bond Subscription Agreements, or such other date as parties may mutually agree in writing
“Deed Poll”	:	The deed poll executed by the Company on 12 October 2026 constituting the Warrants (as the same may be amended, modified or supplemented from time to time) and containing, among others, provisions for the protection of the rights and interests of Warrantholders
“EGM”	:	The extraordinary general meeting of the Company, to be convened and held, notice of which is set out on pages N-1 to N-4 of this Circular
“Exercise Period”	:	Shall have the meaning ascribed to it in Section 2.4.3 of this Circular
“Exercise Price”	:	The price payable for each New Share upon the exercise of a Warrant, which shall be S\$0.065, subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company (excluding treasury shares) comprising 1,819,522,087 Shares as at the Latest Practicable Date
“FY2025”	:	Financial year ended 30 June 2025
“FY2026”	:	Financial year ended 30 June 2026
“Group”	:	The Company and its subsidiaries
“IFA”	:	The independent financial adviser, being Asian Corporate Advisors Pte. Ltd.
“IFA Letter”	:	The letter dated 14 October 2026 from the IFA to the Independent Directors in relation to the Proposed Refinancing, appended to this Circular as Appendix B
“Independent Directors”	:	The Directors (excluding Mr. Chew) who are deemed independent for the purposes of making a recommendation to the Independent Shareholders on the Proposed Refinancing
“Independent Shareholders”	:	Shareholders excluding Mr. Chew, Ms. Doris and their associates for the purposes of the Proposed Refinancing
“IPT”	:	Interested person transaction as defined under Chapter 9 of the Listing Manual
“Latest Practicable Date”	:	The latest practicable date prior to the issuance of this Circular, being 25 September 2026

DEFINITIONS

<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Maturity Date”</i>	:	Shall have the meaning ascribed to it in Section 2.4.2 of this Circular
<i>“Ms. Doris”</i>	:	Ms. Doris Chung Gim Lian
<i>“Mr. Chew”</i>	:	Mr. Chew Hua Seng
<i>“New Bonds”</i>	:	The new unlisted, non-convertible, 5-year 5.5% unsecured bonds to be issued to Mr. Chew and Ms. Doris in connection with the Proposed New Bonds and Warrants Issue
<i>“New Shares”</i>	:	Up to 538,927,784 new Shares to be issued pursuant to the exercise of the Warrants, and each, a “New Share”
<i>“Notice of EGM”</i>	:	The notice of EGM as set out on pages N-1 to N-4 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“Ordinary Resolution”</i>	:	The ordinary resolution proposed for approval in this Circular
<i>“Proposed CB Purchase”</i>	:	The proposed purchase and cancellation of an aggregate of S\$35,030,306 in principal amount of Convertible Bonds from Mr. Chew and Ms. Doris (together with all accrued and unpaid interest thereon, which shall be satisfied in cash)
<i>“Proposed New Bonds and Warrants Issue”</i>	:	The proposed issuance of New Bonds in an aggregate principal amount of S\$35,030,306, with 538,927,784 Warrants to Mr. Chew and Ms. Doris as consideration for the Proposed CB Purchase
<i>“Proposed Refinancing”</i>	:	Collectively, the Proposed New Bonds and Warrants Issue and the Proposed CB Purchase
<i>“Proposed Special Dividend”</i>	:	The proposed special interim dividend of S\$0.003 per Share to be declared by the Company (subject always to adherence with all applicable laws and the Constitution)
<i>“Proposed Transactions”</i>	:	Collectively, the Proposed Refinancing and the Proposed Special Dividend
<i>“Proxy Form”</i>	:	The proxy form in respect of the EGM as attached to this Circular
<i>“Record Date”</i>	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
<i>“Relevant Intermediary”</i>	:	Has the meaning ascribed to it in Section 181 of the Companies Act
<i>“Request Form”</i>	:	The form to request for a printed copy of this Circular

DEFINITIONS

“Securities Account”	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares in the register of members of the Company, except that where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited
“Share Registrar”	:	The share registrar of the Company, B.A.C.S. Private Limited
“Shares”	:	The ordinary shares in the capital of the Company, and each a “Share”
“SRS”	:	Supplementary Retirement Scheme
“SRS Investors”	:	Investors who have previously purchased Shares under the SRS
“Subscription Date”	:	The date as notified in writing by the Company to Mr. Chew or Ms. Doris (as the case may be) falling no later than five (5) Business Days after the date on which all the conditions precedent set out in the Bond Subscription Agreements are fulfilled, but in any event being a date falling on or before the Cut-Off Date, or such other date as the parties may agree in writing
“Substantial Shareholder”	:	A person (including a corporation) who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
“VWAP”	:	Volume-weighted average price
“Warrants”	:	Shall have the meaning ascribed to it in Section 1.1 of this Circular
“Warrantholders”	:	Shall have the meaning ascribed to it in Section 2.4.3 of this Circular
“Warrants Exercise Proceeds”	:	Shall have the meaning ascribed to it in Section 6.6 of this Circular
<u>Currency, Units and Others</u>		
“%”	:	Percentage or per centum
“S\$” and “Singapore cents”	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

DEFINITIONS

Depositors. The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Subsidiaries. The term “**subsidiaries**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

References. Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Statutes. Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Rounding. Any discrepancies in figures included in this Circular between the amounts listed and the totals are due to rounding. Accordingly, figures shown as totals or sub-totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Websites. Any reference to a website or any website directly or indirectly linked to such websites in this Circular is not incorporated by reference into this Circular and should not be relied upon.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “seek”, “believe”, “plan”, “strategy”, “intend”, “estimate”, “anticipate”, “may”, “might”, “will”, “would”, “could”, “should” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and prospects are forward-looking statements and reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Shareholders and investors should not place undue reliance on such forward-looking statements. The Company does not represent or warrant that the Group’s actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the date of this Circular or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

RAFFLES EDUCATION LIMITED

(Company Registration Number: 199400712N)
(Incorporated in the Republic of Singapore)

Directors

Mr. Chew Hua Seng, *Chairman and Chief Executive Officer*
Mdm. Lim Siew Mun, *Lead Independent Non-Executive Director*
Mr. Lim How Teck, *Independent Non-Executive Director*
BG (Ret'd) Chua Chwee Koh, *Independent Non-Executive Director*
Mr. Joseph Ho Yan Jun, *Non-Independent Non-Executive Director*

Registered Office

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

14 October 2026

To: The Shareholders of **RAFFLES EDUCATION LIMITED**

Dear Sir / Madam,

THE PROPOSED PURCHASE AND CANCELLATION OF EXISTING LISTED CONVERTIBLE BONDS, AND, AS CONSIDERATION FOR SUCH PURCHASE, THE PROPOSED ISSUE OF NEW UNLISTED, NON-CONVERTIBLE 5-YEAR 5.5% UNSECURED BONDS WITH UNLISTED DETACHABLE WARRANTS TO MR. CHEW HUA SENG AND MS. DORIS CHUNG GIM LIAN.

1. INTRODUCTION

1.1. Extraordinary General Meeting

The Company is convening an EGM to seek the approval of Shareholders for the Proposed CB Purchase and as consideration for such purchase, the proposed issuance to Mr. Chew and Ms. Doris of New Bonds in an aggregate principal amount of S\$35,030,306, with 538,927,784 unlisted detachable warrants (the **"Warrants"**).

The Company has also announced that, subject to the approval of Shareholders being obtained for the Proposed Refinancing, the Board intends to declare the Proposed Special Dividend. Shareholders should note that the Proposed Special Dividend is conditional upon Shareholders approval being obtained for the Proposed Refinancing.

1.2. Circular

The purpose of this Circular is to provide Shareholders with information pertaining to, and to seek Shareholders' approval at the EGM for, the Proposed Refinancing. The resolution to be tabled at the EGM is set out in the Notice of EGM on pages N-1 to N-4 of this Circular.

This Circular has been prepared solely for the purposes set out herein and may not be relied upon for any other purpose.

1.3. Legal Adviser

Icon Law LLC is the legal adviser to the Company as to Singapore law in relation to this Circular.

LETTER TO SHAREHOLDERS

2. THE PROPOSED REFINANCING

2.1. Background

2.1.1 As announced on the Announcement Date, the Company had, on 10 May 2026, entered into the Binding Term Sheet with Mr. Chew and Ms. Doris in relation to the Proposed Refinancing. The Board wishes to announce that the Company had on 12 October 2026, entered into the respective Bond Subscription Agreements with Mr. Chew and Ms. Doris in relation to:

- (a) the purchase by the Company of S\$34,383,487 Convertible Bonds held by Mr. Chew, together with all accrued and unpaid interest accruing up to and including the date of completion of the Proposed CB Purchase, which shall be satisfied in cash, and the issue by the Company and subscription by Mr. Chew of S\$34,383,487 in principal amount of New Bonds, with 528,976,723 Warrants; and
- (b) the purchase by the Company of S\$646,819 Convertible Bonds held by Ms. Doris together with all accrued and unpaid interest accruing up to and including the date of completion of the Proposed CB Purchase, which shall be satisfied in cash, and the issue by the Company and subscription by Ms. Doris of S\$646,819 in principal amount of New Bonds, with 9,951,061 Warrants.

2.1.2 The Warrants will be constituted by a Deed Poll, and each Warrant shall carry the right to subscribe for one (1) New Share at an Exercise Price of S\$0.065 for each New Share. The Warrants are not expressed in terms of dollar value.

2.1.3 The Proposed Refinancing will be undertaken pursuant to “safe harbour” exemptions under the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Refinancing.

2.1.4 There are no share borrowing arrangements entered into or to be entered into by the Company to facilitate the Proposed Refinancing. No placement agent has been appointed, and no introducer fee or commission was paid or is payable in connection with the Proposed Refinancing.

2.2. Information on Mr. Chew and Ms. Doris

2.2.1 Mr. Chew is the Chairman and Chief Executive Officer of the Company, as well as a Controlling Shareholder of the Company. Ms. Doris is the spouse of Mr. Chew and is deemed to be an associate of Mr. Chew.

2.2.2 As at the Latest Practicable Date, their shareholding interests in the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Mr. Chew	607,747,775	33.40	176,692,688 ⁽²⁾	9.71	784,440,463	43.11
Ms. Doris	35,177,931	1.93	749,262,532 ⁽²⁾	41.18		
Jointly held by Mr. Chew and Ms. Doris	141,514,757	7.78	-	-		

Notes:

- (1) Calculated based on the Existing Share Capital comprising 1,819,522,087 Shares. Due to rounding, the presented percentage numbers may not add up precisely to the totals.
- (2) Mr. Chew is deemed to be interested in the Shares held by his spouse, Ms. Doris, and *vice versa*.

LETTER TO SHAREHOLDERS

2.2.3 Mr. Chew and Ms. Doris hold S\$34,383,487 and S\$646,819 in principal amount of Convertible Bonds, respectively.

2.2.4 As both Mr. Chew and Ms. Doris fall within the list of persons stated in Rule 812 of the Listing Manual, the Proposed New Bonds and Warrants Issue will be subject to the approval of Independent Shareholders. For the avoidance of doubt, the New Shares to be issued upon exercise of the Warrants will not be issued under any general share issue mandate of the Company, but pursuant to the specific approval of Independent Shareholders to be obtained at the EGM.

2.3. The Proposed CB Purchase

2.3.1 The Convertible Bonds held by Mr. Chew and Ms. Doris comprise bonds acquired pursuant to the renounceable underwritten rights issue of convertible bonds¹ and bonds subsequently acquired via off-market transactions. As at the Latest Practicable Date, the aggregate principal amount of the Convertible Bonds held by (i) public bondholders (excluding Convertible Bonds held by certain Directors of the Company) and (ii) Mr. Chew and Ms. Doris (in aggregate) was approximately S\$2,813,966 and S\$35,030,306 respectively, representing approximately 6.4% and 79.4% respectively of the original aggregate principal amount of S\$44,094,476 of the Convertible Bonds. As at the Latest Practicable Date, the aggregate accrued and unpaid interest on the Convertible Bonds amounts to approximately S\$1,076,822, comprising approximately S\$1,056,939 owing to Mr. Chew and approximately S\$19,883 owing to Ms. Doris. For the avoidance of doubt, interest on the Convertible Bonds will accrue up to and including the date of completion of the Proposed CB Purchase.

2.3.2 The salient terms of the Convertible Bonds are, among others, as follows:

Principal Amount	:	S\$44,094,476
Interest Rate	:	6.0% per annum, payable on a semi-annual basis
Maturity	:	The Convertible Bonds will mature on 22 September 2027, being five (5) years from the issue date, unless previously redeemed, converted, or purchased and cancelled.
Conversion Right and Conversion Price	:	Holders of the Convertible Bonds have the right to convert their Convertible Bonds into Conversion Shares, credited as fully paid, in accordance with the terms and conditions of the Convertible Bonds. The initial conversion price is S\$0.065.
Status of the Convertible Bonds	:	The Convertible Bonds will constitute direct, unconditional, unsubordinated and (subject to the terms and conditions of the Convertible Bonds) unsecured obligations of the Company. The Convertible Bonds shall at all times rank <i>pari passu</i> and rateably without any preference or priority among themselves, and shall (subject to the terms and conditions of the Convertible Bonds) rank <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company from time to time outstanding.
Listing	:	The Convertible Bonds are listed and quoted on the Main Board of the SGX-ST.

¹ Please refer to the Company's announcements dated 7 June 2022, 8 June 2022, 28 July 2022, 6 August 2022, 22 August 2022, 30 August 2022, 21 September 2022, 23 September 2022, 27 September 2022, 30 September 2022, 10 August 2023, 25 October 2023, 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025, 31 December 2025, 8 January 2026, 15 January 2026, 21 January 2026, 30 January 2026, 4 February 2026, 11 February 2026, 20 February 2026, 9 April 2026, 29 April 2026, 28 May 2026, 17 June 2026, 24 June 2026, 8 July 2026, 22 July 2026, 5 August 2026 and 19 August 2026, and the offer information statement dated 30 August 2022 for further information on the Convertible Bonds.

LETTER TO SHAREHOLDERS

- 2.3.3 Condition 7(B) of the terms and conditions of the Convertible Bonds provides that, among other things, the Company may at any time purchase Convertible Bonds at any price in the open market or otherwise. Such Convertible Bonds may, at the option of the Company, be held, resold or surrendered for cancellation.
- 2.3.4 Accordingly, the Company proposes to purchase an aggregate of S\$35,030,306 in principal amount of Convertible Bonds (together with all accrued and unpaid interest thereon, which shall be satisfied in cash) from Mr. Chew and Ms. Doris, and to surrender the purchased Convertible Bonds for cancellation.
- 2.3.5 The Proposed CB Purchase and Proposed New Bonds and Warrants Issue are inter-conditional and will be effected simultaneously. The consideration payable by the Company to Mr. Chew and Ms. Doris for the Proposed CB Purchase shall be satisfied by way of the issuance of the New Bonds and Warrants to Mr. Chew and Ms. Doris under the Proposed New Bonds and Warrants Issue. Save for the payment of accrued and unpaid interest on the Convertible Bonds which shall be satisfied in cash and expenses incurred in connection with the Proposed Transactions, there will be no cash outlay by the Company in respect of the Proposed CB Purchase.

2.4. The Proposed New Bonds and Warrants Issue

2.4.1 Conditions Precedent

Pursuant to the Bond Subscription Agreements, completion of the Proposed New Bonds and Warrants Issue is conditional upon the following conditions precedent:

- (a) trading in Shares on the SGX-ST not being suspended at the time of completion (other than on a temporary basis at the request of the Company);
- (b) approval of Independent Shareholders being obtained for the Proposed CB Purchase;
- (c) the approval of Independent Shareholders being obtained for the Proposed New Bonds and Warrants Issue;
- (d) the completion of the Proposed New Bonds and Warrants Issue occurring simultaneously with the completion of the Proposed CB Purchase, in accordance with the terms of the Bond Subscription Agreements;
- (e) the approval in-principle (“AIP”) being obtained for the listing of and quotation for the New Shares on the Main Board of the SGX-ST and not having been withdrawn, terminated, revoked or amended and, where the AIP is subject to conditions, to the extent that any conditions are required to be fulfilled on or before completion, they are so fulfilled;
- (f) as of Completion (as defined below), the trading of the issued Shares on the Main Board of the SGX-ST not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the issued Shares not having been delisted from the Main Board of the SGX-ST;
- (g) the “safe harbour” exemptions under the SFA being applicable to the Proposed New Bonds and Warrants Issue;
- (h) the allotment, issue and subscription of the New Bonds, Warrants and New Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Bond Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company, Mr. Chew or Ms. Doris (as the case may be);
- (i) the resolutions of the Board approving the entry into the Bond Subscription Agreements and the Proposed Refinancing having been duly passed;

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- (j) all representations, undertakings and warranties of Mr. Chew or Ms. Doris (as the case may be) under the Bond Subscription Agreements being and continuing to be complied with, true, accurate and correct up to Subscription Date as if made on each day up to the Subscription Date and Mr. Chew or Ms. Doris (as the case may be) not having breached in any manner the terms of the Bond Subscription Agreements, whether such term or such breach is of a material nature, unless waived by the Company; and
- (k) all relevant government or regulatory approvals and waivers and other third-party approvals and consents, where applicable and/or required, and any conditions imposed by the authorities in giving such approval having been fulfilled (or waived), and such approvals, waivers and other third-party approvals not being terminated, revoked or withdrawn, for the Proposed Refinancing and the execution, delivery and performance of the Bond Subscription Agreements.

If any of the conditions set out above for Mr. Chew or Ms. Doris is not satisfied or waived by the Cut-Off Date, or where Mr. Chew or Ms. Doris has breached any term of Bond Subscription Agreements, the Company shall have the right to terminate the Bond Subscription Agreements in relation to Mr. Chew or Ms. Doris and the Company shall be released and discharged from its obligations under the Bond Subscription Agreements.

2.4.2 Salient terms of the New Bonds

Principal Amount	:	Up to S\$35,030,306.
Issue Price	:	100% of the principal amount of New Bonds.
Coupon Rate	:	The New Bonds will bear interest at the rate of 5.5% per annum.
Form and Denomination	:	The New Bonds will be issued in registered form in the denomination of S\$1.00 or integral multiples thereof.
Status of the New Bonds	:	The New Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the New Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and at all times rank at least equally with all of its other present and future direct, unsubordinated and unconditional obligations, other than subordinated obligations and priorities created by law.
Maturity Date	:	The New Bonds will mature on the date falling five (5) years from its issue date (" Maturity Date ").
Redemption at the option of the Company	:	The New Bonds may be redeemed at the option of the Company, in whole or in part, at any time prior to the Maturity Date, by giving at least 30 calendar days' prior notice, at 100.0% of its principal amount (or, in the case of a partial redemption, 100.0% of the principal amount of the Bonds being redeemed), in accordance with the terms and conditions of the New Bonds.
Redemption on maturity	:	Subject to the terms and conditions of the New Bonds, unless previously redeemed, purchased and cancelled or extended as provided for in the terms and conditions of the New Bonds, the Company will redeem the New Bonds at 100.0% of its principal amount on the Maturity Date.

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- Transferability** : The New Bonds are transferable, provided that no New Bonds may be transferred except in accordance with the provisions under Sections 275 and 276 of the SFA, as may be amended or modified from time to time, and any applicable regulations promulgated thereunder.
- Listing** : The New Bonds will not be listed and quoted on the Main Board of the SGX-ST.
- Governing Law** : Singapore law.

2.4.3 Salient terms of the Warrants

- Number of Warrants and New Shares** : Up to 538,927,784 Warrants, and upon exercise of the Warrants, 538,927,784 New Shares to be issued, representing approximately 29.62% of the Existing Share Capital comprising 1,819,522,087 Shares, and 22.85% of the Company's enlarged share capital comprising 2,358,449,871 Shares.
- Form** : The Warrants will be issued in registered form and will be constituted by the Deed Poll to be executed by the Company. The Deed Poll will set out, among others, the terms and conditions of the Warrants and may from time to time be amended, supplemented or modified in accordance with its terms.
- Exercise Period** : The Warrants are exercisable during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding five (5) years from the date of issue of the Warrants, unless such date is not a Market Day, in which event, the last day of the Exercise Period shall be the immediately preceding Market Day ("**Exercise Period**"). Any Warrant remaining unexercised upon the expiry of the Exercise Period shall lapse and cease to be valid for all purposes.
- The Company shall, not later than one (1) month before the expiry of the Exercise Period, announce the expiry of the Exercise Period on SGXNet. In addition, the Company shall, not later than one (1) month before the expiry of the Exercise Period, take reasonable steps to notify all holders of Warrants ("**Warrantholders**") in writing of the expiry of the Exercise Period, and such notice shall be delivered by post to the address of the Warrantholders.
- Exercise Price** : Each Warrant will entitle the Warrantholder to subscribe for one (1) New Share at the Exercise Price of S\$0.065 per New Share, subject to adjustments under circumstances in accordance with the terms and conditions as set out in the Deed Poll.
- Listing** : The Warrants will not be listed and quoted on the Main Board of the SGX-ST.
- The New Shares to be issued upon exercise of the Warrants will, subject to the AIP being obtained from the SGX-ST, be listed and quoted on the Main Board of the SGX-ST upon issue.

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Status of the New Shares : The New Shares, when issued and allotted, upon the exercise of the Warrants will be issued free from all claims, charges, liens, pledges, mortgages, and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions, the Record Date for which falls on or before the date of the allotment and issue of the New Shares.

Adjustments : The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Deed Poll. Subject to the terms and conditions of the Deed Poll, such circumstances include:

- (a) any consolidation or subdivision of the Shares;
- (b) capitalisation of profits or reserves;
- (c) capital distribution;
- (d) rights issues of Shares; and
- (e) an issue of Shares (other than (i) a rights issue requiring an adjustment under sub-paragraph (d) above, and (ii) an issue of Shares to Shareholders who had an option to receive cash or other dividend in lieu of the relevant Shares) if the total effective consideration for each Share is less than 90.0% of the average of the last dealt prices on the five (5) Market Days immediately preceding the Announcement Date (calculated as provided in the Deed Poll).

Any additional Warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company on SGXNet in compliance with the Listing Manual. In the event that additional New Shares are issued as a result of the aforementioned circumstances, the Company will make a separate application to the SGX-ST, for the dealing in, listing of and quotation for the additional Shares on the Main Board of the SGX-ST. The Company will make the necessary announcement upon the receipt of the relevant AIP from the SGX-ST.

Winding up : If a resolution is passed for a members' voluntary winding-up of the Company, then:

- (a) If such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person designated by them for such purpose by Extraordinary Resolution (as defined in the Deed Poll), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantholders.

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- (b) If notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warrantholder shall be entitled, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his Warrant Certificate(s) (as defined in the Deed Poll) to the Company with the Exercise Notice(s) (as defined in the Deed Poll) duly completed, together with all relevant payments payable and other items required under the terms and conditions of the Deed Poll, to elect to be treated as if he had prior to the commencement of such winding-up exercised the Warrants to the extent of the number of Warrants specified in the Exercise Notice and had on such date been the holder of the New Shares. The New Shares will be allotted to such Warrantholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

The Company shall give notice to the Warrantholders in accordance with the terms and conditions of the Deed Poll, with respect to the passing of any such resolution within seven (7) Business Days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Transfer and transmission	:	The Warrants shall be transferable in lots entitling the Warrantholders to subscribe for whole numbers of New Shares. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants to be set out in the Deed Poll.
Modification of terms	:	Notwithstanding any other provisions as set out in the Deed Poll, any material alteration to the terms and/or conditions of the Warrants after the issue thereof to the advantage of the Warrantholders must be approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants.
Further issue of securities	:	Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.
Governing Law	:	Singapore law.

2.5. Exercise Price of the Warrants

The Exercise Price of S\$0.065 represents a discount of approximately 19.8% to the VWAP of S\$0.081 per Share for trades done on the SGX-ST on 9 October 2026 (being the last full market day on which the Shares were traded prior to the date of signing of the Bond Subscription Agreements). As the New Shares will be issued at a discount exceeding 10.0%, under Rule 811(2)(a) read with Rule 811(3) of the Listing Manual, the Proposed New Bonds and Warrants Issue is

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subject to the approval of Shareholders at the EGM. Accordingly, the Directors propose to seek Shareholders' approval for the Proposed New Bonds and Warrants Issue pursuant to Rule 811(3) of the Listing Manual.

2.6. Completion of the Proposed CB Purchase and Proposed New Bonds and Warrants Issue

Pursuant to the terms and conditions of the Bond Subscription Agreements, completion of the Proposed CB Purchase and Proposed New Bonds and Warrants Issue ("**Completion**") shall take place on the Subscription Date.

2.7. Confirmations by Mr. Chew and Ms. Doris

Pursuant to irrevocable undertakings provided by each of Mr. Chew and Ms. Doris to the Company dated 12 October 2026, each of Mr. Chew and Ms. Doris has confirmed to the Company that:

- (a) he/she is subscribing for the New Bonds and Warrants as a principal for his/her own benefit;
- (b) he/she acknowledges that the offer of New Bonds and Warrants is made by the Company in reliance on "safe harbour" exemptions provided in the SFA, subject to relevant restrictions thereunder;
- (c) he/she shall not offer the New Bonds and Warrants for resale in a manner prohibited by the SFA;
- (d) he/she is not acting in concert with any other party in relation to the Proposed New Bonds and Warrants Issue and is not subscribing for the New Bonds and Warrants pursuant to the instruction of any other party; and
- (e) he/she is, at the time of the Proposed New Bonds and Warrants Issue, an accredited investor or a relevant person to which section 275 of the SFA applies and will be bound by sections 275 and 276 of the SFA.

In addition, Mr. Chew and Ms. Doris have each provided in the irrevocable undertakings to the Company that they will not exercise any Warrants issued to them pursuant to the Proposed New Bonds and Warrants Issue in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company. Such undertakings shall remain in force for so long as the Warrants remain exercisable.

Accordingly, Mr. Chew and Ms. Doris may and will only exercise the Warrants to the extent that such exercise does not result in them acquiring more than 1.0% of the voting rights in the Company in any period of six (6) months under Rule 14.1(b) of the Code. Shareholders should note that any exercise of the Warrants in compliance with Rule 14.1(b) of the Code may nevertheless result in a gradual increase in Mr. Chew's and Ms. Doris' combined shareholding interests in the Company over the Exercise Period without triggering a mandatory general offer obligation under the Code. Pursuant to Rule 831 of the Listing Manual, the Company will not extend the Exercise Period or issue replacement warrants upon expiry, and any Warrants that remain unexercised at the expiry of the Exercise Period will lapse in accordance with the terms and conditions of the Deed Poll.

2.8. Interested Person Transaction under Chapter 9 of the Listing Manual

- 2.8.1 Transactions entered into between an issuer's "interested person" and the issuer, its subsidiaries or associated companies (which the listed group or its interested persons have control over) are deemed "interested person transactions" and subject to Chapter 9 of the Listing Manual. In applying the rules in Chapter 9 of the Listing Manual, Rule 902 of the Listing Manual provides that regard must be given to, amongst others, the economic and commercial substance of the IPT, instead of its legal form and technicality. Pursuant to Rule 904(4) of the Listing Manual, a director, chief executive officer, or controlling shareholder of the issuer, and the associates of such director, chief

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executive officer, or controlling shareholder of the issuer are deemed “interested persons” of the issuer. Accordingly, Mr. Chew, a Director and Controlling Shareholder of the Company, as well as Ms. Doris, who is an associate of Mr. Chew, are deemed to be interested persons of the Company.

2.8.2 Rule 906(1) of the Listing Manual provides that an issuer must obtain shareholder approval for any IPT of a value equal to, or more than (a) 5.0% of the group’s latest audited NTA, or (b) 5.0% of the group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year, however, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

2.8.3 In determining the value of the transaction, the Company considered the economic and commercial substance of the Proposed Refinancing. As the Proposed CB Purchase is to be satisfied by way of issuance of the New Bonds and Warrants to Mr. Chew and Ms. Doris,

- (a) in respect of the New Bonds, the value of the transaction is the aggregate interest payable on the New Bonds from the date of issue to the maturity date, being approximately S\$9.63 million; and
- (b) in respect of the Warrants, management has determined the theoretical value of the transaction to range approximately between S\$49.94 million and S\$54.41 million.

2.8.4 Accordingly, the aggregate value of the Proposed Refinancing ranges approximately between S\$59.57 million and S\$64.04 million. As at the Latest Practicable Date, this represents approximately 13.0% to 13.9% of the Group’s audited NTA attributable to the owners of the Company of S\$459.61 million as of 30 June 2025. As the aggregate value exceeds 5.0% of the Group’s latest audited NTA as at the Latest Practicable Date, the Proposed Refinancing is subject to the approval of Independent Shareholders at the EGM.

For completeness, the aggregate value of the Proposed Refinancing represents approximately 11.1% to 11.9% of the Group’s audited NTA attributable to the owners of the Company of S\$535.98 million as of 30 June 2026.

2.8.5 Apart from the Proposed CB Purchase and Proposed New Bonds and Warrants Issue as described above, during the financial year ended 30 June 2026, the Company had entered into the following IPTs with Mr. Chew and Ms. Doris:

- (a) a transaction with Mr. Chew for the proposed conversion of certain outstanding amounts owed to Mr. Chew of approximately S\$15.53 million into equivalent value of new ordinary shares of the Company (“**Proposed Conversions**”). The Proposed Conversions were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 23 January 2026²; and
- (b) a transaction with Ms. Doris for a consideration of MYR16,810,000 (or equivalent to approximately S\$5.31 million) in relation to the acquisition by Raffles K12 Sdn. Bhd., a subsidiary of the Company, of 100% of the issued shares in Dataran Delapan (M) Sdn. Bhd., together with all of its assets (including fixed and biological assets) and on the basis of a zero-liability financial position. The value of this transaction did not exceed the threshold requiring announcement under the Listing Manual.

2.8.6 Save as disclosed in this Circular and in the Company’s annual report, as of the Latest Practicable Date, there are no other IPTs (with a value of more than S\$100,000) entered into between the Company and Mr. Chew or his associates or any other interested person for the current financial year ending 30 June 2027.

² Please refer to the Company’s announcements dated 30 October 2025, 2 January 2026, 23 January 2026, 27 February 2026, 10 March 2026 and the circular dated 8 January 2026 for further information in relation to the Proposed Conversions.

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3. THE PROPOSED SPECIAL DIVIDEND

- 3.1. Section 403(1) of the Companies Act provides that dividends may not be declared to Shareholders except out of profit, and Regulation 132 of the Constitution provides that if and in so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. The Company confirms that the Proposed Special Dividend will only be declared and paid out of the Company's available distributable profits in accordance with Section 403(1) of the Companies Act and Regulation 132 of the Constitution. Having considered, among other things, the Group's liquidity position (including the matters disclosed in the Company's FY2026 unaudited financial statements relating to going concern), the Board is of the view that the Proposed Special Dividend is in the interests of the Company as it is directly linked to, and conditional upon, the cash resources preserved through the Proposed Refinancing. The Proposed Special Dividend remains conditional upon Shareholders' approval of the Proposed Refinancing, and the Board retains the discretion as to the timing of the declaration and payment of the Proposed Special Dividend, having regard to the Company's financial position and applicable legal and regulatory requirements at the relevant time.
- 3.2. In connection with the Proposed Refinancing, the Board intends to declare the Proposed Special Dividend as a direct return of value to Shareholders, in recognition of their continued loyalty and support of the Company. The Proposed Refinancing is expected to allow the Company to maintain its cash position that would otherwise be applied towards the redemption of the Convertible Bonds held by Mr. Chew and Ms. Doris. Subject to Independent Shareholders' approval of the Proposed Refinancing at the EGM, as well as adherence to all applicable laws and the Constitution, the Company intends to declare the Proposed Special Dividend of S\$0.003 per Share. Shareholders should note that the Proposed Special Dividend is conditional upon Shareholders approval being obtained for the Proposed Refinancing. The Independent Directors are of the view that it is fair and not prejudicial to minority shareholders for the Proposed Special Dividend to be conditional upon the Proposed Refinancing for the following reasons:
- (a) In the absence of the Proposed Refinancing, the cash resources that would otherwise fund the Proposed Special Dividend would instead be required for the redemption of the Convertible Bonds, and would accordingly not be available for distribution. The conditionality is therefore a function of commercial and financial reality, namely, that the funding source for the Proposed Special Dividend is directly contingent on the cash preserved through the Proposed Refinancing rather than a mechanism designed to influence how Shareholders vote;
 - (b) The Proposed Special Dividend enables all Shareholders to participate in the benefit of the cash resources preserved through the Proposed Refinancing and reflects the commercial and financial basis on which the Proposed Special Dividend is proposed. In the absence of the Proposed Refinancing, such cash resources would otherwise be applied towards the redemption of the Convertible Bonds and would not be available for distribution as the Proposed Special Dividend. Accordingly, the conditionality ensures that the Proposed Special Dividend will only be declared if the cash resources intended to fund it are in fact preserved; and
 - (c) Notwithstanding the conditionality, Shareholders are encouraged to evaluate the merits of the Proposed Refinancing on its own terms, including its effect on the Company's capital structure, debt maturity profile, interest costs, and financial position, independently of whether they intend to vote in favour of it in order to receive the Proposed Special Dividend. The Independent Directors have set out their views on the rationale and recommendations in respect of the Proposed Refinancing separately in paragraphs 6.2 and 9.2 of this Circular, and Shareholders should have regard to that assessment when determining how to vote, in addition to the fact that the payment of the Proposed Special Dividend is conditional upon that outcome.
- 3.3. Please refer to the Company's announcement for further details on the Proposed Special Dividend, including the Record Date and payment date.

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4. INDEPENDENT FINANCIAL ADVISER

4.1. Appointment of IFA

Pursuant to Chapter 9 of the Listing Manual, Asian Corporate Advisors Pte. Ltd. has been appointed as the IFA to advise the Independent Directors in relation to the Proposed Refinancing and to opine on whether the Proposed Refinancing will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Independent Shareholders are advised to read the IFA letter in its entirety and consider carefully the recommendations of the Independent Directors and the opinion and advice of the IFA in relation to the Proposed Refinancing, respectively, before deciding whether or not to vote in favour of the Ordinary Resolution, to be tabled at the EGM. The opinion and advice of the IFA is set out in the IFA Letter as set out in **Appendix B** of this Circular.

4.2. Opinion and advice of IFA

Information relating to the advice of the IFA and the key factors it has taken into consideration have been extracted from Section 7 of the IFA Letter and are reproduced below. Unless otherwise defined, all capitalised terms and expressions used in the extract below shall have the same meanings as ascribed to it in the IFA Letter:

“In arriving at our recommendation, we have reviewed and examined all factors set out in Sections 5 and 6 of this Letter as well as others elaborated elsewhere in this Letter which we have considered to be pertinent in our assessment of the Proposed Refinancing as an IPT, including, inter alia, the views of and representations by Directors. Our recommendation or opinion is by no means an indication of the merits, financial performance and position or prospects of the Company or the Group after the completion of the Proposed Transactions, or the ability of the Company or the Group to service or meet its obligations when they fall due or whether the Proposed Refinancing as an IPT will alleviate the uncertainties (if any) regarding the Company or the Group’s ability to operate as a going concern or the Exercise Price or the prices at which the Shares would trade after completion of the Proposed Transactions.

Shareholders are advised to read this Letter carefully and in its entirety. Our views, recommendation and opinion are necessarily limited and subject to the matters stated in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

*In summary, having regard to our analysis and the consideration in this Letter (including, inter alia, its limitation and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to our terms of reference, as well as the representation and confirmation from Directors, we are of the opinion that on balance the terms of the Proposed Refinancing as an IPT, are **NOT ON NORMAL COMMERCIAL TERMS, AND NOT PREJUDICIAL** to the interests of the Company and the Independent Shareholders, after considering, inter alia, the following factors:*

- (i) The Group’s reliance on Mr. Chew for funding. The subscription for the Rights Issue, the S\$20 Million Bonds and the S\$10 Million Bonds (of which only S\$4.0 million was issued) had demonstrated a persistent and recurring pattern of the Group’s heavy reliance on Mr. Chew for funding. Without Mr. Chew’s commitment and support, the Rights Issue and the S\$20 Million Bonds would not have been fully subscribed, and these fund raising exercises would have been futile and failed to achieve their respective fund-raising objectives. Similarly, as at the Latest Practicable Date, subscriptions for the S\$10 Million Bonds from investors other than Mr. Chew amounted to only approximately S\$4.0 million or about 40.0% of the targeted principal amount. As of now, it still falls short of the original intended principal amount of S\$10.0 million. Thus, it appears that Mr. Chew’s financial support has not been merely supplementary but has been very crucial and essential to the successful completion of the Group’s past fund-raising exercises. These past fund-raising exercises had demonstrated that the Group had been unable to secure the requisite funding from investors without Mr. Chew support and commitments.*

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- (ii) *The Exercise Price represents discounts of approximately 81.3% and 78.0% from the NAV per Share and NTA per Share respectively (as set out in Section 5.3 of this Letter). After taking into consideration the adjustments made as described in Section 5.3 of this Letter, the Proposed New Bonds and Warrants Issue, and the Proposed Special Dividend (but before the exercise of the Warrants), the Exercise Price represents discounts of approximately 81.1% and 77.7% from the Group's Adjusted NAV and Adjusted NTA after the Proposed New Bonds and Warrants Issue per Share, respectively.*
- (iii) *The P/NAV (or P/LPD Adjusted NAV or P/Adjusted NAV after Proposed New Bonds and Warrants Issue) multiple as implied by the Exercise Price is relatively lower and less favourable than the median and simple average of the historical trailing P/NAV multiples for each of the 1-month, 3-month, 6-month and 12-month periods prior to the Last Trading Day. However, it is significantly higher than the median and marginally higher than the simple average of the trailing P/NAV multiples for the 24-month period prior to the Last Trading Day.*
- (iv) *In general, the Exercise Price, as highlighted in Section 5.4 of this Letter, is not favourable as compared to the historical prices for the Shares prior to the Last Trading Day considering, inter alia, (a) the discount from the VWAP on the Last Trading Day; and (b) the discounts from the VWAP of the Shares for the 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Last Trading Day respectively.*
- (v) *The valuation of the Group (as implied by the Exercise Price) in terms of P/NAV and P/NTA (or LPD Adjusted P/NAV and/or LPD Adjusted P/NTA) appears to be lower and less favourable as compared to both the median and simple average of the Selected Comparable Companies after considering the factors highlighted in Section 5.5 of this Letter.*
- (vi) *The proposed interest rate payable for the New Bonds is favourable and lower than both the median and simple average of the Precedent IPT Transactions. As highlighted in Section 5.6 of this Letter, the LTM EBITDA/ (Interest + current borrowings) ratio of the Group appears to be within the range, but lower than both the median and simple average of the Precedent IPT Transactions. This indicates the Group's comparatively weaker debt-servicing capability with the New Bonds' maturity being longer than both the median and simple average of the Precedent IPT Transactions and, correspondingly, a higher credit risk profile relative to the Precedent IPT Transactions.*

Whilst we have analysed the Proposed Refinancing with its constituents being the New Bonds and Warrants, we note as an observation from the Precedent Convertibles that the discount of the Exercise Price from the closing price on the Last Trading Day is less favourable and significantly higher than both the median and simple average of the discounts of the conversion prices from the relevant last traded prices of their shares for the Precedent Convertibles. Similarly, the P/NTA (or P/NAV) ratio as implied by the Exercise Price and the LPD Adjusted NTA per Share (or LPD Adjusted NAV per Share) for the Warrants is less favourable and significantly lower than both the simple average and median conversion price to NTA (or NAV) per share for the Precedent Convertibles.

- (vii) *The rationale for the Proposed Refinancing as an IPT as outlined in Section 6 of the Circular. In particular, we note that: (a) the Proposed Refinancing as an IPT will allow the Company to refinance and purchase a large portion of the outstanding 2022 Convertible Bonds without utilising the Company's internal cash resources or existing credit facilities, and that the bulk of the Group's cash resources are held within the PRC and any "remittance" of such cash is subject to PRC foreign exchange controls on remittance out of the PRC. It would thereby (a) preserve the Group's liquidity and working capital for its operational and business needs; (b) provide greater financial flexibility since the maturity of the Company's debt obligations (pursuant to the Convertibles to be refinanced) will be extended by a further four (4) years; and that (c) a significant amount of the Group's total cash was held by entities within the PRC (including Hong Kong). We note as confirmed by Directors that the amount of cash as at 30 June 2026 held outside of the PRC (excluding cash held by OUCHK) of approximately S\$7.1 million may not suffice for repayment or redemption of the Convertible Bonds, not to mention the potential amounts payable for Arbitral Final Awards of approximately S\$17.2*

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million wherein we note from the 29 July 2026 announcement that the Company intends to “vigorously pursue all available legal remedies and avenues to challenge the Final Awards, including filing an application with the competent court to set aside the Final Awards”.

- (viii) *The Group’s historically weak financial performance, as outlined in Section 5.2 of this Letter. This is demonstrated by the losses incurred (after adjusting for non-trade and non-recurring items, for the past three (3) financial years) and its weak financial position (as demonstrated by the negative net working capital as at 30 June 2026), as well as the fact that the principal amount of the Convertible Bonds which are the subject of the Proposed Refinancing is approximately 89.5% of the Group’s cash and bank balances as at 30 June 2026.*
- (ix) *The Proposed New Bonds and Warrants Issue is undertaken to refinance the existing Convertible Bonds held by Mr. Chew and Ms. Doris, which we have viewed in the context of past fund-raising exercises, which include, inter alia, the Rights Issue Bonds, the Placement Bonds and the Proposed Conversions.*

The discount of 57.2% as implied by the Exercise Price from the VWAP of the Shares as at the Last Trading Day is significantly higher or less favourable as compared to the discounts from the relevant VWAPs for the Proposed Conversions and the Right Issue Bonds, or the premium over the relevant VWAP for the Placement Bonds. However, the implied P/NAV and P/NTA ratios based on the Exercise Price, LPD Adjusted NAV or NTA per Share, and Adjusted NAV or NTA per Share) pursuant to the Proposed New Bonds and Warrants Issue are higher and more favourable than the implied P/NAV and P/NTA ratios based on the conversion prices for the Rights Issue Bonds and the Placement Bonds and are in line with the January 2026 Conversions.

The Directors believe that: (a) the longer maturity, the structure and terms of the Proposed New Bonds and Warrants Issue provide a more favourable option to the Company as compared to financing which are presently not available from banks, financial institutions and investors for similar amounts; (b) raising long-term funds through the New Bonds (which are redeemable at the Company’s option) and the Warrants (which may only be exercised much later) would enable the Company to diversify its sources through a mix of equity and debt securities with flexibility for liquidity and repayment with extended maturity; (c) the Warrants, may on exercise enable the Company to increase its liquidity and given the “restrictions” provided pursuant to the undertakings, it will not result in an immediate dilution of Independent Shareholders’ interest; and (d) the provision which allows for redemption at the option of the Company under the New Bonds would provide the Group greater financial flexibility, as it would allow the Group, subject to the terms of the New Bonds, to redeem the New Bonds before their scheduled maturity should its liquidity position, cash flows or access to alternative financing improve.

We have also compared other fund-raising exercises like the S\$20 Million Bonds (wherein Mr. Chew’s participation was significant at about 58.8%) and the S\$10 Million Bonds (for which only S\$4.0 million was subscribed). In general, the spread above SORA for the New Bonds is more favourable when compared to the S\$20 Million Bonds and S\$10 Million Bonds and is reflective of the financial performance, position and credit standing of the Group at the relevant point in time.

- (x) *The amount of Adjusted Existing Cash with Proposed Refinancing and No Special Dividends would be significantly more (about 2.6 times) as compared to Adjusted Existing Cash with No Proposed Refinancing and No Special Dividends due to the repayment of the existing Convertible Bonds owned by Mr. Chew and Ms. Doris.*

We also note that a significant amount of the Group’s Adjusted Existing Cash is in the PRC, and Management and Directors have confirmed that the amount of Adjusted Existing Cash held by the Group outside of the PRC is significantly less than the principal amount of Convertible Bonds which are the subject of the Proposed Refinancing (in fact, the Adjusted Existing cash held outside of the PRC (excluding cash held by OUCHK) as at 30 June 2026

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of approximately S\$7.1 million may not suffice for repayment or redemption of the Convertible Bonds, not to mention the potential amounts payable for the Arbitral Final Awards; and funds in the PRC cannot be easily repatriated to Singapore for their use.

- (xi) *The dilution impact of the exercise of the Warrants on existing Independent Shareholders' interest is set out in Section 6.1 of this Letter. Independent Shareholders are not prejudiced in terms of the absolute number of Shares they hold or the potential dilution in terms of percentage of shareholding interests pursuant to the issue of the Warrants which are exercisable into such number of new Shares which is similar when compared to the conversion of the existing Convertible Bonds held by Mr. Chew and Ms. Doris. We note that there is no "transfer" of voting rights or material differences in voting rights (or participation in economic benefits from future or prospective performance which may or may not be translated to prices of Shares) from the Independent Shareholders, as their interests in the Company does not change after the Proposed Refinancing as compared to the Convertible Bonds, albeit the differences in maturities. Whilst the CHS Concert Party Group, as at the Latest Practicable Date, does not have statutory control, they are the single largest group of Shareholders and do have significant influence over the business and operating strategies of the Group, and the ability to influence the outcome of resolutions (wherein they are not interested in) given shareholders apathy in general and attendance in general meetings.*

As described and illustrated in Section 6.4, we note that the right to acquire Shares pursuant to the issuance of the Warrants does not accord Mr. Chew and Ms. Doris any additional rights that they do not already have pursuant to the existing Convertible Bonds (and there is no waiver of Independent Shareholders' rights in a takeover), albeit the differences in expiry profiles. In addition, given the market prices of the Shares, Independent Shareholders may not accept, as described in this Letter, in the hypothetical event of a mandatory general offer, a minimum offer price of say S\$0.065. Accordingly, Independent Shareholders' interests are not prejudiced.

Furthermore, the "restrictions" on the exercise of the Warrants provided pursuant to the undertakings will afford Independent Shareholders "protection" from an immediate dilution of their shareholding interests and they are not materially worse off. Independent Shareholders will retain their voting influence and governance protection (which arises from delaying the acquisition of voting rights and preserving minority influence) for a longer period than would otherwise have been the case notwithstanding that the dilution is deferred rather than avoided.

- (xii) *On its announcement dated 21 October 2021, the Group stated that the MAS and the CAD requested documents relating to loan facilities extended by certain financial institutions, in connection with potential disclosure-related offenses under the SFA. The investigations subsequently led to the charging of five former and current directors on 20 September 2024 in relation to the Company's alleged failure to disclose defaults under certain credit facilities. The ongoing investigations and legal proceedings arising from the Group's alleged disclosure-related offences with respect to the Group's ability to meet its obligations when due, have resulted in significant legal, regulatory, reputational and compliance concerns, which Directors and Management have represented have been "a heavy boulder over the Company's neck" effectively restricting the Group's access to conventional bank financing for about four (4) to five (5) years. Consequently, the Group has had limited funding alternatives, increased reliance on its existing cash resources and shareholder-related funding, and, inter alia, in certain instances, may have disposed of assets at prices which may not fully reflect their underlying values. In these circumstances, preserving the Group's cash resources and securing the Proposed Refinancing may be important to maintaining its liquidity and avoiding severe financial pressure. These are implications and impediments as the outstanding issues relate to, limitation of the Group's ability to credibly tap into banking, debt and equity capital markets.*

The aggregate incremental "economic cost" of the Warrants and interest payable for the New Bonds, should be viewed in the context of the: (a) preservation of cash resources of approximately S\$35.0 million (in the event that the Proposed Refinancing happens as

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compared to the event when the Convertible Bonds are repaid); and (b) the limited amount of the Group's cash held outside the PRC (which may be required for, inter alia, its working capital and investment purposes not to mention meeting its obligations outside of the PRC etc).

The preservation of the Group's cash resources: (a) provides greater financial flexibility and liquidity, (b) enables the Group to deploy such funds in accordance with its objectives and to support the generation of future economic benefits; (c) improves current and liquid ratios with no change in net debt; (d) provides the needed cash buffer given, inter alia, the average historical capex requirements were about S\$9.0 million per annum (as reflected in the last three (3) financial years ended 30 June 2026); and (e) does not "impede" Independent Shareholders' ability to participate and given the undertakings provided such participation is without any immediate dilution in terms of future economic benefits.

- (xiii) The potential favourable financial effects of the Proposed Refinancing as an IPT, which are not unfavourable, as outlined in this Letter on the Group's loss after tax attributable to the equity holders of the Company (excluding loss on disposal of Langfang Land), the Group's NTA and the strengthening of its financial position, as evidenced by an improvement from a net debt to a net cash position) as well as the corresponding improvement in its net gearing ratio, whilst noting the less favourable financial effects of the Proposed Refinancing as an IPT on LPS and the Group's NTA per Share, which may not be materially different when compared to the existing Convertible Bonds.
- (xiv) The Directors' confirmation and representation as described in Section 6.8 of this Letter that they had considered other funding alternatives, including but not limited to search for other strategic investors/partners, undertaking of placement or rights issue, and obtaining external borrowings from financial institutions, and they are not aware of any alternative offers or financing, which is comparable in nature, size and scope, and materially more favourable than the Proposed New Bonds and Warrants Issue.
- (xv) The Directors' opinion as set out in Section 9 of the Circular that the Directors, having considered, amongst others, the rationale for the Proposed Refinancing as an IPT, are of the opinion that the Proposed Refinancing as an IPT, is in the best interests of the Group and not prejudicial to the interests of the Independent Shareholders.
- (xvi) Although there is an economic cost for the Warrants, we note that, inter alia, after balancing the preservation of S\$35.0 million of liquidity, the absence of comparable financing alternatives, the Group's existing cash resources under various scenarios, (inter alia, the amount of cash held outside of the PRC (excluding cash held by OUCHK) as at 30 June 2026 of approximately S\$7.1 million which may not suffice for repayment or redemption of the Convertible Bonds, not to mention the potential amounts payable for the Arbitral Final Awards and the difficulties in remitting cash from the PRC), the extension of debt maturity, the substantially similar dilution profile as compared with the existing Convertible Bonds, and the dilution and governance protections arising from the undertakings, the Proposed Refinancing, taken as a whole, is not materially prejudicial to the interests of the Company and the Independent Shareholders.

Matters to highlight

We would also wish to highlight the following matters which may affect the decisions or actions of the Independent Shareholders:

- (1) Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, PPE; investment properties; intangible assets; and non-current assets held for sale) or contracts entered into or to be entered into by the Group (where applicable), and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into or to be entered into by the Group.

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With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, PPE; investment properties; intangible assets; and non-current assets held for sale) including, inter alia, the contracts or agreements that the Group has embarked upon or is about to embark upon (where applicable) and have relied on the opinion of the Directors and the audited financial statements where applicable for the assessment.

- (2) Directors and Management have confirmed, inter alia, that, to the best of their knowledge and belief, (a) save as disclosed in the audited consolidated financial statements of the Group for FY2026, the Group's announcements on the SGXNet and the Circular, there have been no known material events that have or will have material impact to the audited consolidated financial statement of financial position of the Group since 30 June 2026 as compared to the analysis reflected in this Letter; and (b) there are no material differences between the estimated market value of the assets and liabilities and their respective book values as at 30 June 2026 which would have a material impact on the NAV and NTA of the Group as compared to the analysis reflected in this Letter.*
- (3) The scope of our appointment does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group before and after the transactions stipulated in the Circular or the Proposed Refinancing as an IPT or the sufficiency of the Group's working capital or the ability of the Group to continue as a going concern. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the Proposed Refinancing as an IPT or the other transactions or resolutions stipulated in the Circular (where applicable), or voting for or voting against the Proposed Refinancing as an IPT or the other transactions or resolutions stipulated in the Circular (where applicable) or on the future financial performance of the Company or the Group or the plans (if any) for each of them.*
- (4) Mr. Chew and Ms. Doris have undertaken not to, exercise any Warrants issued to them pursuant to the Proposed New Bonds and Warrants Issue in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company. Such undertakings shall remain in force for so long as the Warrants remain exercisable.*
- (5) As at the Latest Practicable Date, the CHS Concert Party Group owns 784,440,463 Shares or approximately 43.11% of the Existing Share Capital. Accordingly, the undertakings provided does not mean that they will not be able to exercise all the Warrants which are proposed to be issued. Instead, subject to and in satisfaction of the Creeping Rule, the CHS Concert Party Group may time their exercise of the Warrants such that they will exceed 50.0% of the voting rights without triggering a mandatory general offer.*

Specific objectives

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular or individual needs and constraints of any individual Independent Shareholder. As each Independent Shareholder or group of Independent Shareholders would have different investment objectives and profiles, Independent Directors should advise any individual Shareholder or group of Shareholders who may require specific advice in the context of investments in unlisted shares or his or their specific investment objectives or portfolio to consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately."

4.3. Consent from the IFA

The IFA has given, and has not withdrawn, its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter as set out in **Appendix B** of this Circular and all references thereto, in the form and context in which each they appear in this Circular, and to act in such capacity in relation to this Circular.

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5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

- 5.1. The *pro forma* financial effects of the Proposed Transactions set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following completion of the Proposed Transactions.
- 5.2. The *pro forma* financial effects have been prepared based on the latest unaudited and audited financial results of the Group for FY2026, on the following bases and assumptions:
- (a) the Proposed Transactions had been completed on 30 June 2026 for the purpose of illustrating the financial effects on the NTA;
 - (b) the Proposed Transactions had been completed on 1 July 2025 for the purpose of illustrating the financial effects on the earnings per Share (“EPS”);
 - (c) the Proposed Transactions had been completed on 30 June 2026 for the purpose of illustrating the financial effects on the net gearing;
 - (d) all 538,927,784 Warrants are exercised by Mr. Chew and Ms. Doris in full³;
 - (e) no other outstanding share options or convertible securities of the Company (including outstanding share awards under the Raffles Education Corporation Performance Share Plan (Year 2021)) have been converted into Shares;
 - (f) the issuance of 1,556,461, 207,692, 30,769, 47,692 Shares pursuant to the conversion and cancellation of Convertible Bonds announced by the Company on 8 July 2026, 22 July 2026, 5 August 2026 and 19 August 2026 respectively had been completed on 30 June 2026 for the purposes of illustrating the relevant financial effects;
 - (g) the Existing Share Capital comprising 1,819,522,087 Shares;
 - (h) the Company’s 70.0% owned indirect subsidiary, Langfang Hezhong Education Consulting Co., Ltd. has on 18 August 2026 entered into a land reclamation compensation agreement with the Langfang Economic and Technological Development Zone Management Committee in relation to the compulsory government reclamation of the land. The compensation consideration is RMB 293.3 million (or equivalent to approximately S\$55.7 million). Net cash proceeds after related income taxes and expenses are estimated at RMB 270.7million (or equivalent to approximately S\$51.5 million) of which the Group’s 70.0% share is estimated at RMB 189.5 million (or equivalent to approximately S\$36.0 million); and
 - (i) the expenses incurred in connection with the Proposed Transactions amounting to approximately S\$320,000.

The Company has announced the differences between its unaudited and audited financial statements of the Group for FY2026. Please refer to the Company’s announcement dated 12 October 2026 for further information.

For completeness, the Company has also disclosed the financial effects based on the audited financial statements of the Group for FY2026.

³ This assumption is for illustration purposes of the *pro forma* financial effects only. As disclosed in Section 2.7, Mr. Chew and Ms. Doris have each provided undertakings to the Company that they will not exercise any Warrants issued to them in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company.

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5.3. Share Capital

	Number of Shares (excluding treasury shares)
As at the Latest Practicable Date	1,819,522,087
After the completion of the Proposed Transactions	2,358,449,871

5.4. NTA per Share

Assuming that the Proposed Transactions were completed on 30 June 2026, the *pro forma* financial effects on the Group's NTA per Share would be as follows:

	Based on the unaudited financial statements for FY2026		Based on the audited financial statements for FY2026	
	Before the Proposed Transactions	After the Proposed Transactions	Before the Proposed Transactions	After the Proposed Transactions
NTA attributable to the owners of the Company (S\$)	536,222,000	532,762,000	535,984,000	532,524,000
Number of issued ordinary shares in the capital of the Company	1,817,679,473 ⁽¹⁾	2,358,449,871	1,817,679,473 ⁽¹⁾	2,358,449,871
NTA per Share (Singapore cents)	29.50	22.59	29.49	22.58

Note:

(1) Number of issued ordinary shares in the capital of the Company as at 30 June 2026.

5.5. Loss per Share

Assuming that the Proposed Transactions were completed on 1 July 2025, the *pro forma* financial effects on the Group's Loss per Share would be as follows:

	Based on the unaudited financial statements for FY2026		Based on the audited financial statements for FY2026	
	Before the Proposed Transactions	After the Proposed Transactions	Before the Proposed Transactions	After the Proposed Transactions
Loss after income tax attributable to the owners of the Company (S\$)	5,369,000	32,282,000*	5,607,000	32,520,000*
Weighted average number of issued ordinary shares in the capital of the Company	1,550,028,356	2,089,075,910	1,550,028,356	2,089,075,910
Loss per Share (Singapore cents)	0.35	1.55	0.36	1.56

*The *pro forma* loss after income tax attributable to the owners of the Company after the Proposed Transactions of approximately S\$32,282,000 (based on the unaudited financial results for FY2026) and S\$32,520,000 (based on the audited financial results for FY2026) has been arrived at after taking into account the following adjustments to the loss after

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income tax attributable to the owners of the Company before the Proposed Transactions of approximately S\$5,369,000 (based on the unaudited financial results for FY2026) and S\$5,607,000 (based on the audited financial results for FY2026), respectively:

	Based on the unaudited financial results for FY2026	Based on the audited financial results for FY2026
	S\$	S\$
Loss after income tax attributable to owners of the Company — Before the Proposed Transactions	5,369,000	5,607,000
Less: Interest savings on the Convertible Bonds arising from the Proposed CB Purchase	(4,074,000)	(4,074,000)
Add: Interest incurred on the proposed New Bonds	1,927,000	1,927,000
Add: Loss on disposal arising from the compulsory government reclamation of the land — <i>see paragraph 5.2(h)</i>	28,740,000	28,740,000
Add: Expenses incurred in connection with the Proposed Transactions — <i>see paragraph 5.2(i)</i>	320,000	320,000
Loss after income tax attributable to owners of the Company — After the Proposed Transactions	32,282,000	32,520,000

5.6. Net Gearing

Assuming that the Proposed Transactions were completed on 30 June 2026, the *pro forma* financial effects on the Group's net gearing would be as follows:

	Based on the unaudited financial statements for FY2026		Based on the audited financial statements for FY2026	
	Before the Proposed Transactions	After the Proposed Transactions	Before the Proposed Transactions	After the Proposed Transactions
Net borrowings / (cash) (S\$) ⁽¹⁾	47,043,000	(33,776,000) ⁽²⁾	47,043,000	(33,776,000) ⁽²⁾
Total equity (S\$) ⁽³⁾	631,264,000	627,804,000	631,026,000	627,566,000
Net gearing (times)	0.07	(0.05)	0.07	(0.05)

Notes:

- (1) Net borrowings refer to the total borrowings less cash and cash equivalents.
- (2) Net borrowings / (cash) after the Proposed Transactions take into account the (i) cash flows from the assumptions as described in sections 5.2(c), 5.2(h) and 5.2(i); and (ii) decrease in borrowings arising from the assumptions as described in section 5.2(f). Following the Proposed Transactions, the Group is expected to be in a net cash position.
- (3) Total equity excludes non-controlling interest and is adjusted for fair value adjustment reserves for computation of net gearing.

6. RATIONALE FOR THE PROPOSED TRANSACTIONS AND USE OF PROCEEDS

- 6.1. The Company is proposing the Proposed CB Purchase and Proposed New Bonds and Warrants Issue in connection with the refinancing of S\$35,030,306 in principal amount of Convertible Bonds held by Mr. Chew and Ms. Doris, which are due to mature on 22 September 2027.
- 6.2. The Board had considered various alternative financing options, including seeking other strategic investors or partners, undertaking an equity fund raising (including by way of a placement or rights issue) and obtaining borrowings from financial institutions. However, after taking into account, among other things, the Company's financial position, funding requirements and the terms available, the Board is of the view that none of these alternatives would provide funding on terms that are comparable or materially more favourable than the Proposed New Bonds and Warrants Issue.

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The Proposed New Bonds and Warrants Issue allows the Company to refinance and purchase a large portion of the outstanding Convertible Bonds without utilising the Company's internal cash resources or existing credit facilities that are committed for its operational and working capital needs, or that are held within the People's Republic of China ("**PRC**") and subject to PRC foreign exchange controls on remittance out of PRC, thereby preserving the Company's liquidity and working capital for its operational and business needs. As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately S\$39.2 million, and the Group had net cash generated from operating activities of approximately S\$12.6 million. Notwithstanding this, the Company wishes to clarify that:

- (a) approximately S\$31.3 million of the Group's cash and cash equivalents as at 30 June 2026 was held by subsidiaries incorporated in the PRC, and the remittance of such funds out of the PRC is subject to PRC foreign exchange controls, which may involve significant time, cost and uncertainty of approval;
- (b) approximately S\$0.8 million of the Group's cash and cash equivalents as at 30 June 2026 was held by Oriental University Holdings (H.K.) Limited, the Company's subsidiary listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong, within and outside of the PRC; and
- (c) approximately S\$7.1 million of the Group's cash and cash equivalents was held outside the PRC and readily available to the Company as at 30 June 2026, which is required to meet the Group's operational expenditure, working capital requirements and other liabilities falling due in the ordinary course of business over the next 12 months.

Accordingly, the amount of cash and cash equivalents that is both (i) held outside the PRC and (ii) not otherwise committed for the Group's operational and working capital needs, would be insufficient to fund the consideration for the Proposed CB Purchase of S\$35,030,306.

The Board confirms that, as at 30 June 2026, approximately S\$7.1 million (representing approximately 18.1% of the Group's total cash and cash equivalents) was held by entities outside the PRC.

The Proposed New Bonds and Warrants Issue also extends the maturity of the Company's debt obligations by a further four (4) years, providing the Company with greater financial flexibility. In view of the Company's business plans and cash flow projections, the Board is of the view that the Proposed CB Purchase and the Proposed New Bonds and Warrants Issue are in the best interests of the Company.

- 6.3. The terms of the New Bonds and Warrants, including the Coupon Rate and Exercise Price are determined following arm's length negotiations between the Company, Mr. Chew and Ms. Doris, taking into account prevailing market conditions, the Company's financial position and the objective of facilitating a refinancing of the Convertible Bonds. The Coupon Rate of 5.5% per annum is a reduction compared to the 6.0% per annum payable on the existing Convertible Bonds. The Exercise Price of S\$0.065 per Share, being the same as the conversion price of the existing Convertible Bonds. In the event of full exercise of the Warrants at the Exercise Price, the number of Shares that would have been issued would be the same as upon conversion of the existing Convertible Bonds and the Company would have raised S\$35,030,306 of new equity cash proceeds that would strengthen the Company's financial standing.
- 6.4. The Exercise Price represents approximately 42.8% of the VWAP of S\$0.152 per Share and represents approximately 43.9% of the closing price of S\$0.148 per Share for trades done on the SGX-ST on 8 May 2026, being the last full Market Day on which the Shares were traded prior to the Announcement Date.

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- 6.5. The net proceeds of approximately S\$37,782,098 raised from the issuance of the Convertible Bonds in 2022 were fully utilised as at 31 October 2022, for general working capital and the repayment of the Group's existing loans and interest thereon, in accordance with the stated use of proceeds in the Company's announcement dated 7 June 2022. None of the net proceeds from the issuance of the Convertible Bonds remain available for use, and no part of such proceeds will be applied towards the Proposed Refinancing. As the New Bonds and Warrants are issued as consideration for the Proposed CB Purchase, and not for cash, the Company will not receive any cash proceeds from the Proposed New Bonds and Warrants Issue.
- 6.6. Assuming all the Warrants issued are exercised within the Exercise Period, the Company will receive gross proceeds of up to S\$35,030,306 (the **"Warrants Exercise Proceeds"**). The estimated net Warrants Exercise Proceeds to be received by the Company would be up to approximately S\$34,710,306, after deducting estimated expenses of approximately S\$320,000. As and when the Warrants issued are exercised, the net Warrants Exercise Proceeds may, at the discretion of the Directors, be utilised by the Company in the following proportions:

Use of Proceeds	Percentage Allocation (%)
Expansion of the Group's business operations, including the establishment and starting of new schools through strategic acquisitions, alliances and joint ventures	60%
Repayment of borrowings	35%
General working capital purposes	5%

The Company's current intention is to prioritise the utilisation of the net Warrants Exercise Proceeds towards the expansion and growth of the Group's business operations, including the establishment and starting of new schools through strategic acquisitions, alliances and joint ventures. The Company intends to grow and expand its business operations with a view to generating sufficient resources over time to facilitate the repayment of its outstanding borrowings, including the New Bonds.

The Company will continue to assess its funding requirements and the allocation and utilisation of the net Warrants Exercise Proceeds having regard to the Group's business plans, financial position and prevailing circumstances. In the event of any material change to the intended use of the net Warrants Exercise Proceeds, the Company will make the necessary announcement(s) in accordance with the applicable rules and regulations.

In relation to the net Warrants Exercise Proceeds to be utilised for general working capital requirements of the Group, it includes but is not limited to, corporate administrative expenses, operating expenses and other payables of the Group's various businesses.

- 6.7. Pending the deployment of the Warrants Exercise Proceeds, the Warrants Exercise Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion but subject to the terms of the definitive documentation to be entered into, deem fit in the interests of the Company.
- 6.8. The Company will make periodic announcements of utilisation of the Warrants Exercise Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and percentage allocated. The Company will also provide a status report on the use of proceeds in the Company's interim and full year financial statements and the Company's annual report. Where there is material deviation from the stated use of the Warrants Exercise Proceeds, the Company will announce the reasons for such deviation. Where the proceeds have been used for general corporate and/or working capital purposes, the Company undertakes to provide a breakdown with specific details on the use of the proceeds in the announcements and annual reports. Where there is a material deviation in the use of the proceeds, the Company will announce the reasons for such deviation.

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7. ADDITIONAL LISTING APPLICATION

The Company has submitted an additional listing application to the SGX-ST for the dealing in, listing of and quotation for the New Shares on the Main Board of the SGX-ST (the “**ALA**”).

On 25 September 2026, the Company announced that it had, on 25 September 2026, received the AIP from the SGX-ST for, among other things, the listing and quotation of up to 538,927,784 New Shares on the Main Board of the SGX-ST, to be issued at the Exercise Price of S\$0.065 per New Share upon the exercise of the Warrants pursuant to the Proposed New Bonds and Warrants Issue. The AIP is subject to the Company’s compliance with the SGX-ST’s listing requirements, including the following conditions (collectively, the “**AIP Conditions**”):

- (a) where the new securities are not issued out of a general share issue mandate pursuant to Rule 806 of the Listing Manual, specific Shareholders’ approval being obtained at a general meeting pursuant to Rule 805 of the Listing Manual;
- (b) where the new securities are to be placed to any person specified in Rule 812 of the Listing Manual, specific Shareholders’ approval being obtained for such placement at a general meeting pursuant to Rule 812 of the Listing Manual;
- (c) where the issuance of the new securities will transfer a Controlling Interest in the Company, specific Shareholders’ approval being obtained at a general meeting pursuant to Rule 803 of the Listing Manual; and
- (d) where the issuance of the new securities is priced at more than 10.0% discount to the applicable benchmarks as set out under the Listing Manual, specific Shareholders’ approval being obtained at a general meeting pursuant to Rules 811 and 816 of the Listing Manual, as applicable.

As the Proposed New Bonds and Warrants Issue will not result in a transfer of a Controlling Interest, the AIP Condition set out in paragraph (c) above is not applicable. As at the Latest Practicable Date, the remaining AIP Conditions have not been satisfied, and will be satisfied upon the Independent Shareholders’ approval for the Proposed Refinancing being obtained at the EGM.

The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, its securities (including the New Shares) or any related transaction contemplated by the AIP.

In the case of a placement, the new securities must be placed out within seven market days from (i) the date of the AIP; or (ii) where applicable, the date on which shareholders’ approval is obtained, whichever is later. In all other cases, the AIP is valid for a period of three calendar months from the date of the AIP. The initial transaction and issuance of securities must be completed within the validity period of the AIP. Where the transactions or securities give rise to the issuance of new shares over time in accordance with their terms (including warrants, convertible securities, deferred consideration or employee share plans), the AIP shall continue to apply to all new shares subsequently issued pursuant to such transaction or securities.

8. EXISTING SHARE OPTIONS AND OTHER CONVERTIBLES

As at the Latest Practicable Date, the Company has outstanding employee share options and Convertible Bonds. Following the completion of the Proposed Transactions, adjustments may be required to be made to the number and/or exercise price or conversion price (as the case may be) of such outstanding employee share options and/or Convertible Bonds. If required, the Company will make the appropriate announcement(s) and notify the relevant holders of any such adjustments in due course.

LETTER TO SHAREHOLDERS

9. DIRECTORS' OPINION AND RECOMMENDATION

9.1. Directors' Opinion

The Directors are of the opinion that, barring any unforeseen circumstances, after taking into consideration the Group's present internal resources, present bank facilities available and the operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Proposed Transactions are being undertaken for the purposes set out in Section 6 above.

9.2. Directors' Recommendation

The Independent Directors, having considered, *inter alia*, (a) the rationale for the Proposed Refinancing including the lack of alternative financing options that are comparable or materially more favourable than the Proposed New Bonds and Warrants Issue; (b) the terms and conditions of the Proposed Refinancing, including the lower coupon rate of the New Bonds as compared to the existing Convertible Bonds, the preservation of the Company's cash resources as the consideration for the Proposed CB Purchase will be satisfied through the issuance of the New Bonds and Warrants and the potential cash proceeds to be received by the Company upon exercise of the Warrants; (c) the lack of other alternative suitable financing options; and (d) the opinion and advice of the IFA as set out in the IFA Letter, and all other relevant information set out in this Circular, are of the opinion that the terms and conditions of the Proposed Refinancing are in the best interests of the Company.

In particular, the Independent Directors note the IFA's opinion that the Proposed Refinancing is **not** prejudicial to the interests of the Company and its minority Shareholders and concur with this assessment, by taking into account the following:

- (a) The Independent Directors note that the Group has, for approximately four (4) to five (5) years, faced significant constraints in accessing conventional sources of financing as a result of the ongoing investigations and legal proceedings relating to the Group's alleged disclosure-related offences in connection with certain credit facilities. These matters have given rise to significant legal, regulatory, reputational and compliance considerations, which have materially impeded the Group's ability to credibly access conventional bank financing as well as the debt and equity capital markets. Consequently, the Group has had limited financing alternatives and has become increasingly reliant on its existing cash resources and shareholder-related funding. In certain circumstances, the Group may also have been required to dispose of assets at prices which may not fully reflect their underlying value. Against this backdrop, the Proposed Refinancing provides an important source of funding to the Group and may assist in alleviating the constraints on its access to alternative sources of financing;
- (b) The Proposed Refinancing would enable the Company to preserve its existing cash and cash equivalents while extending the maturity of its debt obligations. This would provide the Company with greater financial flexibility and additional time to manage its liquidity position and pursue its business and financial objectives, while reducing immediate pressure on its cash resources; and
- (c) The Independent Directors note that the terms of the New Bonds and Warrants were negotiated on an arm's length basis. In particular, the Coupon Rate represents a reduction from the 6.0% per annum coupon rate applicable to the Company's existing Convertible Bonds. The Independent Directors consider that this reduction in the coupon rate, together with the terms negotiated in respect of the New Bonds and Warrants, supports the view that the Proposed Refinancing is not prejudicial to the interests of the Company and its minority Shareholders notwithstanding the IFA's conclusion that the Proposed Refinancing is **not** on normal commercial terms.

Accordingly, the Independent Directors recommend that Shareholders vote in favour of the Ordinary Resolution in respect of the Proposed Refinancing at the EGM.

LETTER TO SHAREHOLDERS

10. STATEMENT FROM THE AUDIT COMMITTEE

The Audit Committee, having considered and reviewed, *inter alia*, the rationale, terms and conditions of the Proposed Refinancing, and the opinion of the IFA as set out in the IFA Letter, is satisfied that the Proposed Refinancing is **NOT** on normal commercial terms and is **NOT** prejudicial to the interests of the Company and its minority Shareholders.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 11.1. For the avoidance of doubt, Mr. Chew has abstained from and will not be involved in any decision of the Board in relation to the Proposed Transactions. Save as disclosed in this Circular, none of the Directors or Substantial Shareholders and their associates has any interest, direct or indirect, in the matters stated herein (other than their shareholdings in the Company, if any).
- 11.2. The interests of the Directors and Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date are set out in **Appendix A** of this Circular.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164 on 30 October 2026 (Friday) at 9.30 a.m., Singapore time, for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution as set out in the Notice of EGM.

13. ABSTENTION FROM VOTING

Any Shareholder who is interested in the Proposed Refinancing should abstain from voting at the EGM in respect of the Ordinary Resolution as set out in the Notice of EGM. Such Shareholders should also not accept nominations as proxies in respect of the aforesaid Ordinary Resolution, unless specific instructions have been given in the proxy instrument by the Independent Shareholders appointing them on how they wish their votes to be cast for the aforesaid Ordinary Resolution.

Mr. Chew, Ms. Doris and their associates will abstain from voting on the Ordinary Resolution to approve the Proposed Refinancing at the EGM. Mr. Chew, Ms. Doris and their associates will also decline to accept appointment as proxies for any Shareholder to vote in respect of the Ordinary Resolution to approve the Proposed Refinancing, unless the Shareholder concerned has given specific instruction in the Proxy Form as to the manner in which his/her votes are to be cast in respect of the said Ordinary Resolution.

The Company will disregard any votes cast on the Ordinary Resolution by any Shareholder required to abstain from voting.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1. Request Form

Printed copies of this Circular will NOT be despatched to Shareholders. Nevertheless, printed copies of the Notice of EGM, the Proxy Form and the Request Form will be despatched to Shareholders. Shareholders may request for printed copies of this Circular by filling out the Request Form and returning it to the Company by post to the office of the Share Registrar of the Company (B.A.C.S. Private Limited) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or if by electronic mail to main@zicoholdings.com enclosing a clear scanned completed and signed Request Form, to be received by the Company no later than 20 October 2026.

LETTER TO SHAREHOLDERS

14.2. Submission of questions in advance of the EGM

All Shareholders may submit substantial and relevant questions relating to the business of the EGM up till 23 October 2026 at 9.30 a.m. either:

- (a) by post to B.A.C.S. Private Limited, the Share Registrar, at 77 Robinson Road #06-03 Robinson 77 Singapore 068896; or
- (b) by email to the Share Registrar of the Company (B.A.C.S. Private Limited), at main@zicoholdings.com.

Shareholders who submit questions in advance of the EGM should provide their full name, address, contact number, email and the manner in which they hold Shares (if you hold Shares directly, please provide your account number with CDP; otherwise, please state if you hold your Shares through CPF or SRS or other Relevant Intermediary), for our verification purposes.

The Company will endeavour to respond to substantial and relevant questions so received by 23 October 2026 at 9.30 a.m., via an announcement on SGXNet and the Company's website.

14.3. Voting

Shareholders who wish to exercise their voting rights at the EGM may:

- (a) (where the Shareholder is an individual) attend and vote at the EGM; or
- (b) (where the Shareholder is an individual or a corporation) appoint a proxy to vote on their behalf.

Each of the resolutions to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of poll.

Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the EGM via proxy must submit a form of proxy to appoint the proxy ("**Proxy Form**").

The Proxy Form must be submitted to the Company in the following manner:

- (a) by post to the Share Registrar of the Company (B.A.C.S. Private Limited) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (b) by email to the Share Registrar of the Company (B.A.C.S. Private Limited), at main@zicoholdings.com,

in either case, so as to be received **no later than 27 October 2026 at 9.30 a.m., being 72 hours before the time fixed for the EGM**, failing which the Proxy Form will be treated as invalid.

In the case of submission of the Proxy Form appointing the Chairman of the EGM as proxy, it must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

An investor who holds shares through CPF or SRS and wishes to vote, should approach their respective CPF Agent Banks (i.e. the agent banks approved by CPF) or SRS Operators (i.e. the agent banks included in the SRS) to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM (i.e. by 5.00 p.m. on Tuesday, 20 October 2026).

LETTER TO SHAREHOLDERS

A Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164 during normal office hours from the date hereof up to and including the date of the EGM:

- (a) the Company's constitution;
- (b) the audited financial statements of the Group for FY2025;
- (c) the IFA Letter;
- (d) the consent letters of the IFA and Icon Law LLC;
- (e) the Bond Subscription Agreements; and
- (f) the irrevocable undertakings.

Yours faithfully

For and on behalf of the Board of Directors of
Raffles Education Limited

Mdm. Lim Siew Mun
Lead Independent Non-Executive Director

APPENDIX A

INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE SHARE CAPITAL OF THE COMPANY AS AT THE LATEST PRACTICABLE DATE

	Number of Shares			Percentage shareholding (%) ⁽¹⁾
	Direct	Deemed	Total	
Directors (other than the Substantial Shareholders)				
Mdm. Lim Siew Mun	5,042,977	-	5,042,977	0.28
Mr. Lim How Teck ⁽²⁾	2,899,530	2,769,230	5,668,760	0.31
BG (Ret'd) Chua Chwee Koh	10,914,922 ⁽³⁾	-	10,914,922	0.60
Mr. Joseph Ho Yan Jun	1,880,300	-	1,880,300	0.10
Mr. Chew Hua Seng ⁽⁴⁾	607,747,775	176,692,688 ⁽⁵⁾	784,440,463	43.11
Substantial Shareholders				
Ms. Doris Chung Gim Lian ⁽⁴⁾	35,177,931	749,262,532 ⁽⁵⁾	784,440,463	43.11

Notes:

- (1) The percentage shareholding interest is computed based on the Existing Share Capital comprising 1,819,522,087 Shares.
- (2) Mr. Lim How Teck is deemed to be interested in the Shares held by his spouse, Ms. Tan Cheng Hiang Rosalind (Mrs Rosalind Lim).
- (3) Shareholders may refer to the shareholding disclosures announced on 12 October 2026 for further information.
- (4) Mr. Chew is deemed to be interested in the Shares held by his spouse, Ms. Doris, and *vice versa*.
- (5) Includes 141,514,757 Shares jointly held by Mr. Chew and his spouse, Ms. Doris.

APPENDIX B

LETTER FROM ASIAN CORPORATE ADVISORS PTE. LTD. TO THE INDEPENDENT DIRECTORS OF RAFFLES EDUCATION LIMITED

ASIAN CORPORATE ADVISORS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200310232R)

160 Robinson Road #21-05
SBF Center
Singapore 068914

The Independent Directors (as hereinafter defined)
Raffles Education Limited
111 Somerset Road
#15-22 111 Somerset
Singapore 238164

14 October 2026

THE PROPOSED PURCHASE AND CANCELLATION OF EXISTING LISTED CONVERTIBLE BONDS, AND, AS CONSIDERATION FOR SUCH PURCHASE, THE PROPOSED ISSUE OF NEW UNLISTED, NON-CONVERTIBLE 5-YEAR 5.5% UNSECURED BONDS (“NEW BONDS”) WITH 538,927,784 UNLISTED DETACHABLE WARRANTS (“WARRANTS”) TO MR. CHEW HUA SENG (“MR. CHEW”) AND MS. DORIS CHUNG GIM LIAN (“MS. DORIS”)

Unless otherwise defined or where the context otherwise requires, all terms used herein shall have the same meanings as defined in the circular dated 14 October 2026 (the “Circular”) issued by the Company.

1. INTRODUCTION

Asian Corporate Advisors Pte. Ltd. (“**ACA**”) has been appointed as the independent financial adviser (the “**IFA**”) to advise the directors of the Company (the “**Directors**”), who are regarded as independent (the “**Independent Directors**”) for the purpose of making a recommendation to the minority Shareholders (“**Independent Shareholders**”) in respect of the Proposed Refinancing (defined later) as an interested person transaction (the “**IPT**”). We note from the Circular that the Independent Directors comprise Mdm. Lim Siew Mun, Mr. Lim How Teck, Mr. Joseph Ho Yan Jun, and BG (Ret’d) Chua Chwee Koh.

This letter (the “**Letter**” or “**IFA Letter**”) sets out, *inter alia*, our views and evaluation of the Proposed Refinancing as an IPT which has been proposed as an ordinary resolution in the notice of Extraordinary General Meeting (“**EGM**”) of the Company as set out in the Circular to the registered holders (the “**Shareholders**”) of the ordinary shares (the “**Shares**”) in the capital of the Company. Likewise, it contains our recommendations to the Independent Directors in relation to the Proposed Refinancing as an IPT, for determining whether the Proposed Refinancing as an IPT pursuant to Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

Certain figures and computations as enumerated or set out in this Letter are based on approximations and their accuracies are subjected to rounding.

APPENDIX B

1.1. BACKGROUND

The Proposed Refinancing as an IPT

On 11 May 2026, (the “**Announcement Date**”), the Company announced that it had entered into a binding term sheet with Mr. Chew and Ms. Doris on 10 May 2026 in relation to the Proposed Refinancing as an IPT.

The Board announced that the Company had on 12 October 2026, entered into respective bond subscription agreements dated 12 October 2026 with Mr. Chew and Ms. Doris in relation to:

- (a) the purchase by the Company of S\$34,383,487 convertible bonds, issued by the Company on 23 September 2022 pursuant to the renounceable underwritten rights issue and an issue of placement convertible bonds (“**Convertible Bonds**” or “**CB**”), held by Mr. Chew, together with all accrued and unpaid interest accruing up to and including the date of completion of the proposed purchase which shall be satisfied in cash, and the issue by the Company and subscription by Mr. Chew of S\$34,383,487 in principal amount of New Bonds, with 528,976,723 Warrants; and
- (b) the purchase by the Company of S\$646,819 Convertible Bonds held by Ms. Doris together with all accrued and unpaid interest accruing up to and including the date of completion of the proposed purchase, which shall be satisfied in cash, and the issue by the Company and subscription by Ms. Doris of S\$646,819 in principal amount of New Bonds, with 9,951,061 detachable Warrants.

The proposed purchase and cancellation of an aggregate of S\$35,030,306 in principal amount of Convertible Bonds from Mr. Chew and Ms. Doris (together with all accrued and unpaid interest thereon, which shall be satisfied in cash) will be termed the (“**Proposed CB Purchase**”). In addition, the proposed issuance of new bonds in an aggregate principal amount of S\$35,030,306 (“**New Bonds**”), with 538,927,784 Warrants to be issued to Mr. Chew and Ms. Doris as consideration for the Proposed CB Purchase will be termed the (“**Proposed New Bonds and Warrants Issue**”). The Proposed New Bonds and Warrants Issue and the Proposed CB Purchase will collectively be termed the (“**Proposed Refinancing**”).

The Warrants will be constituted by a deed poll (“**Deed Poll**”) to be executed by the Company, and each Warrant shall carry the right to subscribe for one (1) new Share (“**New Share**”) at an exercise price of S\$0.065 for each New Share (“**Exercise Price**”) anytime during a period of five (5) years (“**Exercise Period**”) as described in Section 2.4.3 of the Circular. The Warrants are not expressed in terms of dollar value.

The Proposed Special Dividend

The Proposed Refinancing as an IPT is expected to allow the Company to maintain its cash position that would otherwise be applied towards the redemption of the Convertible Bonds held by Mr. Chew and Ms. Doris. Subject to Independent Shareholders’ approval of the Proposed Refinancing as an IPT at the EGM to be convened as well as adherence to all applicable laws and the Company’s constitution, the Company intends to declare a special interim dividend of S\$0.003 per Share (the “**Proposed Special Dividend**”), in view of the expected cash savings arising from the Proposed Refinancing as an IPT. It is noted that in the event that the Proposed Refinancing as an IPT is not passed by the Independent Shareholders, the Proposed Special Dividend will not take place.

2. TERMS OF REFERENCE

ACA has been appointed to advise the Independent Directors with respect to the Proposed Refinancing as an IPT. ACA was previously appointed as the independent financial adviser for the whitewash resolution with respect to the proposed conversion of certain outstanding amounts owed to Mr. Chew of approximately S\$15,526,879 into 241,100,605 Shares at a conversion price of approximately S\$0.0644 per conversion share ("**Proposed Conversions**"), which were approved by Independent Shareholders at the then extraordinary general meeting of the Company which was held on 23 January 2026. The Proposed Conversions were analysed in the later Sections of this Letter. We were neither a party to the negotiations entered into by the Company in relation to the transactions contemplated in the Circular, *inter alia*, the Proposed Refinancing as an IPT, and the Proposed Special Dividend (collectively the "**Proposed Transactions**"), nor were we involved in the deliberation leading up to the decision on the part of the Directors of the Company to enter into the Proposed Transactions, and we do not, by this Letter or otherwise, advise or form any judgment on the merits of the Proposed Transactions for the Group or the purpose for the Proposed Transactions or the possibilities or feasibilities of the completion of the Proposed Transactions or the timing on when the Proposed Refinancing as an IPT can be completed or whether there are alternative transactions available other than to form an opinion, strictly and solely on the bases set out herein on whether the terms of the Proposed Refinancing as an IPT (pursuant to Chapter 9 of the SGX-ST Listing Manual) is on normal commercial terms, and not prejudicial to the interests of the Independent Shareholders. Our scope does not include evaluating the Proposed Special Dividend and determining the independence of the Independent Directors for the purpose of making the recommendation in respect of the Proposed Transactions.

We have confined our evaluation strictly and solely on the financial terms of the Proposed Refinancing as an IPT and have not taken into account the commercial/legal/financial risks and/or merits (if any) of the Proposed Transactions or the timing for the Proposed Transactions contemplated in the Circular, including the structuring or inter-conditionality of the Proposed Transactions (where applicable) or the validity of any resolution or the future prospects of the Company and its subsidiaries (collectively, the "**Group**") subsequent to the Proposed Transactions (including, *inter alia*, the Proposed Refinancing as an IPT) or the possibility/probability that the Group can improve its financial performance and position or such other proposed or possible corporate actions or that the anticipated benefits from the Proposed Transactions (including, *inter alia*, the Proposed Refinancing as an IPT) can be realised (as the case may be) or the Exercise Price or the prices at which the Shares or the Warrants (as the case may be) would trade after the completion of the Proposed Transactions. In addition, our scope of assessment does not include any evaluation of the going concern assumption or the working capital adequacy or the financial affairs or position of the Company or the Group or the ability of the Group to fulfil all its obligations when they fall due or whether the Proposed Refinancing as an IPT will alleviate the uncertainties (if any) regarding the Group's going concern or the resolutions to be approved at the EGM. Such evaluation or comment remains the responsibility of the Directors and the management of the Company (the "**Management**") although we may draw up on their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors and the Management, and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors and the Management, including information contained in the Circular. We have not independently verified such information but have made such enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the accuracy and the reliability of the information used for the purposes of our evaluation. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy or completeness or adequacy of such information or the manner it has been classified or presented or the basis of any valuations which may have been included in the Circular or announced by the Company.

We have relied upon the assurance of the Directors and the Management that all statements of fact, belief, opinion, and intention made by the Directors and the Management in the Circular and this Letter, have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty, expressed and implied, is made and no responsibility is accepted by us concerning the

APPENDIX B

accuracy or completeness or adequacy of such information or statements of facts or belief or opinion or intention.

Our evaluation is based solely on publicly available information and other information provided by the Company as well as the economic and market conditions prevailing as at 25 September 2026 (the “**Latest Practicable Date**” or “**LPD**”) (save for the audited financial statements for the financial year ended 30 June (“**FY**” or “**FYE**”) 2026 (“**FY2026**”) dated 8 October 2026 for the Company and the Group, and as announced by the Company on or about 14 October 2026 and the announcements made by the Company on 12 October 2026 which has been updated in this Letter for completeness and consistency) and therefore does not reflect, *inter alia*, expected financial performance after FY2026 for the Company and the Group.

Accordingly, we have not commented on or assessed the expected future performance or prospects of the Company or the Group (including their ability to continue as going concerns) or the Shares or the Warrants (as the case may be). Under our scope and terms of reference, we are neither required nor able to discuss, comment, opine, or advise on the Group’s financial performance, position and conditions or its ability to continue as a going concern after 30 June 2026 or after the completion of the Proposed Transactions. We are therefore not expressing any view herein as to the returns that the Shareholders may have owing the Shares or the Warrants (as the case may be) upon completion of the Proposed Transactions, or on the future financial performance of the Company or the Group.

Our evaluation, opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group, and neither are we responsible for it. Accordingly, estimates or analysis or evaluation of the merits of the Company or the Group or the Shares or the Warrants (as the case may be) in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

Our scope does not require us and we have not made any independent evaluation or appraisal of any of the Group’s assets and liabilities (including without limitation, property, plant and equipment; investment properties; intangible assets; and non-current assets held for sale) or contracts entered into or to be entered into by the Group (where applicable).

Our analysis, comments and opinion in this Letter are subject to confirmation from the Directors that, the values of the assets and liabilities as well as the financial performance or condition of the Group as reflected in the audited consolidated financial statements of the Company and the Group for FY2026 are true and fair, and nothing has come to their attention which may render the Group’s audited consolidated financial statements for FY2026 to be false or misleading in any material aspect including its presentation. In addition, the Directors have confirmed that to the best of their knowledge and belief, such information is true, complete and accurate in all respects and that there is no other information or fact, *inter alia*, where applicable the valuation or appraisal of assets or liabilities or investments, contracts or project(s) or agreements that the Group has entered into or embarked upon or is about to embark upon, the omission of which would render those statements or information to be untrue, inaccurate, incomplete or misleading in any material aspect.

The Directors have confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the Group’s audited consolidated financial statements for FY2026, and the Company’s announcements on SGXNet, there have been no material changes to the Group’s assets and liabilities, financial position, condition and performance.

Our opinion in this Letter is based on economic, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. Accordingly, the bases or assumptions and likewise our views or opinion or recommendation may and do change in light of these developments which, *inter alia*, include general as well as company specific or industry specific conditions or sentiments or factors after the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcement(s) which may be relevant to their consideration of the Proposed Transactions which may be released by the Company after the Latest Practicable Date.

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Likewise, this Letter outlines some of the matters or bases or factors or assumptions which we have used in our assessment. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc., which we have used in our assessment.

The Directors have jointly and severally accepted full responsibility, as set out in the Circular, for the truth, accuracy and completeness of the information and representations as provided by the Directors and contained therein. The Directors have confirmed to ACA that all material information including but not limited to plans or prospects or proposals or rationale involving the Proposed Refinancing as an IPT, or the Company or the Group or the transactions stipulated in the Circular or changes to its capital structure, available to them and the Management in connection with the Company, the Group or such other parties has been disclosed to ACA and included in the Circular, that such information is true, complete and accurate in all material respects and that there is no other information or fact including the expected future performance or future growth prospects or plans of the Company or the Group, the omission of which would result in the facts stated and the opinions expressed by the Directors in the Circular to be untrue, inaccurate or incomplete in any respect or misleading. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by ACA concerning the truth, accuracy, completeness or adequacy of such information or facts.

In rendering our opinion and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, including his investment in the Company, consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Letter on the Proposed Refinancing as an IPT, or the Company or the Group or the Shares or the Warrants (as the case may be) which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder or Independent Director, and as such Independent Directors are advised to highlight to Shareholders as well as note for themselves that any reliance on our opinion or view or assessment, is subject to the contents of this Letter and the Circular in its entirety.

Our Letter, opinion, views or recommendation should not be used or relied by anyone for any other purposes and should only be used by the Independent Directors, subject to our terms of reference and the contents of this Letter, as one of the basis for their opinions or views or recommendation. In addition, any references to our Letter as one of the basis for their opinion, views or recommendation, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of this Letter in its entirety, *inter alia*, the matters, conditions, assumptions, limitations, factors, and bases as well as our terms of reference for this Letter.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this Letter and any extracts thereof set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter and any extracts thereof set out in the Circular).

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3. TERMS OF THE PROPOSED REFINANCING

The background and principal terms and conditions of the Proposed Refinancing, as extracted from Section 2 of the Circular, are set out in italics below. We recommend that Shareholders read the terms and conditions contained therein carefully.

“2.1 Background

2.1.1 *As announced on the Announcement Date, the Company had, on 10 May 2026, entered into the Binding Term Sheet with Mr. Chew and Ms. Doris in relation to the Proposed Refinancing. The Board wishes to announce that the Company had on 12 October 2026, entered into the respective Bond Subscription Agreements with Mr. Chew and Ms. Doris in relation to:*

- (a) *the purchase by the Company of S\$34,383,487 Convertible Bonds held by Mr. Chew, together with all accrued and unpaid interest accruing up to and including the date of completion of the Proposed CB Purchase, which shall be satisfied in cash, and the issue by the Company and subscription by Mr. Chew of S\$34,383,487 in principal amount of New Bonds, with 528,976,723 Warrants; and*
- (b) *the purchase by the Company of S\$646,819 Convertible Bonds held by Ms. Doris together with all accrued and unpaid interest accruing up to and including the date of completion of the Proposed CB Purchase, which shall be satisfied in cash, and the issue by the Company and subscription by Ms. Doris of S\$646,819 in principal amount of New Bonds, with 9,951,061 Warrants.*

2.1.2 *The Warrants will be constituted by a Deed Poll, and each Warrant shall carry the right to subscribe for one (1) New Share at an Exercise Price of S\$0.065 for each New Share. The Warrants are not expressed in terms of dollar value.*

2.1.3 *The Proposed Refinancing will be undertaken pursuant to “safe harbour” exemptions under the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Refinancing.*

2.1.4 *There are no share borrowing arrangements entered into or to be entered into by the Company to facilitate the Proposed Refinancing. No placement agent has been appointed, and no introducer fee or commission was paid or is payable in connection with the Proposed Refinancing.*

2.2 Information on Mr. Chew and Ms. Doris

2.2.1 *Mr. Chew is the Chairman and Chief Executive Officer of the Company, as well as a Controlling Shareholder of the Company. Ms. Doris is the spouse of Mr. Chew and is deemed to be an associate of Mr. Chew.*

2.2.2 *As at the Latest Practicable Date, their shareholding interests in the Company are as follows:*

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Mr. Chew	607,747,775	33.40	176,692,688 ⁽²⁾	9.71	784,440,463	43.11
Ms. Doris	35,177,931	1.93	749,262,532 ⁽²⁾	41.18		
Jointly held by Mr. Chew and Ms. Doris	141,514,757	7.78	-	-		

Notes:

- (1) *Calculated based on the Existing Share Capital comprising 1,819,522,087 Shares. Due to rounding, the presented percentage numbers may not add up precisely to the totals.*
- (2) *Mr. Chew is deemed to be interested in the Shares held by his spouse, Ms. Doris, and vice versa.*

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2.2.3 Mr. Chew and Ms. Doris hold S\$34,383,487 and S\$646,819 in principal amount of Convertible Bonds, respectively.

2.2.4 As both Mr. Chew and Ms. Doris fall within the list of persons stated in Rule 812 of the Listing Manual, the Proposed New Bonds and Warrants Issue will be subject to the approval of Independent Shareholders. For the avoidance of doubt, the New Shares to be issued upon exercise of the Warrants will not be issued under any general share issue mandate of the Company, but pursuant to the specific approval of Independent Shareholders to be obtained at the EGM.

2.3 The Proposed CB Purchase

2.3.1 The Convertible Bonds held by Mr. Chew and Ms. Doris comprise bonds acquired pursuant to the renounceable underwritten rights issue of convertible bonds¹ and bonds subsequently acquired via off-market transactions. As at the Latest Practicable Date, the aggregate principal amount of the Convertible Bonds held by (i) public bondholders (excluding Convertible Bonds held by certain Directors of the Company) and (ii) Mr. Chew and Ms. Doris (in aggregate) was approximately S\$2,813,966 and S\$35,030,306 respectively, representing approximately 6.4% and 79.4% respectively of the original aggregate principal amount of S\$44,094,476 of the Convertible Bonds. As at the Latest Practicable Date, the aggregate accrued and unpaid interest on the Convertible Bonds amounts to approximately S\$1,076,822, comprising approximately S\$1,056,939 owing to Mr. Chew and approximately S\$19,883 owing to Ms. Doris. For the avoidance of doubt, interest on the Convertible Bonds will accrue up to and including the date of completion of the Proposed CB Purchase.

2.3.2 The salient terms of the Convertible Bonds are, among others, as follows:

Principal Amount : S\$44,094,476

Interest Rate : 6.0% per annum, payable on a semi-annual basis

Maturity : The Convertible Bonds will mature on 22 September 2027, being five (5) years from the issue date, unless previously redeemed, converted, or purchased and cancelled.

Conversion Right and Conversion Price : Holders of the Convertible Bonds have the right to convert their Convertible Bonds into Conversion Shares, credited as fully paid, in accordance with the terms and conditions of the Convertible Bonds. The initial conversion price is S\$0.065.

Status of the Convertible Bonds : The Convertible Bonds will constitute direct, unconditional, unsubordinated and (subject to the terms and conditions of the Convertible Bonds) unsecured obligations of the Company. The Convertible Bonds shall at all times rank *pari passu* and rateably without any preference or priority among themselves, and shall (subject to the terms and conditions of the Convertible Bonds) rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company from time to time outstanding.

Listing : The Convertible Bonds are listed and quoted on the Main Board of the

¹ Please refer to the Company's announcements dated 7 June 2022, 8 June 2022, 28 July 2022, 6 August 2022, 22 August 2022, 30 August 2022, 21 September 2022, 23 September 2022, 27 September 2022, 30 September 2022, 10 August 2023, 25 October 2023, 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025, 31 December 2025, 8 January 2026, 15 January 2026, 21 January 2026, 30 January 2026, 4 February 2026, 11 February 2026, 20 February 2026, 9 April 2026, 29 April 2026, 28 May 2026, 17 June 2026, 24 June 2026, 8 July 2026, 22 July 2026, 5 August 2026 and 19 August 2026, and the offer information statement dated 30 August 2022 for further information on the Convertible Bonds.

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- 2.3.3 *Condition 7(B) of the terms and conditions of the Convertible Bonds provides that, among other things, the Company may at any time purchase Convertible Bonds at any price in the open market or otherwise. Such Convertible Bonds may, at the option of the Company, be held, resold or surrendered for cancellation.*
- 2.3.4 *Accordingly, the Company proposes to purchase an aggregate of S\$35,030,306 in principal amount of Convertible Bonds (together with all accrued and unpaid interest thereon, which shall be satisfied in cash) from Mr. Chew and Ms. Doris, and to surrender the purchased Convertible Bonds for cancellation.*
- 2.3.5 *The Proposed CB Purchase and Proposed New Bonds and Warrants Issue are inter-conditional and will be effected simultaneously. The consideration payable by the Company to Mr. Chew and Ms. Doris for the Proposed CB Purchase shall be satisfied by way of the issuance of the New Bonds and Warrants to Mr. Chew and Ms. Doris under the Proposed New Bonds and Warrants Issue. Save for the payment of accrued and unpaid interest on the Convertible Bonds which shall be satisfied in cash and expenses incurred in connection with the Proposed Transactions, there will be no cash outlay by the Company in respect of the Proposed CB Purchase.*

2.4 The Proposed New Bonds and Warrants Issue

2.4.1 Conditions Precedent

Pursuant to the Bond Subscription Agreements, completion of the Proposed New Bonds and Warrants Issue is conditional upon the following conditions precedent:

- (a) trading in Shares on the SGX-ST not being suspended at the time of completion (other than on a temporary basis at the request of the Company);*
- (b) approval of Independent Shareholders being obtained for the Proposed CB Purchase;*
- (c) the approval of Independent Shareholders being obtained for the Proposed New Bonds and Warrants Issue;*
- (d) the completion of the Proposed New Bonds and Warrants Issue occurring simultaneously with the completion of the Proposed CB Purchase, in accordance with the terms of the Bond Subscription Agreements;*
- (e) the approval in-principle (“AIP”) being obtained for the listing of and quotation for the New Shares on the Main Board of the SGX-ST and not having been withdrawn, terminated, revoked or amended and, where the AIP is subject to conditions, to the extent that any conditions are required to be fulfilled on or before completion, they are so fulfilled;*
- (f) as of Completion (as defined below), the trading of the issued Shares on the Main Board of the SGX-ST not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the issued Shares not having been delisted from the Main Board of the SGX-ST;*
- (g) the “safe harbour” exemptions under the SFA being applicable to the Proposed New Bonds and Warrants Issue;*
- (h) the allotment, issue and subscription of the New Bonds, Warrants and New Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Bond Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company, Mr. Chew or Ms. Doris (as the case may be);*

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- (i) *the resolutions of the Board approving the entry into the Bond Subscription Agreements and the Proposed Refinancing having been duly passed;*
- (j) *all representations, undertakings and warranties of Mr. Chew or Ms. Doris (as the case may be) under the Bond Subscription Agreements being and continuing to be complied with, true, accurate and correct up to Subscription Date as if made on each day up to the Subscription Date and Mr. Chew or Ms. Doris (as the case may be) not having breached in any manner the terms of the Bond Subscription Agreements, whether such term or such breach is of a material nature, unless waived by the Company; and*
- (k) *all relevant government or regulatory approvals and waivers and other third-party approvals and consents, where applicable and/or required, and any conditions imposed by the authorities in giving such approval having been fulfilled (or waived), and such approvals, waivers and other third-party approvals not being terminated, revoked or withdrawn, for the Proposed Refinancing and the execution, delivery and performance of the Bond Subscription Agreements.*

If any of the conditions set out above for Mr. Chew or Ms. Doris is not satisfied or waived by the Cut-Off Date, or where Mr. Chew or Ms. Doris has breached any term of Bond Subscription Agreements, the Company shall have the right to terminate the Bond Subscription Agreements in relation to Mr. Chew or Ms. Doris and the Company shall be released and discharged from its obligations under the Bond Subscription Agreements.

2.4.2 Salient terms of the New Bonds

- Principal Amount** : Up to S\$35,030,306.
- Issue Price** : 100% of the principal amount of New Bonds.
- Coupon Rate** : The New Bonds will bear interest at the rate of 5.5% per annum.
- Form and Denomination** : The New Bonds will be issued in registered form in the denomination of S\$1.00 or integral multiples thereof.
- Status of the New Bonds** : The New Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the New Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and at all times rank at least equally with all of its other present and future direct, unsubordinated and unconditional obligations, other than subordinated obligations and priorities created by law.
- Maturity Date** : The New Bonds will mature on the date falling five (5) years from its issue date ("**Maturity Date**").
- Redemption at the option of the Company** : The New Bonds may be redeemed at the option of the Company, in whole or in part, at any time prior to the Maturity Date, by giving at least 30 calendar days' prior notice, at 100.0% of its principal amount (or, in the case of a partial redemption, 100.0% of the principal amount of the Bonds being redeemed), in accordance with the terms and conditions of the New Bonds.
- Redemption on maturity** : Subject to the terms and conditions of the New Bonds, unless previously redeemed, purchased and cancelled or extended as provided for in the terms and conditions of the New Bonds, the Company will redeem the New Bonds at 100.0% of its principal amount on the Maturity Date.
- Transferability** : The New Bonds are transferable, provided that no New Bonds may be

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transferred except in accordance with the provisions under Sections 275 and 276 of the SFA, as may be amended or modified from time to time, and any applicable regulations promulgated thereunder.

Listing : *The New Bonds will not be listed and quoted on the Main Board of the SGX-ST.*

Governing Law : *Singapore law.*

2.4.3 Salient terms of the Warrants

Number of Warrants and New Shares : *Up to 538,927,784 Warrants, and upon exercise of the Warrants, 538,927,784 New Shares to be issued, representing approximately 29.62% of the Existing Share Capital comprising 1,819,522,087 Shares, and 22.85% of the Company's enlarged share capital comprising 2,358,449,871 Shares.*

Form : *The Warrants will be issued in registered form and will be constituted by the Deed Poll to be executed by the Company. The Deed Poll will set out, among others, the terms and conditions of the Warrants and may from time to time be amended, supplemented or modified in accordance with its terms.*

Exercise Period : *The Warrants are exercisable during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding five (5) years from the date of issue of the Warrants, unless such date is not a Market Day, in which event, the last day of the Exercise Period shall be the immediately preceding Market Day ("**Exercise Period**"). Any Warrant remaining unexercised upon the expiry of the Exercise Period shall lapse and cease to be valid for all purposes.*

*The Company shall, not later than one (1) month before the expiry of the Exercise Period, announce the expiry of the Exercise Period on SGXNet. In addition, the Company shall, not later than one (1) month before the expiry of the Exercise Period, take reasonable steps to notify all holders of Warrants ("**Warrantholders**") in writing of the expiry of the Exercise Period, and such notice shall be delivered by post to the address of the Warrantholders.*

Exercise Price : *Each Warrant will entitle the Warrantholder to subscribe for one (1) New Share at the Exercise Price of S\$0.065 per New Share, subject to adjustments under circumstances in accordance with the terms and conditions as set out in the Deed Poll.*

Listing : *The Warrants will not be listed and quoted on the Main Board of the SGX-ST.*

The New Shares to be issued upon exercise of the Warrants will, subject to the AIP being obtained from the SGX-ST, be listed and quoted on the Main Board of the SGX-ST upon issue.

Status of the New Shares : *The New Shares, when issued and allotted, upon the exercise of the Warrants will be issued free from all claims, charges, liens, pledges, mortgages, and other encumbrances whatsoever and shall rank pari passu in all respects with and carry all rights similar to the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions, the Record Date for which falls on or before the date of the allotment and issue of the New Shares.*

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Adjustments : *The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Deed Poll. Subject to the terms and conditions of the Deed Poll, such circumstances include:*

- (a) any consolidation or subdivision of the Shares;*
- (b) capitalisation of profits or reserves;*
- (c) capital distribution;*
- (d) rights issues of Shares; and*
- (e) an issue of Shares (other than (i) a rights issue requiring an adjustment under sub-paragraph (d) above, and (ii) an issue of Shares to Shareholders who had an option to receive cash or other dividend in lieu of the relevant Shares) if the total effective consideration for each Share is less than 90.0% of the average of the last dealt prices on the five (5) Market Days immediately preceding the Announcement Date (calculated as provided in the Deed Poll).*

Any additional Warrants issued pursuant to such adjustment shall rank pari passu with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company on SGXNet in compliance with the Listing Manual. In the event that additional New Shares are issued as a result of the aforementioned circumstances, the Company will make a separate application to the SGX-ST, for the dealing in, listing of and quotation for the additional Shares on the Main Board of the SGX-ST. The Company will make the necessary announcement upon the receipt of the relevant AIP from the SGX-ST.

Winding up : *If a resolution is passed for a members' voluntary winding-up of the Company, then:*

- (a) If such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designated by them for such purpose by Extraordinary Resolution (as defined in the Deed Poll), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warranholders.*
- (b) If notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warranholder shall be entitled, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his Warrant Certificate(s) (as defined in the Deed Poll) to the Company with the Exercise Notice(s) (as defined in the Deed Poll) duly completed, together with all relevant payments payable and other items required under the terms and conditions of the Deed Poll, to elect to be treated as if he had prior to the commencement of such winding-up exercised the Warrants to the extent of the number of Warrants specified in the Exercise Notice and had on such date been the holder of the New Shares. The New Shares will be allotted to such Warranholder as soon as possible and in any*

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event no later than the day immediately prior to the date of the proposed general meeting.

The Company shall give notice to the Warrantholders in accordance with the terms and conditions of the Deed Poll, with respect to the passing of any such resolution within seven (7) Business Days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Transfer and transmission : The Warrants shall be transferable in lots entitling the Warrantholders to subscribe for whole numbers of New Shares. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants to be set out in the Deed Poll.

Modification of terms : Notwithstanding any other provisions as set out in the Deed Poll, any material alteration to the terms and/or conditions of the Warrants after the issue thereof to the advantage of the Warrantholders must be approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants.

Further issue of securities : Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

Governing Law : Singapore law.

2.5 Exercise Price of the Warrants

The Exercise Price of S\$0.065 represents a discount of approximately 19.8% to the VWAP of S\$0.081 per Share for trades done on the SGX-ST on 9 October 2026 (being the last full market day on which the Shares were traded prior to the date of signing of the Bond Subscription Agreements). As the New Shares will be issued at a discount exceeding 10.0%, under Rule 811(2)(a) read with Rule 811(3) of the Listing Manual, the Proposed New Bonds and Warrants Issue is subject to the approval of Shareholders at the EGM. Accordingly, the Directors propose to seek Shareholders' approval for the Proposed New Bonds and Warrants Issue pursuant to Rule 811(3) of the Listing Manual.

2.6 Completion of the Proposed CB Purchase and Proposed New Bonds and Warrants Issue

Pursuant to the terms and conditions of the Bond Subscription Agreements, completion of the Proposed CB Purchase and Proposed New Bonds and Warrants Issue ("**Completion**") shall take place on the Subscription Date.

2.7 Confirmations by Mr. Chew and Ms. Doris

Pursuant to irrevocable undertakings provided by each of Mr. Chew and Ms. Doris to the Company dated 12 October 2026, each of Mr. Chew and Ms. Doris has confirmed to the Company that:

- (a) he/she is subscribing for the New Bonds and Warrants as a principal for his/her own benefit;

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- (b) *he/she acknowledges that the offer of New Bonds and Warrants is made by the Company in reliance on “safe harbour” exemptions provided in the SFA, subject to relevant restrictions thereunder;*
- (c) *he/she shall not offer the New Bonds and Warrants for resale in a manner prohibited by the SFA;*
- (d) *he/she is not acting in concert with any other party in relation to the Proposed New Bonds and Warrants Issue and is not subscribing for the New Bonds and Warrants pursuant to the instruction of any other party; and*
- (e) *he/she is, at the time of the Proposed New Bonds and Warrants Issue, an accredited investor or a relevant person to which section 275 of the SFA applies and will be bound by sections 275 and 276 of the SFA.*

In addition, Mr. Chew and Ms. Doris have each provided in the irrevocable undertakings to the Company that they will not exercise any Warrants issued to them pursuant to the Proposed New Bonds and Warrants Issue in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company. Such undertakings shall remain in force for so long as the Warrants remain exercisable.

Accordingly, Mr. Chew and Ms. Doris may and will only exercise the Warrants to the extent that such exercise does not result in them acquiring more than 1.0% of the voting rights in the Company in any period of six (6) months under Rule 14.1(b) of the Code. Shareholders should note that any exercise of the Warrants in compliance with Rule 14.1(b) of the Code may nevertheless result in a gradual increase in Mr. Chew's and Ms. Doris' combined shareholding interests in the Company over the Exercise Period without triggering a mandatory general offer obligation under the Code. Pursuant to Rule 831 of the Listing Manual, the Company will not extend the Exercise Period or issue replacement warrants upon expiry, and any Warrants that remain unexercised at the expiry of the Exercise Period will lapse in accordance with the terms and conditions of the Deed Poll.

2.8. Interested Person Transaction under Chapter 9 of the Listing Manual

- 2.8.1 *Transactions entered into between an issuer's “interested person” and the issuer, its subsidiaries or associated companies (which the listed group or its interested persons have control over) are deemed “interested person transactions” and subject to Chapter 9 of the Listing Manual. In applying the rules in Chapter 9 of the Listing Manual, Rule 902 of the Listing Manual provides that regard must be given to, amongst others, the economic and commercial substance of the IPT, instead of its legal form and technicality. Pursuant to Rule 904(4) of the Listing Manual, a director, chief executive officer, or controlling shareholder of the issuer, and the associates of such director, chief executive officer, or controlling shareholder of the issuer are deemed “interested persons” of the issuer. Accordingly, Mr. Chew, a Director and Controlling Shareholder of the Company, as well as Ms. Doris, who is an associate of Mr. Chew, are deemed to be interested persons of the Company.*
- 2.8.2 *Rule 906(1) of the Listing Manual provides that an issuer must obtain shareholder approval for any IPT of a value equal to, or more than (a) 5.0% of the group's latest audited NTA, or (b) 5.0% of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year, however, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.*
- 2.8.3 *In determining the value of the transaction, the Company considered the economic and commercial substance of the Proposed Refinancing. As the Proposed CB Purchase is to be satisfied by way of issuance of the New Bonds and Warrants to Mr. Chew and Ms. Doris,*
 - (a) *in respect of the New Bonds, the value of the transaction is the aggregate interest*

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payable on the New Bonds from the date of issue to the maturity date, being approximately S\$9.63 million; and

- (b) *in respect of the Warrants, management has determined the theoretical value of the transaction to range approximately between S\$49.94 million and S\$54.41 million.*

2.8.4 *Accordingly, the aggregate value of the Proposed Refinancing ranges approximately between S\$59.57 million and S\$64.04 million. As at the Latest Practicable Date, this represents approximately 13.0% to 13.9% of the Group's audited NTA attributable to the owners of the Company of S\$459.61 million as of 30 June 2025. As the aggregate value exceeds 5.0% of the Group's latest audited NTA as at the Latest Practicable Date, the Proposed Refinancing is subject to the approval of Independent Shareholders at the EGM.*

For completeness, the aggregate value of the Proposed Refinancing represents approximately 11.1% to 11.9% of the Group's audited NTA attributable to the owners of the Company of S\$535.98 million as of 30 June 2026.

2.8.5 *Apart from the Proposed CB Purchase and Proposed New Bonds and Warrants Issue as described above, during the financial year ended 30 June 2026, the Company had entered into the following IPTs with Mr. Chew and Ms. Doris:*

- (a) *a transaction with Mr. Chew for the proposed conversion of certain outstanding amounts owed to Mr. Chew of approximately S\$15.53 million into equivalent value of new ordinary shares of the Company ("**Proposed Conversions**"). The Proposed Conversions were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 23 January 2026²; and*
- (b) *a transaction with Ms. Doris for a consideration of MYR16,810,000 (or equivalent to approximately S\$5.31 million) in relation to the acquisition by Raffles K12 Sdn. Bhd., a subsidiary of the Company, of 100% of the issued shares in Dataran Delapan (M) Sdn. Bhd., together with all of its assets (including fixed and biological assets) and on the basis of a zero-liability financial position. The value of this transaction did not exceed the threshold requiring announcement under the Listing Manual.*

2.8.6 *Save as disclosed in this Circular and in the Company's annual report, as of the Latest Practicable Date, there are no other IPTs (with a value of more than S\$100,000) entered into between the Company and Mr. Chew or his associates or any other interested person for the current financial year ending 30 June 2027."*

4. THE PROPOSED SPECIAL DIVIDEND

The principal terms and conditions of the Proposed Special Dividend, as extracted from Section 3 of the Circular, are set out in italics below. We recommend that Shareholders read the terms and conditions contained therein carefully.

"3. THE PROPOSED SPECIAL DIVIDEND

3.1 *Section 403(1) of the Companies Act provides that dividends may not be declared to Shareholders except out of profit, and Regulation 132 of the Constitution provides that if and in so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. The Company confirms that the Proposed Special Dividend will only be declared and paid out of the Company's available distributable profits in accordance with Section 403(1) of the Companies Act and Regulation 132 of the Constitution. Having considered, among other things, the Group's liquidity position (including the matters disclosed in the Company's FY2026 unaudited*

² Please refer to the Company's announcements dated 30 October 2025, 2 January 2026, 23 January 2026, 27 February 2026, 10 March 2026 and the circular dated 8 January 2026 for further information in relation to the Proposed Conversions.

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financial statements relating to going concern), the Board is of the view that the Proposed Special Dividend is in the interests of the Company as it is directly linked to, and conditional upon, the cash resources preserved through the Proposed Refinancing. The Proposed Special Dividend remains conditional upon Shareholders' approval of the Proposed Refinancing, and the Board retains the discretion as to the timing of the declaration and payment of the Proposed Special Dividend, having regard to the Company's financial position and applicable legal and regulatory requirements at the relevant time.

3.2 *In connection with the Proposed Refinancing, the Board intends to declare the Proposed Special Dividend as a direct return of value to Shareholders, in recognition of their continued loyalty and support of the Company. The Proposed Refinancing is expected to allow the Company to maintain its cash position that would otherwise be applied towards the redemption of the Convertible Bonds held by Mr. Chew and Ms. Doris. Subject to Independent Shareholders' approval of the Proposed Refinancing at the EGM, as well as adherence to all applicable laws and the Constitution, the Company intends to declare the Proposed Special Dividend of S\$0.003 per Share. Shareholders should note that the Proposed Special Dividend is conditional upon Shareholders approval being obtained for the Proposed Refinancing. The Independent Directors are of the view that it is fair and not prejudicial to minority shareholders for the Proposed Special Dividend to be conditional upon the Proposed Refinancing for the following reasons:*

- (a) *In the absence of the Proposed Refinancing, the cash resources that would otherwise fund the Proposed Special Dividend would instead be required for the redemption of the Convertible Bonds, and would accordingly not be available for distribution. The conditionality is therefore a function of commercial and financial reality, namely, that the funding source for the Proposed Special Dividend is directly contingent on the cash preserved through the Proposed Refinancing rather than a mechanism designed to influence how Shareholders vote;*
- (b) *The Proposed Special Dividend enables all Shareholders to participate in the benefit of the cash resources preserved through the Proposed Refinancing and reflects the commercial and financial basis on which the Proposed Special Dividend is proposed. In the absence of the Proposed Refinancing, such cash resources would otherwise be applied towards the redemption of the Convertible Bonds and would not be available for distribution as the Proposed Special Dividend. Accordingly, the conditionality ensures that the Proposed Special Dividend will only be declared if the cash resources intended to fund it are in fact preserved; and*
- (c) *Notwithstanding the conditionality, Shareholders are encouraged to evaluate the merits of the Proposed Refinancing on its own terms, including its effect on the Company's capital structure, debt maturity profile, interest costs, and financial position, independently of whether they intend to vote in favour of it in order to receive the Proposed Special Dividend. The Independent Directors have set out their views on the rationale and recommendations in respect of the Proposed Refinancing separately in paragraphs 6.2 and 9.2 of this Circular, and Shareholders should have regard to that assessment when determining how to vote, in addition to the fact that the payment of the Proposed Special Dividend is conditional upon that outcome.*

3.3 *Please refer to the Company's announcement for further details on the Proposed Special Dividend, including the Record Date and payment date."*

5. EVALUATION OF THE PROPOSED REFINANCING AS AN IPT

In our evaluation of the Proposed Refinancing as an IPT, we have given due consideration to, *inter alia*, the following key factors:

- (i) rationale for the Proposed Transactions and use of proceeds;
- (ii) historical financial performance and position of the Group;
- (iii) the Group's net asset value ("**NAV**") and net tangible assets ("**NTA**");
- (iv) market quotation and trading activities for the Shares;
- (v) relative valuation analysis;
- (vi) comparison with selected IPT Loans; and
- (vii) such other relevant considerations which have significant bearing on our assessment.

These factors are discussed in detail in the ensuing sections.

In our assessment of the Proposed Refinancing as an IPT, we have applied certain valuation ratios in assessing the reasonableness of the Proposed Refinancing as an IPT. A brief description of such valuation ratios are as follows:

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|-------|--|--|
| (i) | EV/EBITDA | <p>“EV” or “Enterprise Value” is defined as the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts less its cash and bank balances. “EBITDA” stands for earnings before interest, taxation, depreciation and amortisation but after share of associates’ and joint ventures’ income but excluding exceptional items.</p> <p>The “EV/EBITDA” multiple is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.</p> |
| (ii) | Price-to-Earnings ratio (“PER”) | <p>The PER is a widely used earnings-based valuation methodology that illustrates the ratio of the current market price of a company’s shares relative to its net earnings per share. Unlike the EV/EBITDA multiple, the PER is based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. As such, the PER is affected by the capital structure of a company, tax position as well as its depreciation and goodwill policies.</p> |
| (iii) | Price-to-NTA (“P/NTA”) | <p>The P/NTA ratio is the ratio of the relevant prices of the shares to the net tangible asset value of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible asset backing as measured in terms of its NTA value.</p> <p>The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders. The NTA-based approach is widely used for valuing the shares of property-based companies as their tangible asset backings are perceived as providing support for the value of their shares.</p> |
| (iv) | Price-to-NAV (“P/NAV”) | <p>The P/NAV ratio is the ratio of the relevant prices of the shares to the net asset value of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible and intangible asset backing as measured in terms of its NAV value.</p> <p>The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its tangible and intangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders.</p> |
| (v) | Price-to-Revenue (“P/Revenue”) | <p>The P/Revenue ratio is the ratio of a company’s market capitalisation relative to its sales/revenue. The P/Revenue ratio does not take into account the profitability of a company.</p> |

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5.1 RATIONALE FOR THE PROPOSED TRANSACTIONS AND USE OF PROCEEDS

The rationale for the Proposed Transactions, as extracted from Section 6 of the Circular, is set out in italics below. We recommend that Shareholders read the relevant Section of the Circular carefully and in its entirety. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise stated:

“6. RATIONALE FOR THE PROPOSED TRANSACTIONS AND USE OF PROCEEDS

6.1 *The Company is proposing the Proposed CB Purchase and Proposed New Bonds and Warrants Issue in connection with the refinancing of S\$35,030,306 in principal amount of Convertible Bonds held by Mr. Chew and Ms. Doris, which are due to mature on 22 September 2027.*

6.2 *The Board had considered various alternative financing options, including seeking other strategic investors or partners, undertaking an equity fund raising (including by way of a placement or rights issue) and obtaining borrowings from financial institutions. However, after taking into account, among other things, the Company's financial position, funding requirements and the terms available, the Board is of the view that none of these alternatives would provide funding on terms that are comparable or materially more favourable than the Proposed New Bonds and Warrants Issue.*

The Proposed New Bonds and Warrants Issue allows the Company to refinance and purchase a large portion of the outstanding Convertible Bonds without utilising the Company's internal cash resources or existing credit facilities that are committed for its operational and working capital needs, or that are held within the People's Republic of China (“PRC”) and subject to PRC foreign exchange controls on remittance out of PRC, thereby preserving the Company's liquidity and working capital for its operational and business needs. As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately S\$39.2 million, and the Group had net cash generated from operating activities of approximately S\$12.6 million. Notwithstanding this, the Company wishes to clarify that:

- (a) approximately S\$31.3 million of the Group's cash and cash equivalents as at 30 June 2026 was held by subsidiaries incorporated in the PRC, and the remittance of such funds out of the PRC is subject to PRC foreign exchange controls, which may involve significant time, cost and uncertainty of approval;*
- (b) approximately S\$0.8 million of the Group's cash and cash equivalents as at 30 June 2026 was held by Oriental University Holdings (H.K.) Limited, the Company's subsidiary listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong, within and outside of the PRC; and*
- (c) approximately S\$7.1 million of the Group's cash and cash equivalents was held outside the PRC and readily available to the Company as at 30 June 2026, which is required to meet the Group's operational expenditure, working capital requirements and other liabilities falling due in the ordinary course of business over the next 12 months.*

Accordingly, the amount of cash and cash equivalents that is both (i) held outside the PRC and (ii) not otherwise committed for the Group's operational and working capital needs, would be insufficient to fund the consideration for the Proposed CB Purchase of S\$35,030,306.

The Board confirms that, as at 30 June 2026, approximately S\$7.1 million (representing approximately 18.1% of the Group's total cash and cash equivalents) was held by entities outside the PRC.

The Proposed New Bonds and Warrants Issue also extends the maturity of the Company's debt obligations by a further four (4) years, providing the Company with greater financial flexibility. In view of the Company's business plans and cash flow projections, the Board is of the view that the Proposed CB Purchase and the Proposed New Bonds and Warrants Issue are in the best interests of the Company.

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- 6.3 The terms of the New Bonds and Warrants, including the Coupon Rate and Exercise Price are determined following arm's length negotiations between the Company, Mr. Chew and Ms. Doris, taking into account prevailing market conditions, the Company's financial position and the objective of facilitating a refinancing of the Convertible Bonds. The Coupon Rate of 5.5% per annum is a reduction compared to the 6.0% per annum payable on the existing Convertible Bonds. The Exercise Price of S\$0.065 per Share, being the same as the conversion price of the existing Convertible Bonds. In the event of full exercise of the Warrants at the Exercise Price, the number of Shares that would have been issued would be the same as upon conversion of the existing Convertible Bonds and the Company would have raised S\$35,030,306 of new equity cash proceeds that would strengthen the Company's financial standing.
- 6.4 The Exercise Price represents approximately 42.8% of the VWAP of S\$0.152 per Share and represents approximately 43.9% of the closing price of S\$0.148 per Share for trades done on the SGX-ST on 8 May 2026, being the last full Market Day on which the Shares were traded prior to the Announcement Date.
- 6.5 The net proceeds of approximately S\$37,782,098 raised from the issuance of the Convertible Bonds in 2022 were fully utilised as at 31 October 2022, for general working capital and the repayment of the Group's existing loans and interest thereon, in accordance with the stated use of proceeds in the Company's announcement dated 7 June 2022. None of the net proceeds from the issuance of the Convertible Bonds remain available for use, and no part of such proceeds will be applied towards the Proposed Refinancing. As the New Bonds and Warrants are issued as consideration for the Proposed CB Purchase, and not for cash, the Company will not receive any cash proceeds from the Proposed New Bonds and Warrants Issue.
- 6.6 Assuming all the Warrants issued are exercised within the Exercise Period, the Company will receive gross proceeds of up to S\$35,030,306 (the "**Warrants Exercise Proceeds**"). The estimated net Warrants Exercise Proceeds to be received by the Company would be up to approximately S\$34,710,306, after deducting estimated expenses of approximately S\$320,000. As and when the Warrants issued are exercised, the net Warrants Exercise Proceeds may, at the discretion of the Directors, be utilised by the Company in the following proportions:

Use of Proceeds	Percentage Allocation (%)
Expansion of the Group's business operations, including the establishment and starting of new schools through strategic acquisitions, alliances and joint ventures	60%
Repayment of borrowings	35%
General working capital purposes	5%

The Company's current intention is to prioritise the utilisation of the net Warrants Exercise Proceeds towards the expansion and growth of the Group's business operations, including the establishment and starting of new schools through strategic acquisitions, alliances and joint ventures. The Company intends to grow and expand its business operations with a view to generating sufficient resources over time to facilitate the repayment of its outstanding borrowings, including the New Bonds.

The Company will continue to assess its funding requirements and the allocation and utilisation of the net Warrants Exercise Proceeds having regard to the Group's business plans, financial position and prevailing circumstances. In the event of any material change to the intended use of the net Warrants Exercise Proceeds, the Company will make the necessary announcement(s) in accordance with the applicable rules and regulations.

In relation to the net Warrants Exercise Proceeds to be utilised for general working capital requirements of the Group, it includes but is not limited to, corporate administrative expenses, operating expenses and other payables of the Group's various businesses.

- 6.7 Pending the deployment of the Warrants Exercise Proceeds, the Warrants Exercise Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money

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market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion but subject to the terms of the definitive documentation to be entered into, deem fit in the interests of the Company.

- 6.8 *The Company will make periodic announcements of utilisation of the Warrants Exercise Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and percentage allocated. The Company will also provide a status report on the use of proceeds in the Company's interim and full year financial statements and the Company's annual report. Where there is material deviation from the stated use of the Warrants Exercise Proceeds, the Company will announce the reasons for such deviation. Where the proceeds have been used for general corporate and/or working capital purposes, the Company undertakes to provide a breakdown with specific details on the use of the proceeds in the announcements and annual reports. Where there is a material deviation in the use of the proceeds, the Company will announce the reasons for such deviation."*

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5.2 HISTORICAL FINANCIAL PERFORMANCE AND POSITION OF THE GROUP

The following are extracts from the audited consolidated financial statements of the Group for the FY 2024 (“FY2024”), FY2025 and FY2026. As stated in Section 2 of this Letter, the audited consolidated financial statements of the Group for FY2026 dated 8 October 2026 were released on or about 14 October 2026 and, *inter alia*, the financial statements for FY2026 have accordingly been updated in this Letter.

Summary of consolidated income statements

Figures in S\$'000 ⁽¹⁾	Audited FY2026	Audited FY2025	Audited FY2024
Revenue	106,823	111,710	112,472
EBITDA ⁽²⁾	41,012	43,438	13,327
Adjusted EBITDA ⁽³⁾	29,600	19,316	21,110
Profit / (loss) after income tax	(6,352)	4,358	(23,994)
Profit / (loss) after income tax attributable to equity holders of the Company	(5,607)	7,696	(19,261)
Adjusted loss after income tax ⁽³⁾	(17,930)	(19,835)	(18,617)

Notes:

- (1) Any discrepancy between the amounts listed and their actual values, or between the sum of the figures stated and the total thereof, is due to rounding.
- (2) EBITDA is calculated with loss before tax, adjusted for depreciation and amortisation, interest income and interest expense.
- (3) EBITDA and profit/(loss) after tax adjusted for non-trade and non-recurring items, being, *inter alia*, government grants, net foreign exchange loss or gain, net gain on disposal of non-current assets held for sale, PPE written off, gain on compensation from termination on acquisition of investment properties, loss on disposal of subsidiary, loss on strike off of a subsidiary and loss on deemed disposal of investment in associate, as the case maybe.

(i) Financial performance for FY2026 and FY2025

The Group's revenue decreased slightly from approximately S\$111.7 million in FY2025 to approximately S\$106.8 million in FY2026. The decline was mainly attributable to the lower revenue recognised by Hefei Yuren Education Management Co. Ltd (“HFYR”), which was disposed of during the year.

The Group recorded a loss after income tax of approximately S\$6.4 million for FY2026 as compared to a profit after tax of approximately S\$4.4 million for FY2025. The decline was mainly due to a net foreign exchange loss of approximately S\$10.1 million as compared to a net foreign exchange gain of approximately S\$24.1 million in FY2025, higher tax expenses of approximately S\$11.0 million for FY2026 as compared to approximately S\$8.2 million for FY2025 and a loss on disposal of the entire equity interest in HFYR (“HFYR Disposal”) of approximately S\$29.4 million. These were partially offset by the net gain on disposal of the property located at located at 51 Merchant Road Singapore 058283 (“Property Disposal”) of approximately S\$52.3 million (offset by the loss on disposal of property by OUCHK of approximately S\$0.5 million).

If these non-trade and non-recurring items are excluded, the Group would have recorded an adjusted loss after income tax of approximately S\$17.9 million for FY2026.

(ii) Financial performance for FY2025 and FY2024

Revenue remained broadly stable at approximately S\$111.7 million in FY2025 as compared to approximately S\$112.5 million in FY2024.

As a result of significant net foreign exchange gain of approximately S\$24.1 million, the Group recorded profit after income tax of approximately S\$4.4 million for FY2025 as compared to a loss after tax of approximately S\$24.0 million for FY2024. This was partially offset by the net fair value loss of approximately S\$5.7 million arising from the revaluation of investment properties, mainly held by Oriental University City Holdings (H.K.) Limited (“OUCHK”) and Oriental University City (Cayman)

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Limited (“**OUCCY**”), approximately S\$2.3 million in aggregate loss on disposal of investment properties and investment in associates, as well as an overall increase in staff headcount and expenses.

By excluding these non-trade and non-recurring items the Group would have recorded an adjusted loss after income tax of approximately S\$19.8 million and S\$18.6 million for FY2025 and FY2024 respectively.

Summary of consolidated statements of financial position

Figures in S\$'000⁽¹⁾	Audited FY2026	Audited FY2025	Audited FY2024
Non-current assets	893,727	894,599	947,404
Current assets	76,047	124,152	152,678
Non-current liabilities	150,600	168,235	248,767
Current liabilities	101,889	209,955	169,459
Total borrowings ⁽²⁾	86,202	208,741	225,271
Shareholders' equity	631,026	555,826	589,979
Net current liabilities ⁽³⁾	(25,842)	(85,803)	(16,781)
Cash and bank balances ⁽⁴⁾	41,398	19,096	31,801
Total net borrowings (net of cash)	44,804	189,645	193,470
Gearing ratio (times) ⁽⁵⁾	0.1	0.4	0.4
Net gearing ratio (times) ⁽⁶⁾	0.1	0.3	0.3
Total liabilities / Shareholders' equity (times)	0.4	0.7	0.7

Notes:

- (1) Any discrepancy between the amounts listed and their actual values, or between the sum of the figures stated and the total thereof, is due to rounding.
- (2) Total borrowings are defined as borrowings from banks and financial institutions, overdrafts as well as convertible and non-convertible bonds.
- (3) Net current liabilities are defined as current assets less current liabilities.
- (4) Cash and bank balances include fixed deposits and restricted bank balances (current and non-current).
- (5) Gearing ratio is defined as the ratio of total borrowings to shareholders' equity.
- (6) Net gearing ratio is defined as the ratio of total borrowings net of cash and bank balances to shareholders' equity.

(iii) Assets and liabilities

As at 30 June 2026, the Group's total assets amounted to approximately S\$969.8 million, comprising non-current assets of approximately S\$893.7 million and current assets of approximately S\$76.0 million.

The Group's non-current assets as at 30 June 2026 comprised mainly PPE of approximately S\$448.9 million, investment properties of approximately S\$335.5 million, intangible assets of approximately S\$95.0 million, and right-of-use (“**ROU**”) assets of approximately S\$6.4 million.

The main components of current assets as at 30 June 2026 are cash and bank balances of approximately S\$39.2 million, as well as trade and other receivables of approximately S\$35.4 million.

The Group's total liabilities as at 30 June 2026 of approximately S\$252.5 million, comprised mainly borrowings of approximately S\$86.2 million (of which approximately S\$10.2 million is current), deferred tax liabilities of approximately S\$61.9 million, trade and other payables of approximately S\$55.3 million (of which approximately S\$49.8 million is current), advances received for course fees as well as rental of educational facilities of approximately S\$29.2 million (of which approximately S\$25.5 million is current).

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(iv) Capital base and debt burden

The Group's total borrowings as at 30 June 2026 comprised loans and overdrafts of approximately S\$50.2 million, as well as unsecured convertible bonds of approximately S\$36.0 million.

Shareholders' equity of the Group had decreased from approximately S\$590.0 million as at 30 June 2024 to approximately S\$555.8 million as at 30 June 2025, before increasing to approximately S\$631.0 million as at 30 June 2026. We note that the increase in the Shareholders' equity of the Group was mainly due to, *inter alia*, issuance of new Shares arising from conversion of convertible and non-convertible bonds, favourable currency translation movements and sale of treasury Shares, rather than an improvement in the Group's underlying business performance.

We note that the gearing ratio, net gearing ratio, and total liabilities to Shareholders' equity of the Group for FY2024 and FY2025 have remained relatively constant. These have improved in FY2026 due to a decline in total borrowings as a result of repayment of borrowings of approximately S\$102.4 million, repayment of non-convertible bonds of approximately S\$12.2 million and conversion of non-convertible bonds of approximately S\$11.8 million into new Shares, partially offset by the issuance of S\$3.0 million in non-convertible bonds.

(v) Net current liabilities

The Group has been consistently in a net current liabilities position for the past three financial years under review. However, the net current liabilities position as at 30 June 2026 has improved significantly to approximately S\$25.8 million, largely due to the repayment of borrowings, and an increase in cash holdings arising from, *inter alia*, proceeds from the sale of treasury Shares, the HFYR Disposal, and the Property Disposal.

Summary of consolidated statements of cash flows

Figures in S\$'000 ⁽¹⁾	Audited FY2026	Audited FY2025	Audited FY2024
Net cash generated from operating activities	12,584	4,349	19,396
Net cash generated from investing activities	25,996	3,104	11,024
Net cash used in financing activities	(16,305)	(19,961)	(25,257)
Net increase / (decrease) in cash and cash equivalents	22,275	(12,508)	5,163
Cash and cash equivalents at end of the financial year ⁽²⁾	39,136	16,861	29,369

Notes:

- (1) Any discrepancy between the amounts listed and their actual values, or between the sum of the figures stated and the total thereof, is due to rounding.
- (2) Cash and cash equivalents comprised cash and bank balances and fixed deposits. It excludes restricted bank balances.

(vi) Net cash flow from operating activities

The Group generated net cash from operating activities of approximately S\$12.6 million for FY2026, which was attributed to the Group's operating cash inflows before changes in working capital as well as increase in advances on course fees and rental, partially offset by the decrease in trade and other payables.

The net cash generated from investing activities of approximately S\$26.0 million for FY2026 was attributed to proceeds generated from the disposal of non-current asset held for sale and the HFYR Disposal, partially offset by, *inter alia*, payments for acquisitions of PPE and consideration paid for acquisition of subsidiary.

The net cash outflow from financing activities of approximately S\$16.3 million for FY2026 was due to repayment of non-convertible bonds, principal and interest for borrowings, lease liabilities and loan from a director, partially offset by proceeds from issuance of non-convertible bonds, drawdown of bank borrowings and sale of treasury shares.

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As a result of the cash movements above, the Group's net cash and cash equivalents increased by approximately S\$22.3 million (including effect of exchange rate changes) to approximately S\$39.1 million as at 30 June 2026.

The Group generated net cash from operating activities of approximately S\$4.3 million for FY2025, which was attributed to the Group's operating cash inflows before changes in working capital and increase in course fee advances, partially offset by the decrease in trade and other payables as well as increase in trade and other receivables.

The Group generated net cash from operating activities of approximately S\$19.4 million for FY2024, which was attributed to the Group's operating cash inflows before changes in working capital and increase in course fee advances as well as trade and other payables, partially offset by the increase in trade and other receivables and decrease in advance rental services for educational facilities.

(vii) Going Concern

As at 30 June 2026, the Group's and the Company's current liabilities exceeded its current assets by S\$25.8 million and S\$23.6 million respectively.

As stated in Note 2 to the Group's audited consolidated financial statements for FY2026, the Directors have assessed that there is no material uncertainty as to the Group's and the Company's ability to continue as going concerns based on the following factors:

- (a) Positive cash flow generation from its operations based on the cash flow forecast that covers a period of at least 15 months from 30 June 2026;
- (b) The Group is confident that its lenders will continue to give support to the Group;
- (c) The Group's ability to refinance its existing borrowings when necessary with financial institutions;
- (d) The Group's ability to realise certain of its assets through the sale/lease of its properties; and
- (e) The Company has the ability to tap funds from its Shareholders and the capital markets.

(viii) Outlook

In the Group's results announcement dated 28 August 2026 for FY2026, the Company stated the following commentary on the significant trends and competitive conditions of the industry in which the Group operates and factors or events that may affect the Group in the next reporting period and the next twelve (12) months:

"The economic and geo-political uncertainty will affect our recruitment of foreign students.

The challenging global education landscape, with increasing competition and increasing restrictive policies in the countries that we operate in will continue to affect the Group.

Increasing currency volatility will continue to affect the Group.

The Group continues to streamline and restructure its operations for better cost management."

The Directors confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the audited consolidated financial statements for the Group for FY2026, and the Company's announcements on SGXNet, there have been no material changes to the Group's assets and liabilities, financial position, condition and performance.

5.3 THE GROUP'S NAV AND NTA

The NAV based approach of valuing a company or group is based on the aggregate value of all the assets of the company or the group in their existing condition, after deducting the sum of all liabilities of the company or the group and minority interests (or non-controlling interests). The NAV based approach is meaningful as it shows the extent to which the value of each Share is backed by both tangible and intangible assets and would be relevant in the event that the company or the group decides to realise or convert the use of all or most of its assets. The NAV based approach in valuing a company or group may provide an estimate of the value of a company or a group assuming the hypothetical sale of all its assets (including but not limited to any property, plant and equipment, intangible assets, land use rights, goodwill, trademarks and brand names) in an orderly manner or over a reasonable period of time and at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, minority interests (or non-controlling interests) and the obligations of the company or the group, with the balance to be distributed to its shareholders. However, the NAV based approach does not take into account the hypothetical sale of assets in a non-orderly manner or over a short period of time. In addition, it does not illustrate the values at which assets may actually be realised or disposed of.

The NTA based approach of valuing a company or group is based on the aggregate value of all the assets of the company or the group in their existing condition, after deducting the sum of all liabilities of the company or the group, minority interests (or non-controlling interests), and intangible assets of the company or the group. The NTA based approach is meaningful as it shows the extent to which the value of each share is backed by tangible assets and would be relevant in the event that the company or the group decides to realise or convert the use of all or most of its assets. The NTA based approach in valuing a company or group may provide an estimate of the value of a company or a group assuming the hypothetical sale of all its assets (other than intangible assets) in an orderly manner over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, the proceeds of which are used to settle the liabilities, minority interests (or non-controlling interests) and the obligations of the company or the group, with the balance to be distributed to its shareholders. However, the NTA based approach does not take into account the presence of any intangible assets including but not limited to (where applicable) goodwill, trademarks and brand names, nor does it take into account of the hypothetical sale of assets in a non-orderly manner or over a short period of time. It does not illustrate the values of which assets may actually be realised or disposed of.

In assessing the Exercise Price in relation to the NAV and NTA per Share of the Group as at 30 June 2026, we have reviewed the audited consolidated statements of financial position of the Group as at 30 June 2026 to determine whether there are any assets of an intangible nature and as such would not appear in a valuation based on an NTA approach, but would be included in the NAV approach. Save as disclosed in the audited consolidated statements of financial position of the Group as at 30 June 2026, the Company's announcements on SGXNet and the Circular, the Directors have confirmed, that as at the Latest Practicable Date, to the best of their knowledge and based on disclosures made available to them, there are no other intangible assets or tangible assets which ought to be disclosed in such audited consolidated statements of financial position of the Group as at 30 June 2026 in accordance with the Singapore Financial Reporting Standards (International), and which have not been so disclosed and where such intangible or tangible assets would have had a material impact on the overall financial position of the Group as at the Latest Practicable Date.

The Directors have also confirmed that as at the Latest Practicable Date, there were, *inter alia*, no material contingent liabilities, bad or doubtful debts or unrecorded earnings or expenses or assets or liabilities which could have a material impact on the NAV or NTA of the Group as at 30 June 2026, save as disclosed in the audited consolidated financial statements of the Group as at 30 June 2026 and the Circular. In addition, the Directors are of the opinion that save as disclosed in the Circular, the values of the assets (other than those for which valuation has been conducted, where applicable) and liabilities as well as financial performance or condition of the Group as disclosed and reflected in the audited consolidated financial statements of the Group as at 30 June 2026 are true and fair. The Directors further confirmed that, to the best of their knowledge or belief, such information is true, complete and accurate in all respects and that there is no other information or fact or the bases for which the statements were prepared, recorded or disclosed, the omission of which would render those statements or information, including our references, as well as analysis of such information to

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be untrue, inaccurate or incomplete or misleading in any respect.

Audited Consolidated Statements of Financial Position for the Group as at 30 June 2026⁽¹⁾		S\$'000
<u>Non-current assets</u>		
PPE		448,897
ROU assets		6,425
Investment properties		335,481
Investment in associates		962
Intangible assets		95,042
Deferred tax assets		523
Other receivables		3,740
Financial assets at fair value through profit or loss		418
Restricted bank balances		2,239
		893,727
<u>Current assets</u>		
Inventories		49
Trade and other receivables		35,413
Cash and bank balances		39,159
Non-current assets held for sale		1,426
		76,047
<u>Current liabilities</u>		
Trade and other payables		49,775
Course fees received in advance		24,016
Education facilities rental service fees received in advance		1,455
Income tax payables		12,724
Borrowings		10,154
Lease liabilities		3,765
		101,889
<u>Non-current liabilities</u>		
Other payables		5,475
Course fees received in advance		3,705
Borrowings		76,048
Lease liabilities		3,453
Deferred tax liabilities		61,919
		150,600
NAV including non-controlling interest		717,285
Less: non-controlling interests		(86,259)
NAV attributable to equity holders of the Company		631,026
Less: Intangible assets		(95,042)
NTA attributable to equity holders of the Company		535,984
NAV per Share (S\$)⁽²⁾		0.347
NTA per Share (S\$)⁽²⁾		0.295
Exercise Price (S\$)		0.065
Discount of the Exercise Price from the Group's NAV per Share as at 30 June 2026 (%)		81.3%
Discount of the Exercise Price from the Group's NTA per Share as at 30 June 2026 (%)		78.0%

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Notes:

- (1) *The figures above are based on the Group's audited consolidated financial statements for FY2026. Any discrepancy between the amounts listed and their actual values, or between the sum of the figures stated and the total thereof, is due to rounding.*
- (2) *Figures are computed based on the Company's existing issued Share capital comprising 1,819,522,087 Shares (excluding treasury Shares) ("**Existing Share Capital**") as at the Latest Practicable Date.*

From the above table, we note that the Group had NAV and NTA attributable to equity holders of the Company as at 30 June 2026 of approximately S\$631.0 million and S\$536.0 million respectively (or approximately S\$0.347 per Share and S\$0.295 per Share respectively based on the Company's Existing Share Capital as at the Latest Practicable Date). The Exercise Price represents discounts of approximately 81.3% and 78.0% respectively from the Group's NAV and NTA per Share as at 30 June 2026.

The Directors and the Management have confirmed to us that, to the best of their knowledge and belief, as at the Latest Practicable Date:

- (i) save as disclosed in the audited consolidated financial statements of the Group as at 30 June 2026, the Group's announcements on SGXNet and the Circular, there have been no known material events that have had, or will have, a material impact on the audited consolidated statements of financial position of the Group since 30 June 2026. In addition, the Directors and the Management have confirmed that the amounts as stated in the audited consolidated financial statements for FY2026 are appropriate;
- (ii) there are no material differences between the estimated market value of the assets and liabilities and their respective book values as at 30 June 2026 which would have a material impact on the NAV and NTA of the Group; and
- (iii) the use of the going concern basis of accounting in the preparation of the Company's audited consolidated statements of financial position as at 30 June 2026, as well as the Group's audited consolidated financial statements and the Company's statement of changes in equity for the financial period then ended, remains appropriate after considering the factors disclosed in Note 2 to the Group's audited consolidated financial statements for FY2026.

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Adjusted NAV and NTA

We have considered the following:

- (a) On 8 July 2026, 22 July 2026, 5 August 2026 and 19 August 2026, the Company released announcements in connection with allotment and issuance of an aggregate 1,842,614 new Shares at S\$0.065 per new Share to certain bondholders following conversions and cancellations of a convertible bonds with an aggregate principal amount of approximately S\$0.1 million (and carrying amounts of approximately S\$0.1 million).
- (b) On 18 August 2026, the Company announced that its indirect 70.0%-owned subsidiary, Langfang Hezhong Education Consulting Co., Ltd., ("**Hezhong**"), had entered into a compensation agreement with the Langfang Economic and Technological Development Zone Management Committee ("**LDZMC**") for the compulsory government reclamation of approximately 499 mu of land in Hebei ("**Langfang Land**"), the People's Republic of China ("**PRC**"), for a total compensation of approximately RMB293.3 million (approximately S\$55.7 million). The Langfang Land had a net book value of approximately RMB616.07 million (approximately S\$117.1 million) as at 30 June 2026, and the transaction is expected to result in an estimated net loss of approximately RMB172.7 million (approximately S\$32.8 million) at the Group level, while generating estimated net cash proceeds of approximately RMB270.7 million (approximately S\$51.5 million) of which the Group's 70.0% share is estimated at approximately S\$36.0 million.
- (c) On 8 September 2026, the Company announced that it would make an interest payment of approximately S\$1.2 million on 23 September 2026 for the balance of the 2022 Convertible Bonds (as defined later), which will be due on 22 September 2027.
- (d) Subject to Shareholders' approval at the EGM, the Company proposes to undertake the Proposed New Bonds and Warrants Issue. The New Bonds will comprise unsecured bonds with tenure of five (5) years, bearing interest at the rate of 5.5% per annum, and having an aggregate principal amount of approximately S\$35.0 million. In conjunction with issuance of the New Bonds, the Company will also issue 538,927,784 Warrants, each carrying the right to subscribe for one (1) New Share, subject to the terms and conditions of the Deed Poll.

As at the Latest Practicable Date, Mr. Chew and parties acting in concert with him (including Ms. Doris) ("**CHS Concert Party Group**") owns 784,440,463 Shares, representing approximately 43.11% of the Existing Share Capital. Furthermore, we understand from the Company's confirmations and Note 30 of the audited financial statements that the full amount for the Arbitral Final Awards or relevant liabilities have been provided and accounted or recorded for in the audited consolidated financial statements of the Group as at 30 June 2026.

For illustrative purposes only and in connection with the Proposed Special Dividend, we have assumed for the computation of the NAV and NTA per Share after the issuance of the New Bonds and Warrants that:

- (a) Shareholders' approval is obtained for the Proposed New Bonds and Warrants Issue;
- (b) the Company declares the Proposed Special Dividend of S\$0.003 per Share. The Proposed Special Dividend will amount to approximately S\$5.5 million. Based on the CHS Concert Party Group's current shareholding of 784,440,463 Shares, they would be entitled to a Proposed Special Dividend of approximately S\$2.4 million; and
- (c) the Existing Share Capital which will not change.

Directors and Management had confirmed that the effects of cancellations and conversions of the convertible bonds of other bondholders, expenses incurred in relation to the cancellations and conversions of convertible bonds, net loss on compensation of Langfang Land and the interest payment for the balance of the 2022 Convertible Bonds are as described or tabulated.

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Adjusted NAV and Adjusted NTA⁽¹⁾	S\$'000
The Group's NAV attributable to equity holders of the Company as at 30 June 2026	631,026
Add: Cancellation and conversion of convertible bonds	112
Less: Expenses incurred on proposed conversion	(320)
Less: Net loss on compensation of Langfang Land	(32,824)
Less: Interest payment for the balance of 2022 Convertible Bonds	(1,160)
Adjusted NAV as at Latest Practicable Date (the "LPD Adjusted NAV")	596,834
LPD Adjusted NAV per Share (S\$)⁽²⁾	0.328
LPD Adjusted NAV	596,834
Add: Issuance of New Bonds and Warrants ⁽³⁾	35,030
Less: Payment of Proposed Special Dividend	(5,459)
LPD Adjusted NAV after issuance of New Bonds and Warrants, and Proposed Special Dividend ("Adjusted NAV after Proposed New Bonds and Warrants Issue")	626,406
Adjusted NAV per Share after Proposed New Bonds and Warrants Issue (S\$)⁽⁴⁾	0.344
LPD Adjusted NAV	596,834
Less: Intangible Assets	(95,042)
Adjusted NTA as at the Latest Practicable Date (the "LPD Adjusted NTA")	501,792
LPD Adjusted NTA per Share (S\$)⁽²⁾	0.276
LPD Adjusted NTA	501,792
Add: Issuance of New Bonds and Warrants ⁽³⁾	35,030
Less: Payment of Proposed Special Dividend	(5,459)
LPD Adjusted NTA after issuance of New Bonds and Warrants, and Proposed Special Dividend ("Adjusted NTA after Proposed New Bonds and Warrants Issue")	531,364
Adjusted NTA per Share after Proposed New Bonds and Warrants Issue (S\$)⁽⁴⁾	0.292
Discount of Exercise Price from the Group's LPD Adjusted NAV per Share (%)	80.2%
Discount of Exercise Price from the Group's LPD Adjusted NTA per Share (%)	76.4%
Discount of Exercise Price from the Group's Adjusted NAV per Share after Proposed New Bonds and Warrants Issue (%)	81.1%
Discount of Exercise Price from the Group's Adjusted NTA per Share after Proposed New Bonds and Warrants Issue (%)	77.7%

Notes:

- (1) Any discrepancy between the amounts listed and their actual values, or between the sum of the figures stated and the total thereof, is due to rounding.
- (2) Figures are computed based on the Existing Share Capital as at the Latest Practicable Date.
- (3) Attributable to the 538,927,784 Warrants to be issued which are deeply in the money.
- (4) As this assumes that the Warrants are not exercised, all figures are computed based on the Existing Share Capital as at the Latest Practicable Date. In the event all the Warrants are exercised, the enlarged Share capital will comprise 2,358,449,871 Shares (excluding treasury Shares) ("Enlarged Share Capital") as at the Latest Practicable Date.

After adjusting for, *inter alia*, the adjustments described and tabulated above, we note that the Group's LPD Adjusted NAV per Share and LPD Adjusted NTA per Share would be approximately S\$0.328 and S\$0.276 respectively. The Exercise Price represents discounts of approximately 80.2% and 76.4% from the Group's LPD Adjusted NAV and LPD Adjusted NTA per Share respectively.

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After taking into consideration the Proposed New Bonds and Warrants Issue, and the Proposed Special Dividend (but before the exercise of the Warrants), we note that the Group's Adjusted NAV and Adjusted NTA after Proposed New Bonds and Warrants Issue per Share would be approximately S\$0.344 and S\$0.292 respectively. The Exercise Price represents discounts of approximately 81.1% and 77.7% from the Group's Adjusted NAV and Adjusted NTA after Proposed New Bonds and Warrants Issue per Share respectively.

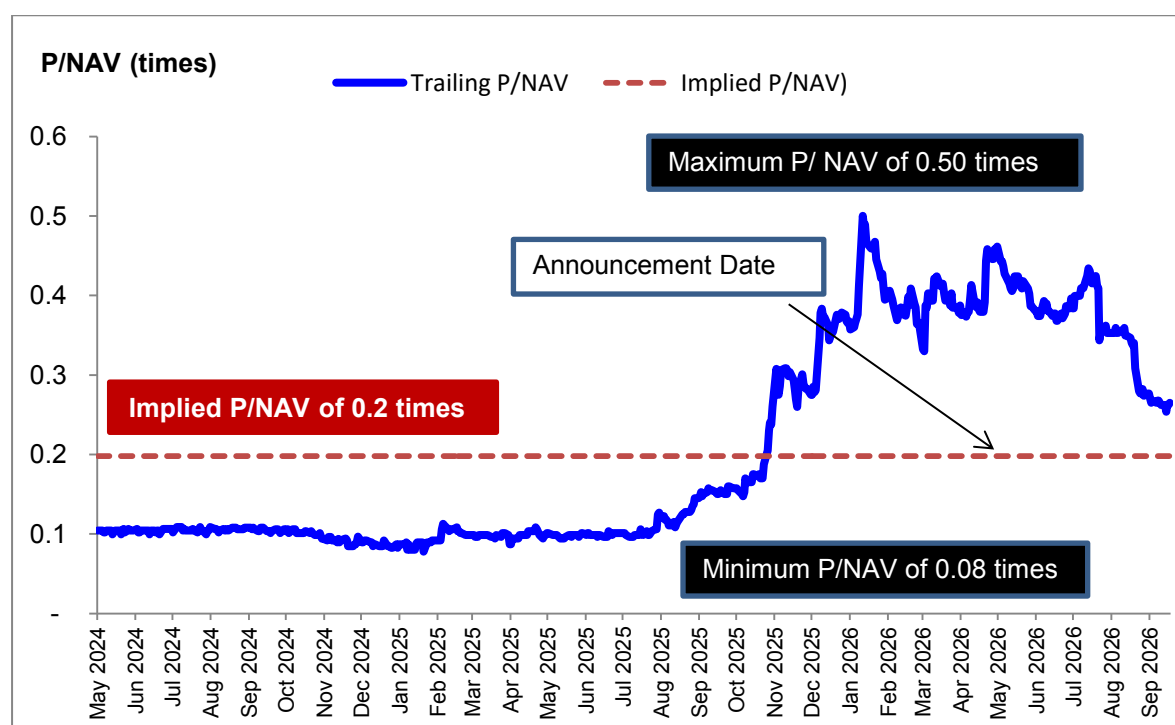
In the event that all the Warrants are exercised, the NAV and/or NTA per Share after the exercise of the Warrants will be dependent on the then prevailing NAV and/or NTA per Share prior to the exercise of the Warrants and the proceeds from the exercise of such number of Warrants.

As an illustration, assuming that all the Warrants are exercised immediately after its issuance (which is an illustration notwithstanding the undertakings (as described in Section 2.7 of the Circular which has been provided by each of Mr. Chew and Ms. Doris that they will not exercise any Warrants issued to them pursuant to the Proposed New Bonds and Warrants Issue in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company), the Group's NAV and/or NTA will be adjusted with a transfer from the warrant reserve account to the Share capital account of an amount which has been recorded on the date of issue of the Warrants of approximately S\$35.0 million, with no material change in NAV or NTA of the Group. However, the Adjusted NAV and Adjusted NTA after Proposed New Bonds and Warrants Issue per Share, and after exercise of all the Warrants will decrease to approximately S\$0.266 and S\$0.225 respectively.

The above computations and analysis are meant as an illustration and it does not necessarily mean or imply that the net realisable value of the Group is as stated above. It does not imply that the assets or properties of the Group can be disposed at the estimated value indicated above and that after payment of all liabilities and obligations, the values or amounts as indicated for the respective types of NTA and is realisable or distributable to the Shareholders of the Group.

Historical Trailing P/NAV for the Shares

A graphical representation of the historical trailing P/NAV multiples for the Shares (based on the daily closing prices of the Shares and the Group's trailing announced NAV per Share) in the 2-year period prior to and including the Last Trading Day (defined later), and up to the Latest Practicable Date, as compared to the implied P/NAV multiple based on the Exercise Price is set out as follows:



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For the period prior to the Last Trading Day	P/NAV			
	Maximum	Minimum	Median	Average
Last 24 months	0.50	0.08	0.11	0.17
Last 12 months	0.50	0.09	0.24	0.25
Last 6 months	0.50	0.26	0.38	0.38
Last 3 months	0.46	0.33	0.39	0.40
Last 1 month	0.46	0.37	0.39	0.41
Last transacted price on 8 May 2026 (being the Last Trading Day)	0.46	0.46	0.46	0.46

We note the following:

- (a) Shares were traded at P/NAV multiples of between approximately 0.08 times to 0.50 times during the period commencing from 9 May 2024 (being the Market Day (as defined in the Circular) 24 months prior to the Last Trading Day) and ending on the Last Trading Day prior to the Announcement Date, and the median and average for the historical trailing P/NAV multiples (based on the last 12 months prior to the Last Trading Day) for the Shares have been mostly higher than the P/NAV (or P/LPD Adjusted NAV or P/Adjusted NAV after Proposed New Bonds and Warrants Issue) multiple as implied by the Exercise Price. We note that the Shares had historically traded significantly below the Group's NAV.
- (b) The P/NAV multiple of about 0.2 times implied by the Exercise Price and the Group's NAV (or P/LPD Adjusted NAV or P/Adjusted NAV after Proposed New Bonds and Warrants Issue) as at 30 June 2026 is lower than the median and the simple average of trailing P/NAV multiples for each of the 1-month, 3-month, 6-month, and 12-month periods prior to the Last Trading Day. However, it is significantly higher than the median and marginally higher than the simple average of the trailing P/NAV multiples for the 24-month period prior to the Last Trading Day.

In summary, the P/NAV (or P/LPD Adjusted NAV or P/Adjusted NAV after Proposed New Bonds and Warrants Issue) multiple as implied by the Exercise Price is relatively less favourable as compared to the historical trailing P/NAV for the Shares as shown in the chart and table above.

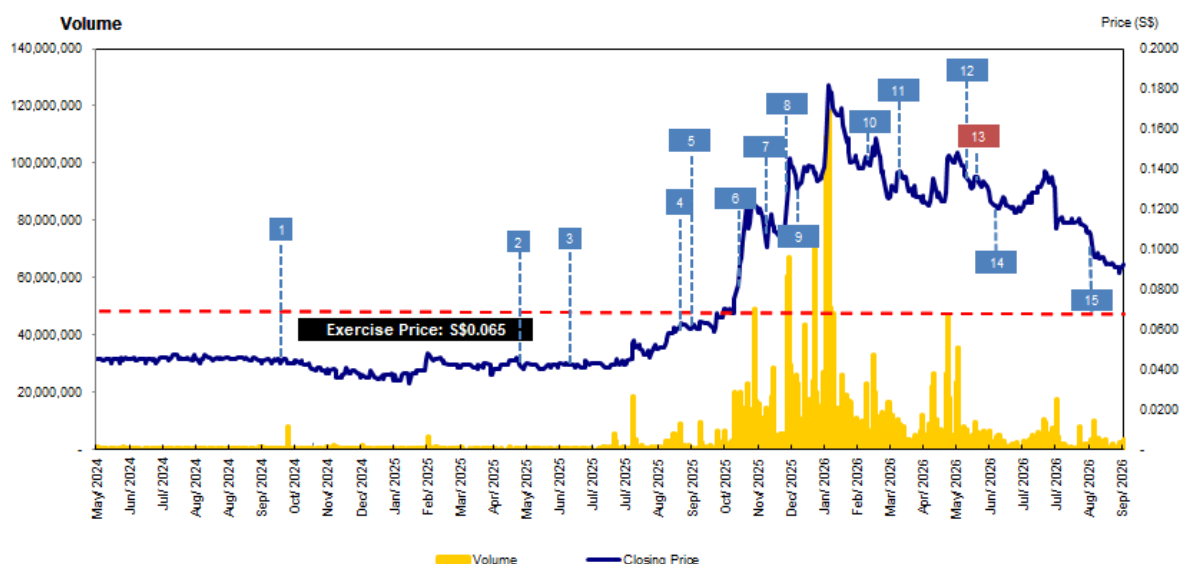
The above comparison should be assessed in conjunction with the fact that the historical trailing P/NAV for the Shares are based on historical transactions which did not result in acquisition of statutory control or super majority control. However, for the Proposed Refinancing as an IPT, whilst the CHS Concert Party Group may increase their shareholding from approximately 43.11% to approximately 56.11% upon completion of the issuance and exercise of all the Warrants and hence, attain statutory control over the Company (but not super majority control), the irrevocable undertakings provided by Mr. Chew and Ms. Doris imply that, subject to and in satisfaction the Creeping Rule (defined later), the CHS Concert Party Group may time their exercise of the Warrants such that they will exceed 50.0% of the voting rights without triggering an obligation to make a mandatory general offer.

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5.4 MARKET QUOTATION AND TRADING ACTIVITIES FOR THE SHARES

On 11 May 2026 (being the Announcement Date), the Company announced the Proposed Transactions before Market opening. Hence, the last full trading day immediately prior to the Announcement Date was 8 May 2026 (the “**Last Trading Day**”).

The historical price and volume charts for the Shares (based on the closing prices together with the number of Shares traded on a daily basis) for the period commencing from 9 May 2024 (being the Market Day 24 months prior to the Last Trading Day) and ending on the Latest Practicable Date are set out below:



Source: www.shareinvestor.com

The key announcements made by the Company during the period commencing from 8 May 2024 and ending on the Latest Practicable Date are as follows:

No.	Date of Announcement	Announcement
1	20 September 2024	Certain Directors and a former Director of the Company have been charged with offences under section 331(1) read with section 203(1) of the Securities and Futures Act 2001 of Singapore (the “ SFA ”) for, <i>inter alia</i> , the alleged reckless failure to notify SGX-ST on the letters of demand, as well as Writs and Statements of Claim for sums of at least RM416.6 million issued by Affin Bank Berhad in 2021.
2	22 April 2025	Announced that its subsidiaries Raffles K12 and Raffles Iskandar Sdn Bhd (“ Raffles Iskandar ”) have fully repaid all outstanding debts of RM449.1 million owed to Affin Bank, with the final settlement of RM76.3 million made on 22 April 2025, thereby fully satisfying the Group’s obligations under the facilities. The principal amount was RM416.6 million.
3	13 June 2025	The Group is proposing a fund raising exercise in the form of the issue of unlisted, unsecured and non-convertible bonds (principal of S\$10.0 million with a 5-year tenure and interest of 10.5% per annum) for the purpose of, <i>inter alia</i> , refinancing of borrowings.
4	22 August 2025	Receipt of letter of demand from Oriental University City Development Co., Ltd. for enterprise income tax and late payment penalties amounting to approximately RMB33.7 million (approximately S\$6.2 million).

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No.	Date of Announcement	Announcement
		million).
5	25 August 2025	Release of financial results for FY2025.
6	14 October 2025	Announcement on the Auditor's comments on accounts.
7	30 October 2025	Announced that the Company has entered into binding term sheets with Mr. Chew, to convert approximately S\$15.5 million of outstanding bonds and loans owed to him into 241.1 million new shares at a conversion price of S\$0.0644 per share, subject to Shareholders' approval. Also proposed a special interim dividend of S\$0.004 per share, to be declared prior to the issuance of the conversion shares.
8	26 November 2025	Announcement on the HFYR Disposal.
9	1 December 2025	Announcement on the Property Disposal.
10	29 January 2026	Announced that its subsidiary Langfang Hezhong Education Consulting Co., Ltd. (formerly known as Langfang Hezhong Real Estate Development Co., Ltd.) has received notice of a proposed government acquisition of Langfang Land, with no terms yet provided and the Group presently unable to assess the impact pending further details. Subsequently on 18 August 2026, the Company announced that Hezhong had entered into a compensation agreement with the LDZMC regarding Langfang Land, for total compensation of approximately RMB293.3 million (approximately S\$55.7 million). The transaction is expected to result in an estimated net loss of approximately RMB172.7 million (approximately S\$32.8 million).
11	27 February 2026	Announcement on the completion of the Property Disposal with gross proceeds of S\$121.8 million.
12	7 May 2026	Announcement on highlights of results for the financial period ended 31 March 2026 (" 9M2026 ").
13	11 May 2026	Announcement on the Proposed New Bonds and Warrants Issue.
14	21 May 2026	Judgement issued - Raffles Assets (Singapore) Pte. Ltd. succeeded in the first tranche of the High Court suit brought by NPS International School Pte. Ltd. (" NPS "), with NPS' claim dismissed and Raffles Assets Singapore Pte. Ltd.'s counterclaim upheld, and damages to be assessed.
15	29 July 2026	The Company announced that the Arbitral Tribunal awarded damages of approximately RM40.5 million, interest at 5.0% per annum from 17 July 2020 to 29 July 2026 and costs of approximately RM1.6 million, with payment due by 21 August 2026 ("Arbitral Final Awards") in favour of Mitrajaya with payment due by 21 August 2026. Subsequently, on 6 August 2026, the Company announced that Raffles K12 had received a letter of demand from Mitrajaya's solicitors demanding payment of approximately RM54.4 million (approximately S\$17.1 million). On 16 September 2026, the Company announced that Raffles K12 had fully satisfied the Arbitral Final Awards relating to four of the six contracts through payment of an aggregate sum of approximately RM3.9 million ("Arbitral First Settlement"). The remaining two awards relate to the

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No.	Date of Announcement	Announcement
		main contract and the outdoor sports facilities contract. Raffles K12 had, on 1 September 2026, filed two applications in the High Court of Malaya at Kuala Lumpur to set aside these remaining awards. It was subsequently served on 15 September 2026 with two enforcement applications filed by Mitrajaya in respect of the remaining awards. Raffles K12 intends to resist the enforcement applications and pursue its applications to set aside the remaining awards.

For the period commencing from 9 May 2024 and ending on 8 May 2026, being the Last Trading Day prior to the Announcement Date (both dates inclusive), we note that the Shares were traded for 472 Market Days out of a total 503 Market Days (or approximately 93.8%). During the said period, the closing prices (or VWAP) for the Shares were lower than the Exercise Price on 363 Market Days (or 364 Market Days for VWAP) and higher than the Exercise Price on 140 Market Days (or 139 Market Days for VWAP). In general, over the 24 months period prior to the Last Trading Day, the closing prices for the Shares (or the VWAP) were below the Exercise Price.

For the period commencing on the Market Day immediately after the Announcement Date to the Latest Practicable Date, we note that the Shares were traded for 96 Market Days out of a total of 96 Market Days (or 100.0%). During the said period, the closing prices of the Shares were always higher than the Exercise Price.

As a general market comparison and observation, the FTSE Straits Times Index (the “**STI Index**”) increased by approximately 50.7% for the period commencing from 9 May 2024 and ending on 8 May 2026, being the Last Trading Day prior to the Announcement Date. Thereafter, the STI Index recorded an additional increase of approximately 16.0% for the period commencing from the Last Trading Day and ending on the Latest Practicable Date.

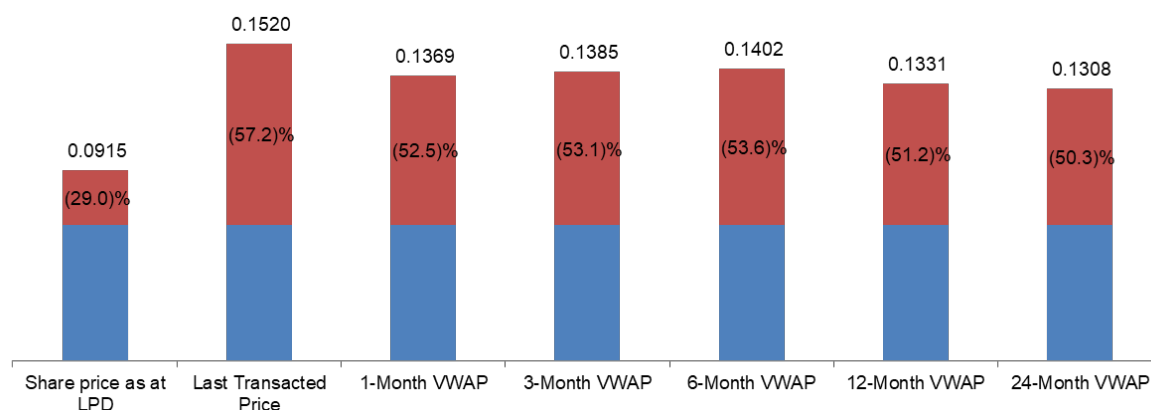
For the same period commencing from 9 May 2024 and ending on 8 May 2026, being the Last Trading Day prior to the Announcement Date, the closing price for the Shares increased by approximately 228.9%. Subsequently, the closing prices for the Shares decreased by approximately 35.2% for the period commencing from the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date.

We observed that the Shares appeared to have significantly outperformed the STI Index for the 24-month period up to and including the Last Trading Day. The upward trend in the prices for the Shares observed during the said period may have been underpinned by the proposed conversions (as announced on 30 October 2025) as well as other corporate developments including, *inter alia*, the announcement of the highlights of 9M2026 results, the HFYR Disposal and the Property Disposal. The Shares underperformed the STI Index for the period commencing from the Market Day immediately after the Announcement Date till the Latest Practicable Date.

The chart on page B-32 of this Letter and the analysis below are presented for illustrative purposes only, and they are by no means representative of the future trading performance or prices of the Shares.

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The VWAP, the lowest and highest transacted prices, and the average daily trading volume for the Shares, for the period commencing from 8 May 2024 to the Latest Practicable Date are set out below:



	VWAP per Share (S\$) ⁽¹⁾	Discount of the Exercise Price from the VWAP per Share (%)	Lowest transacted price (S\$)	Highest transacted price (S\$)	Average daily trading Volume ('000) ⁽²⁾	Average daily trading volume as % of free-float ⁽³⁾ (%)
Last 24 months	0.1308	(50.3)%	0.032	0.186	4,462	0.4%
Last 12 months	0.1331	(51.2)%	0.039	0.186	8,648	0.9%
Last 6 months	0.1402	(53.6)%	0.097	0.186	15,889	1.6%
Last 3 months	0.1385	(53.1)%	0.122	0.159	10,067	1.0%
Last 1 month	0.1369	(52.5)%	0.122	0.155	13,310	1.3%
The Last Trading Day	0.1520	(57.2)%	0.148	0.155	35,745	3.5%
For the period commencing on the Market Day immediately after the Announcement Date up to the Latest Practicable Date						
Till the Latest Practicable Date	0.1220	(46.7)%	0.088	0.145	3,094	0.3%
The Latest Practicable Date	0.0915	(29.0)%	0.089	0.093	3,225	0.3%

Source: www.shareinvestor.com

Notes:

- (1) The VWAP had been computed using the average prices of traded Shares and weighted by the volumes traded for the relevant trading days for each of the periods.
- (2) The average daily trading volume of the Shares is calculated based on the total number of Shares traded during the relevant period divided by the number of Market Days during that period.
- (3) "Free float" refers to approximately 1,011,575,365 Shares (or approximately 55.60% of the Existing Share Capital) held by Shareholders, other than the CHS Concert Party Group, the Directors and the substantial Shareholders as at the Latest Practicable Date. This takes into account the announcements made on 12 October 2026.

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Based on a general observation of the chart above and after taking into account the summary of the transacted prices for the Shares, we note that:

The Exercise Price

- (i) represents a significant discount of approximately 57.2% from the VWAP of S\$0.1520 for the Shares on the SGX-ST on 8 May 2026, being the Last Trading Day;
- (ii) represents significant discounts of approximately 52.5%, 53.1%, 53.6%, 51.2% and 50.3% from the VWAP for the Shares for the 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Last Trading Day respectively;
- (iii) represents a discount of approximately 46.7% from the VWAP for the Shares for the period commencing from the Market Day immediately after the Announcement Date till the Latest Practicable Date; and
- (iv) represents a discount of approximately 29.0% from the VWAP for the Shares of S\$0.0915 on the SGX-ST on 25 September 2026, being the Latest Practicable Date.

For illustrative purposes only, based on the number of Shares traded on a daily basis during the period commencing from 9 May 2024 and ending on the Latest Practicable Date, we note that:—

- (i) from 9 May 2024 to 8 May 2026, being the Last Trading Day prior to the Announcement Date, Shares were traded on 472 Market Days out of a total of 503 Market Days during the period, with the total number of Shares traded being approximately 2.2 billion Shares and an average daily trading volume (based on a total of 503 Market Days) of approximately 4.5 million Shares, which represents approximately 0.25% of the Existing Share Capital or approximately 0.44% of the Free Float as at the Latest Practicable Date.
- (ii) for the period commencing from 12 May 2026, being the Market Day immediately following the Announcement Date till the Latest Practicable Date, Shares were traded on 96 Market Days out of a total of 96 Market Days during the period, with the total number of Shares traded being approximately 297.0 million Shares and an average daily trading volume of approximately 3.1 million Shares, which represents approximately 0.17% of the Existing Share Capital or approximately 0.31% of the Free Float as at the Latest Practicable Date.
- (iii) the average daily trading volume for the Shares generally increased from approximately 4.5 million Shares for the 24-month period prior to the Last Trading Day to approximately 8.6 million Shares, 15.9 million Shares, 10.1 million Shares and 13.3 million Shares for the 12-month, 6-month, 3-month, and 1-month periods prior to the Last Trading Day respectively.
- (iv) the trading volume for the Last Trading Day is approximately 35.7 million, which is significantly higher than all the average daily trading volumes for the various periods reviewed.
- (v) the average daily trading volume for the Shares for the periods immediately after the Announcement Date to the Latest Practicable Date are lower than the average daily trading volume for the Shares for the 24-month period prior to the Last Trading Day.

We note that trading in the Shares appears to be relatively erratic and that the number of Shares traded during the 24-month period analysed prior to the Last Trading Day is relatively low as a percentage to Free Float as at the Latest Practicable Date. It is generally accepted that the more actively the shares are traded, the greater the reliance on market prices as a determination of the fair value of the shares between a willing buyer and willing seller.

We also note that the number of Shares that were traded on a daily basis for the period commencing on the Market Day immediately after the Announcement Date till the Latest Practicable Date is lower than the number of Shares that were traded on a daily basis for the 24-month period before the Last Trading Day. In addition, the closing price for the Shares increased by approximately 228.9% for the 24-month period prior to the Last Trading Day. The prices and average daily trading volume for the Shares have increased, based on the 24-month period prior to the Last Trading Day, and these may

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be a reflection of the positive market perception on the other corporate developments including, *inter alia*, the announcement of the highlights of 9M2026 results, the completion of the Property Disposal and HFYR Disposal (which enables the Group to eliminate approximately S\$57.5 million of intra-group liabilities through the assumption of liabilities by Hefei Heyi Education Consulting Management Co., Ltd (“**HHECM**”), while also securing cash proceeds) whilst the subsequent price and average trading volume for Shares may have been affected the recent announcements thereafter and as summarised earlier.

There is no assurance that the observed increase in the average number of Shares traded on a daily basis or the trading activities for the Shares will be maintained or that the transacted prices for the Shares will be the same and at the levels prevailing during the period commencing on the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date in the event that the Proposed Transactions complete or do not materialise.

Independent Directors should note that past trading performance for the Shares may not be relied upon as an indication or promise or prospects of its trading performance in the future.

5.5 RELATIVE VALUATION ANALYSIS

In evaluating the Exercise Price, we have considered the financial performance, financial position and valuation statistics of selected companies that may, in our view, be broadly comparable to the existing core businesses of the Group, which is principally engaged in the provision of educational services (the “**Selected Comparable Companies**”).

The Selected Comparable Companies have been identified after a search was carried out on various stock exchanges (in particular, the SGX-ST, Bursa Malaysia, and the Hong Kong Stock Exchange), and evaluation of the companies operating in the same industry as the Group. We have had discussions with the Directors and the Management about the suitability and reasonableness of these Selected Comparable Companies acting as a basis for comparison with the core businesses of the Group. The Company’s 75.0% subsidiary, OUCHK, is listed on the Hong Kong Stock Exchange (the “**HKEX**”) and principally engaged in providing education support services in the PRC, as well as Malaysia, Indonesia and Switzerland. For illustrative purposes only, we have also included a separate line item for the valuation statistics of OUCHK given that it is a subsidiary of the Company.

Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies.

Notwithstanding our use of these companies for peer analysis, the Selected Comparable Companies may or may not have similar business or products or operations or similar assets or geographical markets as the Group or being in the same financial performance or position as the Group, and their accounting policies or the relevant financial period compared may differ from the Group. We advise Independent Directors to note that there may not be any company listed on any relevant stock exchange that is directly comparable to the Group in terms of size, diversity of business activities (types of education) and products/services, branding, geographical spread, demographic access to education, demand for private education as compared or in compliment to public education, track record, prospects, end customers, supply and/or value chain, core competence, resources, revenue drivers and models, operating and financial leverage, risk profile, quality of earnings and accounting, listing status, and such other relevant criteria. We wish to highlight that it may be difficult to place reliance on the comparison as the markets and businesses of the Selected Comparable Companies, its capital structures, growth rates, operating and financial leverage, taxation and accounting policies and that of the Group may differ. As such, any comparison made herein is necessarily limited and serves only as an illustrative guide and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

We also wish to highlight that the NAV or NTA based approach for valuing a company is dependent on factors that may differ for each of the Selected Comparable Companies including, *inter alia*, factors such as accounting or depreciation policies. As such, the comparison of the consolidated NAV or NTA of the Group with those of the Selected Comparable Companies is necessarily limited, and such comparison is made for illustrative purposes only. In addition, given that all ratios and tools used invariably use the price of the shares, they may or may not take into account any relative or perceived or actual risk premium or demand and supply conditions for those shares which may or may not have been fundamentally justified. In addition, as these are tools or ratios based on historical financial performance or position, they may or may not reflect the anticipated financial performance, and the mix of its activities or the relative contributions (in terms of assets, financial performance etc.) may differ.

Independent Directors and Independent Shareholders should note that the prices at which shares trade include factors other than historical financial performance, and some of these include, *inter alia*, prospects, real or perceived financial performance or historical share price performance or demand and supply conditions of the shares, as well as the relative liquidity and the market capitalisation or the relative sentiments of the market for the shares.

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The Selected Comparable Companies are set out below.

Selected Comparable Companies	Principal Activities
Bojun Education Co Ltd ("Bojun") <i>Listed on the HKEX</i>	The group is primarily engaged in the provision of educational services (childcare till high school) in the PRC.
China Maple Leaf Educational Systems Ltd ("China Maple") <i>Listed on the HKEX</i>	The group operates bilingual private schools and preschools in the PRC and provides international school education in Southeast Asia under the Canadian International School (CIS) and Kingsley International School (KIS) brands.
China New Higher Education Group Ltd ("China Education") <i>Listed on the HKEX</i>	The group is engaged in providing private higher education, secondary vocational education and senior secondary education in the PRC.
China Science and Education Industry Group Ltd ("China Science") <i>Listed on the HKEX</i>	The group is engaged in providing private tertiary education (junior college, university and technical diplomas) and ancillary services in the PRC.
Cyberjaya Education Group Berhad ("Cyberjaya") <i>Listed on Bursa Malaysia (the "Bursa")</i>	The group is engaged in the provision of tertiary level education (university) and HR development services in Malaysia.
Mindchamps PreSchool Limited ("Mindchamps") <i>Listed on the SGX-ST</i>	The group is engaged in providing (i) childcare, education, and learning-related services for preschool children; (ii) franchising of childcare services and enrichment classes; as well as (iii) higher enrichment education programs (up to secondary level), business, and management consulting services in Asia and Australia.
Overseas Education Limited ("Overseas Education") <i>Listed on the SGX-ST</i>	The group operates a foreign system school in Singapore, offering a multifaceted and fully integrated inquiry-based curriculum to children of expatriate families aged between two (2) and eighteen (18) years of age.
SEG International Berhad ("SEG") <i>Listed on the Bursa</i>	The group is engaged in the provision of education across all levels (i.e. from pre-school to professional level programmes).

Source: The SGX-ST, the Bursa, the HKEX and the respective company's website.

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The following tabulates the salient ratios for comparative financial performance and position for the Selected Comparable Companies and the Group:

Selected Comparable Companies ⁽¹⁾	LTM ROE (%) ⁽²⁾	LTM net profit margin (%) ⁽³⁾	LTM asset turnover (times) ⁽⁴⁾	Total liabilities ⁽⁵⁾ /shareholders' equity ⁽⁶⁾ (times)	Total borrowings ⁽⁷⁾ /shareholders' equity ⁽⁶⁾ (times)
Bojun	n.m. ⁽⁸⁾	n.m. ⁽⁸⁾	0.1	120.4	67.8
China Maple	15.7%	27.9%	0.2	2.1	0.7
China Education	15.3%	31.6%	0.2	1.0	0.6
China Science	7.0%	20.6%	0.2	0.7	0.5
Cyberjaya	10.0%	16.2%	0.3	0.8	0.4
Mindchamps	1.6%	2.1%	0.4	0.8	0.1
Overseas Education	n.m. ⁽⁹⁾	n.m. ⁽⁹⁾	0.3	0.8	0.6
SEG	11.3%	5.5%	0.5	3.2	0.5
MAXIMUM	15.7%	31.6%	0.5	120.4	67.8
MINIMUM	1.6%	2.1%	0.1	0.7	0.1
MEDIAN (excluding outlier)⁽¹⁰⁾	10.7%	18.4%	0.3	0.8	0.5
SIMPLE AVERAGE (excluding outlier)⁽¹⁰⁾	10.2%	17.3%	0.3	1.3	0.5
The Group	n.m.⁽¹¹⁾	n.m.⁽¹¹⁾	0.1	0.4	0.1
OUCHK	1.0%	19.3%	0.04	0.4	0.2

Source: The latest annual reports and the announced unaudited financial statements of the respective companies.

Notes:

- (1) Any discrepancy between the amounts listed and their actual values, or between the sum of the figures stated and the total thereof, is due to rounding.
- (2) The last twelve months ("LTM") return on equity ("ROE") is the ratio of the most recent twelve months consolidated net profits after tax attributable to equity owners of the company to the consolidated shareholders' equity of the respective companies.
- (3) LTM net profit margin is the ratio of the most recent twelve months consolidated net profits after tax attributable to equity owners of the company to the most recent twelve months consolidated revenue of the respective companies.
- (4) LTM asset turnover is the ratio of the most recent twelve months consolidated revenue to the consolidated assets as at the end of most recent twelve months of the respective companies.
- (5) Total liabilities include, inter alia, all the liabilities of the respective companies but exclude any contingent liabilities, if any.
- (6) Shareholders' equity is the consolidated equity excluding minority interests of the respective companies.
- (7) Total borrowings include all bank loans and borrowings, as well as interest bearing debts, where applicable.
- (8) Bojun incurred a loss after tax attributable to equity holders of the company for the LTM ended 28 February 2026. Hence, Bojun's LTM ROE and LTM net profit margin were negative and not meaningful.
- (9) Overseas Education incurred a loss after tax attributable to equity holders of the company for the LTM ended 30 June 2026. Hence, Overseas Education's LTM ROE and LTM net profit margin were negative and not meaningful.
- (10) Outliers are Bojun (LTM ROE, LTM net profit margin, total liabilities to shareholders' equity and total borrowings to shareholders' equity) and Overseas Education (LTM ROE and LTM net profit margin).
- (11) As shown in Section 5.2 of this Letter, the Group incurred a loss after tax attributable to equity holders of the Company (after adjusting for non-trade and non-recurring items) for FY2026. Hence, the Group's LTM ROE and LTM net profit margin were negative and not meaningful.

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For illustrative purposes only, we note the following:-

- (i) As illustrated in Section 5.2 of this Letter, the Group registered an adjusted loss after tax attributable to equity holders of the Company (after adjusting for non-trade and non-recurring items) for FY2026. Hence, the Group's LTM ROE and LTM net profit margin were negative and not meaningful. For illustrative purposes only, save for Bojun and Overseas Education (which were also loss-making), the remaining six (6) out of eight (8) Selected Comparable Companies were profitable during the period reviewed with LTM ROE ranging from approximately 1.6% to approximately 15.7% and LTM net profit margin ranging from approximately 2.1% to approximately 31.6%. Based on the Group's loss after income tax attributable to equity holders of the Company of approximately S\$5.6 million for FY2026, the Group's LTM ROE and LTM net profit margin were negative and not meaningful.
- (ii) The Group's LTM asset turnover ratio of approximately 0.1 times is within the range, but lower than both the median and the simple average for the Selected Comparable Companies.
- (iii) The Group's ratio of total liabilities to shareholders' equity is lower than any of the Selected Comparable Companies. The Group's total borrowings to shareholders' equity is within the range, and lower than both the median and the simple average for the Selected Comparable Companies.

The following valuation statistics for the Selected Comparable Companies are based on their respective closing prices as at the Latest Practicable Date, while those for the Group are based on the Exercise Price. All the valuation statistics of the Selected Comparable Companies are computed on a historical basis using financial data, and information obtained from their latest publicly available unaudited financial statements or audited financial statements from their annual reports or result announcements.

The following table tabulates the comparative valuation statistics for the Selected Comparable Companies and the Group, and should be evaluated in the context of their relative financial performance and position.

Selected Comparable Companies ⁽¹⁾	Market Capitalisation (S\$ million)	LTM EV/ EBITDA ⁽²⁾ (times)	LTM PER ⁽³⁾ (times)	P/NAV ⁽⁴⁾ (times)	P/NTA ⁽⁵⁾ (times)	LTM P/Revenue (times) ⁽⁶⁾
Bojun	13.3	142.5	n.m. ⁽⁷⁾	2.3	2.5	0.2
China Maple	81.2	1.6	1.4	0.2	n.m. ⁽⁸⁾	0.4
China Education	152.8	2.4	1.0	0.1	0.2	0.3
China Science	72.4	2.9	1.2	0.1	0.1	0.3
Cyberjaya	81.0	6.0	8.5	0.9	1.5	1.4
Mindchamps	25.3	2.7	21.5	0.3	7.7	0.4
Overseas Education	66.0	6.8	n.m. ⁽⁹⁾	0.5	0.5	0.8
SEG	242.9	12.7	62.7	7.1	10.6	3.4
MAXIMUM	242.9	142.5	62.7	7.1	10.6	3.4
MINIMUM	13.3	1.6	1.0	0.1	0.1	0.2
MEDIAN (excluding outliers)⁽¹⁰⁾	76.7	2.9	1.4	0.3	0.3	0.4
SIMPLE AVERAGE (excluding outliers)⁽¹⁰⁾	91.9	5.0	6.7	0.4	0.6	0.5
The Group based on the Exercise Price	118.3	8.5⁽¹¹⁾	n.m.⁽¹²⁾	0.2	0.2	1.1
OUCHK	14.1	7.5	6.7	0.07	0.07	1.3

Source: The latest annual reports and the announced unaudited financial statements of the respective companies.

Notes:

- (1) Any discrepancy between the amounts listed and their actual values, or between the sum of the figures stated and the total thereof, is due to rounding.
- (2) The LTM EV/EBITDA ratios are based on the most recent twelve months EBITDA as reported by the respective companies. The EBITDA for Bojun, China Maple, China Education and China Science are based on the most recent

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twelve months ended 28 February 2026. The EBITDA for the Group, Cyberjaya, Mindchamps, OUCHK, Overseas Education, and SEG are based on the financial year or the most recent twelve months ended 30 June 2026.

- (3) *The LTM PER ratios for the Selected Comparable Companies are based on the most recent twelve months earnings after tax attributable to equity holders of the company as reported by the respective companies. The earnings after tax attributable to the equity holders of the company for Bojun, China Maple, China Education and China Science are based on the most recent twelve months ended 28 February 2026. The earnings after tax attributable to the equity holders of the company for the Group, Cyberjaya, Mindchamps, OUCHK, Overseas Education, and SEG are based on the financial year or most recent twelve months ended 30 June 2026.*
- (4) *The P/NAV ratios for the Selected Comparable Companies are based on their respective NAV values as set out in their latest available announced audited or unaudited financial statements. The NAV for Bojun, China Maple, China Education and China Science are based on figures as at 28 February 2026. The NAV for Cyberjaya, Mindchamps, OUCHK, Overseas Education and SEG are based on figures as at 30 June 2026. The P/NAV for the Group refers to the LPD Adjusted NAV per Share as described in Section 5.3.*
- (5) *The P/NTA ratios for the Selected Comparable Companies are based on their respective NTA values as set out in their latest available announced audited or unaudited financial statements. The NTA for Bojun, China Maple, China Education and China Science are based on figures as at 28 February 2026. The NTA for Cyberjaya, Mindchamps, OUCHK, Overseas Education and SEG are based on figures as at 30 June 2026. The P/NTA for the Group refers to the LPD Adjusted NTA per Share as described in Section 5.3.*
- (6) *The LTM P/Revenue ratios for the Selected Comparable Companies are based on the revenue for the most recent twelve months as reported by the respective companies. The revenue for Bojun, China Maple, China Education and China Science are based on the most recent twelve months ended 28 February 2026. The revenue for the Group, Cyberjaya, Mindchamps, OUCHK, Overseas Education and SEG are based on the financial year or the most recent twelve months ended 30 June 2026.*
- (7) *Bojun incurred a loss after tax attributable to equity holders of the company for the LTM ended 28 February 2026. Hence, Bojun's LTM PER is negative and not meaningful.*
- (8) *China Maple recorded a negative NTA as at 28 February 2026 mainly due to intangible assets of approximately RMB2.9 billion. Hence, China Maple's P/NTA is negative and not meaningful.*
- (9) *Overseas Education incurred a loss after tax attributable to equity holders of the company for the LTM ended 30 June 2026. Hence, Overseas Education's LTM PER is negative and not meaningful.*
- (10) *Outliers are SEG (LTM PER, P/NAV, P/NTA and LTM P/Revenue), Bojun (LTM EV/EBITDA, LTM PER, PNAV and P/NTA), China Maple (P/NTA), Overseas Education (LTM PER) and Mindchamps (P/NTA).*
- (11) *Based on the Group's Adjusted EBITDA as illustrated in Section 5.2 of this Letter.*
- (12) *The Group incurred a loss after tax attributable to equity holders of the Company (after adjusting for non-trade and non-recurring items) for FY2026. Hence, the Group's LTM PER is negative and not meaningful.*

For illustrative purposes only, we note:

- (i) The Group has market capitalisations of approximately S\$269.3 million and S\$167.4 million based on the closing prices of the Shares on the Last Trading Day and the Latest Practicable Date respectively. These are significantly higher than the median and simple average for the Selected Comparable Companies (save for SEG).
- (ii) The Group incurred a loss after tax attributable to equity holders of the Company (adjusted for non-trade and non-recurring items) for FY2026. Hence, the Group's LTM PER ratio is negative and not meaningful. For illustrative purposes only, save for Bojun and Overseas Education (which were also loss-making), the remaining six (6) out of eight (8) Selected Comparable Companies were traded at PER ranging between approximately 1.0 times and 62.7 times. Based on the Group's loss after income tax attributable to equity holders of the Company of approximately S\$5.6 million for FY2026 (without adjusting for non-trade and non-recurring items), the Group's LTM PER as implied by the Exercise Price is negative and not meaningful as well.
- (iii) The Group's valuation in terms of EV/EBITDA (as implied by the Exercise Price and based on LTM EBITDA after adjusting for non-trade and non-recurring items) is within the range, and significantly higher than both the median and the simple average for the Selected Comparable Companies. Based on the Group's LTM EBITDA (without adjusting for non-trade and non-recurring items) of approximately S\$41.0 million for FY2026, the Group's LTM EV/EBITDA as implied by the Exercise Price is approximately 6.1 times, and it is significantly higher than both the median and the simple average for the Selected Comparable Companies.

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- (iv) The Group's valuation in terms of the P/NAV and P/NTA ratios (as implied by the Exercise Price, and the LPD Adjusted NAV and/or LPD Adjusted NTA per Share) are within the range, but lower than both the median and the simple average for the Selected Comparable Companies. We note that the P/NAV and/or P/NTA ratios without adjustments made as described in Section 5.3 are fairly similar to those after adjustments.
- (v) The Group's valuation in terms of P/Revenue ratio (as implied by the Exercise Price) is within the range, and significantly higher than both the median and the simple average for the Selected Comparable Companies.

In summary, the valuation of the Group (as implied by the Exercise Price) in terms of P/NAV and P/NTA, and P/Revenue appears in general to be less favourable when compared to the Selected Comparable Companies whilst its implied valuation in terms of LTM EV/EBITDA appears favourable as compared to the Selected Comparable Companies.

Independent Directors are advised to review the Exercise Price and the comparison of the Group's valuation ratios with the Selected Comparable Companies in conjunction with the following facts:

- (i) Whilst the Group's financial performance (in terms of LTM ROE, LTM net profit margin, and asset turnover ratio) are generally less favourable as compared to the Selected Comparable Companies (save for Bojun and Overseas Education, which were also loss-making), its financial position (in terms of ratios of total liabilities to shareholders' equity and total borrowings to shareholders' equity) appears to be more favourable than the median and the simple average for the Selected Comparable Companies.
- (ii) The trading statistics for the shares of the Selected Comparable Companies are based on transactions which did not result in acquisition of statutory control or super majority control. For the Proposed New Bonds and Warrants Issue, the CHS Concert Party Group may increase their shareholding from approximately 43.11% to approximately 56.11% if they fully exercise all the Warrants, and they will gain a statutory control over the Company (but not super majority control). Independent Shareholders should note that for precedent mandatory general offers for listed companies in Singapore, offerors have generally paid no premiums above historical market prices for control. Accordingly, the trading statistics of the Selected Comparable Companies are arguably applicable for the current context.
- (iii) In Section 2.7 of the Circular, it is stated that Mr. Chew and Ms. Doris provided irrevocable undertakings to the Company that they will not exercise any Warrants issued to them pursuant to the Proposed New Bonds and Warrants Issue in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company (with such undertakings remaining in force for so long as the Warrants remain exercisable). However, Mr. Chew and Ms. Doris may still exercise the Warrants to the extent that such exercise does not result in them acquiring more than 1.0% of the voting rights in the Company in any six-month period under Rule 14.1(b) of the Code. Independent Shareholders should note that this does not preclude the CHS Concert Party Group from exercising such number of Warrants at a later time such that their aggregate shareholdings exceed 50.0% in a manner without triggering a mandatory general offer obligation.
- (iv) The Exercise Price is at a discount of approximately 57.2% from the VWAP for the Last Trading Day, and accordingly, the implied valuation of the Group (based on the closing price for the Shares) in terms of LTM EV/EBITDA and P/NAV (or P/NTA) are, as at the Last Trading Day, significantly higher than the multiples or ratios as implied by the Exercise Price, though all within range of the Selected Comparable Companies.

5.6. COMPARISON WITH PRECEDENT IPT TRANSACTIONS

In our assessment of the reasonableness of the interest rate of the New Bonds, we have also benchmarked the interest rate payable for the New Bonds against publicly available information on selected IPTs involving loans or advances granted to public companies listed on the SGX-ST since 2023 (the “**Precedent IPT Transactions**”).

We wish to highlight that the Precedent IPT Transactions are not exhaustive and may differ from the Company in terms of, *inter alia*, business activities and models, scale and size of operations, asset base, geographical spread, their exposure to benchmark interest rates, specific borrowing or lending terms and conditions, track record, financial performance, operating and financial leverage, creditworthiness, ability to service interest and debt obligations, state of affairs and corporate governance, risk profile, future prospects, existing capital structure and other relevant factors.

External factors, such as the state of the economies and the conditions (economic, industry and credit), including borrowing conditions of the markets in which the borrowers for the Precedent IPT Transactions operate in, during the relevant point in time when loans are granted will also have significant impact on the terms of the loans. Further, none of the borrowers for the Precedent IPT Transactions are exactly comparable to the Company in terms of business models, activities and risk or financial performance or position or sectors/industries in which they operate in. Accordingly, the Independent Directors should note that the below comparisons are necessarily limited and are intended to serve only as an illustrative guide.

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Selected Precedent Borrowers ⁽¹⁾	Date of Announcement	Market Capitalisation (\$ million) ⁽²⁾	Principal Amount (\$ million)	Principal Amount / Market Capitalisation (%)	Interest rate per annum	Loan Tenure (months)	LTM EBITDA/ (Interest + current borrowings) ⁽³⁾	Secured/ unsecured	Financial Performance & Position ⁽⁴⁾⁽⁵⁾⁽⁶⁾
Kim Heng Ltd ("Kim Heng")	18-Sep-23	62.1	7.0	11.3%	8.5%	24	0.8	Secured	Profit, NWC, NA
Ying Li International Real Estate Limited ("Ying Li")	11-Mar-24	46.0	14.9	32.3%	6.0%	36	0.1	Secured	Profit, NWC, NA
Ying Li	11-Mar-24	46.0	71.2	154.8%	6.5%	36	0.1	N.A. ⁽⁷⁾	Profit, NWC, NA
Autagco Ltd (f.k.a LifeBrandz Limited) ("Autagco")	7-May-24	4.9	0.3	5.1%	7.0%	9	n.m. ⁽⁸⁾	Not stated	Loss, PWC, NA,
JEP Holdings Ltd ("JEP")	24-May-24	134.2	13.0	9.7%	3.7%	72	2.4	Unsecured	Profit, PWC, NA
Oxpay Financial Limited ("Oxpay")	23-Jun-24	13.8	2.0	14.5%	6.9%	24	n.m. ⁽⁸⁾	Unsecured	Loss, PWC, NA
Koyo International Ltd ("Koyo")	12-Sep-24	8.9	3.0	33.6%	5.2%	12	1.0	Not stated	Profit, PWC, NA
Autagco	25-Oct-24	7.3	0.8	10.2%	5.0%	24	n.m. ⁽⁸⁾	Not stated	Loss, PWC, NA
Bromat Holdings Limited ("Bromat")	16-Nov-24	25.3	0.6	2.4%	15.0%	6	n.m. ⁽⁸⁾	Unsecured	Loss, NWC, NL
Autagco	6-Jan-25	7.3	1.0	13.7%	2.8%	24	n.m. ⁽⁸⁾	Not stated	Loss, NWC, NL
Oxpay	18-Jan-25	7.2	2.0	27.9%	6.9%	24	n.m. ⁽⁸⁾	Not stated	Loss, PWC, NA
Luminor Financial Holdings Limited ("Luminor")	1-Mar-25	10.0	1.5	14.9%	7.5%	24	0.3	Unsecured	Loss, PWC, NA
Vallianz Holdings Ltd ("Vallianz")	14-Apr-25	42.4	174.9	412.3%	8.0%	N.A. ⁽⁹⁾	1.1	Unsecured	Profit, NWC, NA
Oxpay	29-May-25	6.3	2.5	39.4%	6.9%	24	n.m. ⁽⁸⁾	Unsecured	Loss, PWC, NA
GSH Corporation Ltd ("GSH")	29-Sep-25	335.1	75.8	22.6%	5.0%	3	0.1	Not stated	Loss, PWC, NA
Kim Heng	21-Nov-25	59.2	9.0	15.2%	7.0%	36	0.4	Not stated	Profit, NWC, NA
Y Ventures Group Ltd ("Y Ventures")	30-Jun-26	3.5	1.7	49.2%	4.0%	12	n.m. ⁽⁸⁾	Not stated	Loss, PWC, NA
A-Smart Holdings Ltd. ("A-Smart")	5-Aug-26	23.6	7.8	33.2%	3.0%	N.A. ⁽⁹⁾	n.m. ⁽⁸⁾	Unsecured	Loss, PWC, NA
Maximum		335.1	174.9	412.3%	15.0%	72	2.4		
Minimum		3.5	0.3	2.4%	2.8%	3	0.1		
Median (without outliers)⁽¹⁰⁾		18.7	2.8	18.9%	6.5%	24	0.4		
Average (without outliers)⁽¹¹⁾		46.8	21.6	23.4%	5.9%	21	0.7		
The Group	11-May-26	269.0	35.0	13.0%	5.5%	60	0.1	Unsecured	Loss ⁽¹²⁾ , NWC, NA

Source: SGX-ST announcements and circulars to shareholders in relation to the respective transactions.

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Notes:

- (1) Any discrepancy between the amounts listed and their actual values, or between the sum of the figures stated and the total thereof, is due to rounding.
- (2) The market capitalisations of the precedent IPT borrowers are presented as at close of trading on the date of announcement whilst that for the Company is based on the closing price for the Shares at the Last Trading Day.
- (3) The LTM EBITDA/(Interest + current borrowings) for Kim Heng are based on the most recent twelve months ended 30 June 2023. The LTM EBITDA/(Interest + current borrowings) for Ying Li, JEP and Oxpay (for the announcement dated 23 June 2024) are based on the financial year ended 31 December 2023. The LTM EBITDA/(Interest + current borrowings) for Autago for the announcements dated 7 May 2024 and 25 October 2024 are based on the most recent twelve months ended 31 January 2024. The LTM EBITDA/(Interest + current borrowings) for Koyo, Bromat and Oxypay are based on the most recent twelve months ended 30 June 2024. The LTM EBITDA/(Interest + current borrowings) for Autago for the announcement dated 6 January 2025 is based on the financial year ended 31 July 2024. The LTM EBITDA/(Interest + current borrowings) for Luminor, Vallianz and Oxpay (for the announcement dated 29 May 2025) are based on the financial year ended 31 December 2024. The LTM EBITDA/(Interest + current borrowings) for GSH and Kim Heng (for the announcement dated 21 November 2025) are based on the most recent twelve months ended 30 June 2025. The LTM EBITDA/(Interest + current borrowing) for Y Ventures is based on the financial year ended 31 December 2025. The LTM EV/EBITDA/(Interest + current borrowings) for A-Smart is based on the most recent twelve months ended 31 Jan 2026. The LTM EBITDA/(Interest + current borrowings) for the Group is based on the most recent twelve months ended 31 December 2025 and after adjusting for non-trade and non-recurring items.
- (4) The financial performance is based on the LTM profit and loss figures of the respective companies as at the respective announcement dates while the financial position is based on the latest available balance sheets of the respective companies prior to the respective announcement dates.
- (5) Based on the latest available audited financial statements, all Precedent IPT Borrowers received unmodified audit opinions, except for Bromat, which received an emphasis of matter, and Oxpay which received material uncertainty related to going concern.
- (6) "NWC" means negative working capital, "PWC" means positive working capital, "NA" means net assets, and "NL" means net liabilities.
- (7) The Lender may require Ying Li to provide certain security for the loan.
- (8) Autago, Bromat, Oxpay Y Ventures and A-Smart recorded negative EBITDA for the respective periods.
- (9) There is no fixed repayment terms, the lender may at any time recall or terminate the loan.
- (10) Outliers for median are principal amount/market capitalisation (Ying Li (154.8% for 11 March 2024), Autago (5.1% for 7 May 2024), Bromat and Vallianz), interest rate per annum (Bromat) and loan tenure (JEP).
- (11) Outliers for average are principal amount/market capitalisation (Ying Li (154.8% for 11 March 24), Autago (5.1% for 7 May 2024), Bromat and Vallianz), interest rate per annum (Bromat) and loan tenure (JEP).
- (12) As shown in Section 5.2 of this Letter, the Group incurred a loss after tax attributable to equity holders of the Company (after adjusting for non-trade and non-recurring items) for FY2026.

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For illustrative purposes only, we noted the following from the above table:

- (i) In terms of the principal amount, the New Bonds appears to be within the range, higher than both the median and the simple average for the Precedent IPT Transactions.
- (ii) The Group's principal amount-to-market capitalisation ratio for the New Bonds (or gearing) of approximately 13.0% is significantly lower than both the median (excluding outliers) and the simple average (excluding outliers) of the Precedent IPT Transactions. The ratio is also significantly below those observed in several highly leveraged precedents, including Vallianz (approximately 412.3%) and Ying Li (approximately 154.8%). It is generally accepted, on the premise of risk returns payoff, that the higher the gearing, the higher the interest rate payable.
- (iii) The proposed interest rate payable for the New Bonds of 5.5% is lower than the median and slightly lower than the simple average of the Precedent IPT Transactions. We note that interest rate payable for IPT loans is a key metric for value at risk for interested person transactions.
- (iv) The proposed loan tenure of sixty (60) months for the New Bonds is within the range, but significantly longer than that both the median and simple average for the Precedent IPT Transactions. Notwithstanding the longer loan tenure, the interest rate payable for the New Bonds is lower than both the median and simple average of the Precedent IPT Transactions.
- (v) The LTM EBITDA/(Interest + current borrowings) ratio is commonly used as an indicator of a company's ability to service and repay its debt obligations from operating cash flows. This ratio of the Group (after adjusting for non-trade and non-recurring items) of approximately 0.1 times appears to be within the range, but lower than both the median and simple average of 0.4 times and 0.7 times respectively (with or without the outliers) of the Precedent IPT Transactions. This indicates the Group's comparatively weaker debt-servicing capacity and, correspondingly, a higher credit risk profile relative to the Precedent IPT Transactions. Notwithstanding the Group's weaker debt-servicing capacity, the interest rate payable for the New Bonds is lower than both the median and simple average of the Precedent IPT Transactions.
- (vi) The Group is loss making, based on its adjusted PAT, with negative working capital, as compared to approximately 61.1% and 38.9% of the borrowers for the Precedent IPT Transactions that are loss making and have negative working capital, respectively.

Whilst we have analysed the Proposed Refinancing with its constituents being the New Bonds and Warrants, with this section on New Bonds, we note as an observation that for transactions involving issuance of convertible bonds ("**Precedent Convertibles**") commencing from January 2024 till the Latest Practicable Date, the:

- (a) Principal amount of the New Bonds is higher than any of these Precedent Convertibles.
- (b) Tenure for the New Bonds is longer than the median and simple average tenures for these Precedent Convertibles.
- (c) Interest rate for the New Bonds is lower than the median (without outliers) but comparable to the simple average (without outliers) for the Precedent Convertibles.
- (d) Number of new shares to be issued on exercise of the Warrants as a percentage of the Enlarged Share Capital is higher than both the median and simple average for the Precedent Convertibles.
- (e) Exercise Price as a discount from the last traded price on the Last Trading Day is less favourable and significantly higher than both the median and simple average of the discounts of the conversion prices from the relevant last traded prices of their shares for the Precedent Convertibles.
- (f) P/NTA ratio, as implied by the Exercise Price and the LPD Adjusted NTA per Share for the Warrants, is less favourable and significantly lower than both the median and simple average conversion prices to NTA per share for the Precedent Convertibles.

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- (g) P/NAV ratio, as implied by the Exercise Price and the LPD Adjusted NAV per Share for the Warrants, is less favourable and significantly lower than both the median and simple average conversion prices to NAV per share for the Precedent Convertibles.

Independent Shareholders should note that as the circumstances for each of the companies listed and the transactions outlined above are unique and as the companies may not be identical to the Group in terms of business activities or models, size of operations, market capitalisation, asset base, risk profile, recurrent cash flows and EBITDA, track record, future prospects, relevant timing for the Precedent IPT Transactions and economic and credit conditions then prevailing and other relevant criteria, the analysis is limited. Furthermore, the list of Precedent IPT Transactions shown (and those analysed for the Precedent Convertibles) are by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison with the New Bonds serves as an illustrative guide only.

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6. OTHER CONSIDERATIONS

The following factors should also be considered together with the other comments and issues raised in this Letter and the contents of the Circular.

6.1 DILUTION IMPACT OF THE PROPOSED NEW BONDS AND WARRANTS ISSUE FOR THE EXISTING PUBLIC SHAREHOLDERS

It is important to note that upon completion of the Proposed New Bonds and Warrants Issue, the shareholdings of existing Shareholders (other than Directors and substantial Shareholders) (the “Existing Public Shareholders”) may potentially be diluted substantially. In evaluating the potential dilution impact of the Proposed Refinancing as an IPT on the Existing Public Shareholders, we have considered the following:

Shareholders	As at the Latest Practicable Date		After issuance and exercise of the Warrants	
	Total interests	% ⁽¹⁾	Total interests	% ⁽²⁾
CHS Concert Party Group				
Mr. Chew ⁽³⁾	784,440,463	43.11	1,323,368,247	56.11
Ms. Doris ⁽³⁾	784,440,463	43.11	1,323,368,247	56.11
Directors (other than the CHS Concert Party Group)				
Lim Siew Mun	5,042,977	0.28	5,042,977	0.21
Lim How Teck ⁽⁴⁾	5,668,760	0.31	5,668,760	0.24
BG (Ret'd) Chua Chwee Koh	10,914,222	0.60	10,914,222	0.46
Joseph Ho Yan Jun	1,880,300	0.10	1,880,300	0.08
Existing Public Shareholders⁽⁵⁾	1,011,575,365	55.60	1,011,575,365	42.89

Notes:

- (1) Based on the Existing Share Capital. This takes into account the announcements made on 12 October 2026.
- (2) Based on the Enlarged Share Capital.
- (3) Ms. Doris is the spouse of Mr. Chew. In this regard, she is deemed to have an interest in the shareholdings of Mr. Chew and vice versa.
- (4) Mr. Lim How Teck is deemed interested in the Shares held by his spouse, Ms. Tan Cheng Hiang Rosalind.
- (5) Includes the number of Shares held by the Independent Shareholders.

Based on the above illustration, we note:

- (i) The CHS Concert Party Group's shareholding interest in the Company would increase from approximately 43.11% to approximately 56.11% upon completion of the issuance and exercise of all the Warrants). Whilst the CHS Concert Party Group would remain as the largest controlling group of Shareholders, they would attain the statutory control but not super majority control over the Company.
- (ii) The Existing Public Shareholders' shareholding interest in the Company would be diluted from approximately 55.60% to approximately 42.89% (upon completion of the issuance and exercise of the Warrants). Thus, the Existing Public Shareholders' ability to influence the outcome of resolutions would be reduced substantially after the issuance and exercise of the Warrants. This is, however, no different if Mr. Chew and Ms. Doris convert their existing holdings of the Convertible Bonds. The CHS Concert Party Group is subject to requirements under Rule 14 of the Code irrespective of whether the Proposed Refinancing is approved or rejected by Independent Shareholders.

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- (iii) In Section 2.7 of the Circular, Mr. Chew and Ms. Doris have provided irrevocable undertakings to the Company that they will not exercise any Warrants issued to them pursuant to the Proposed New Bonds and Warrants Issue in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company. Such undertakings shall remain in force for so long as the Warrants remain exercisable. However, Mr. Chew and Ms. Doris may still exercise the Warrants to the extent that such exercise does not result in them acquiring more than 1.0% of the voting rights in the Company in any six-month period under Rule 14.1(b) of the Code. Such exercise may nevertheless result in a gradual increase in their combined shareholding interests in the Company without triggering a mandatory general offer obligation under the Code. The Exercise Period (as defined in the Circular) will not be extended, no replacement warrants will be issued upon expiry, and any unexercised Warrants will lapse.

Notwithstanding such undertakings, Independent Shareholders would not be prejudiced in terms of their right to receive a mandatory general offer from the CHS Concert Party Group pursuant to the Code. Although the Warrants and the New Bonds are transferable and “detachable” from each other subject to such restrictions in law, they are comparable (albeit the differences in expiry dates or maturity) to the conversion rights embedded in the Convertible Bonds held by Mr. Chew and Ms. Doris. Thus, in terms of Independent Shareholders’ dilution of interest, the Warrants to be issued are not materially different from the existing Convertible Bonds.

The Proposed Refinancing will result in, *inter alia*, cancellation of the Convertible Bonds which carry interest rate at 6.0% per annum and are due on 22 September 2027 pursuant to the Rights Issue and the Placement (both defined later) in 2022, which is convertible into the same number of new Shares as the Warrants when they are exercised. Accordingly, the dilution impact as at the Latest Practicable Date in terms of the number of new Shares that the Warrants will be exercisable into is similar to the existing Convertible Bonds, save for the fact that the Warrants will have an Exercise Period, being five (5) years, whilst the existing Convertible Bonds will have a remaining life of about one (1) year.

- (iv) The undertakings provided by Mr. Chew and Ms. Doris “implies” that they cannot immediately exercise all their Warrants to increase control, as any increase in voting control is “constrained” by the Code and the said undertakings. Any potential increase in control is spread over time rather than occurring immediately (as compared to the existing Convertible Bonds for which there are no undertakings currently). Thus, the Group has the “benefit” of minimising dilution over the period where the undertakings apply. As an illustration and based on the Shareholding interests as shown in the table, and without taking into account any acquisition or conversion to Shares prior to the Latest Practicable Date, and on the assumption that there are no changes in the number of Shares held and issued, the undertakings will “restrict” Mr. Chew and Ms. Doris in exercising the Warrants for a period of approximately 3.5 years. This “restriction” results in an effective period wherein the Warrants may be exercised without “breaching” the undertakings of about 1.5 years. This is not materially different from the existing tenure of the Convertible Bonds with remaining period of about 1.38 years as at the date of announcement of the Proposed New Bonds and Warrants Issue (or about one (1) year as at the Latest Practicable Date (with possibility of immediate dilution on conversion)).

The Company is not prejudiced in terms of proceeds raised from the Warrants if exercised (which will increase the Share capital of the Company) as compared to the possible conversion of the existing Convertible Bonds held by Mr. Chew and Ms. Doris, albeit with a possible difference in timing due to the different “expiry dates” for the exercise or conversion rights. Furthermore, as the Warrants are issued “separately” from the New Bonds, the Company have an added advantage (as compared to the Convertible Bonds) in the event that the Warrants are exercised to either use the proceeds from exercise to repay the New Bonds or for such other purposes as Directors may deem fit in the interest of the Company at that material time. We note, as described in Section 6.6 of the Circular, the Company’s current intention on the utilisation of the proceeds.

Likewise, Independent Shareholders are not prejudiced in terms of the absolute number of Shares they hold or the potential dilution in terms of percentage of shareholding interests

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pursuant to the issue of the Warrants which are exercisable into the same number of new Shares as compared to the conversion of the existing Convertible Bonds held by Mr. Chew and Ms. Doris. We note that there is no “transfer” of voting rights or material differences in voting rights (or participation in economic benefits from future or prospective performance which may or may not be translated to prices of the Shares) from the Independent Shareholders, as their interests in the Company does not change after the Proposed Refinancing.

Furthermore, we note that in practical terms whilst the CHS Concert Party Group, as at the Latest Practicable Date, does not have statutory control, they are the single largest group of Shareholders and may already have significant influence over the business and operating strategies of the Group, and the ability to influence the outcome of resolutions (wherein they are not interested in) given shareholders apathy in general and attendance in general meetings.

We note, for the New Bonds with a maturity period of five (5) years as compared to the existing tenure for the Convertible Bonds of remaining period of about one (1) year, the following:

- (a) It will allow the Company to refinance and purchase a large portion of the outstanding Convertible Bonds without utilising the Company's internal cash resources, thereby preserving the Company's liquidity and working capital for its operational and business needs. This will preserve its existing cash holdings of approximately S\$39.2 million as at 30 June 2026 (which is slightly higher than the aggregate principal amount of existing Convertible Bonds to be refinanced via the Proposed New Bonds and Warrants Issue of S\$35.0 million).

We note from confirmations provided by Directors and Management that as at 30 June 2026, the amount of cash held by the Group outside of the PRC is approximately S\$7.1 million (or approximately 18.1% of the total cash held by the Group). Likewise, the amount of Adjusted Existing Cash (as described later) held by the Group outside of the PRC (excluding cash held by OUCHK), is expected to be a deficit of approximately S\$11.4 million (after taking into account the adjustments mentioned on Page B-52 of this Letter and with no payment for Proposed Special Dividend). We note that in the event that the Group's liabilities with respect to the Arbitral Final Awards is only restricted to the Arbitral First Settlement paid of approximately S\$1.2 million, the amount of Adjusted Existing Cash (as described later) held by the Group outside of the PRC (excluding cash held by OUCHK), is expected to be approximately S\$4.4 million (after taking into account the adjustments mentioned on Pages B-53 to B-55 of this Letter and with no payment for Proposed Special Dividend and on the assumption that the final amount paid for the Arbitral Final Awards is limited to only the Arbitral First Settlement paid).

As such, the Company may not be in any position to repay the principal amount of Convertible Bonds which are the subject of the Proposed Refinancing given the amount of Adjusted Existing Cash held by the Group outside of the PRC (excluding cash held by OUCHK). Furthermore, they have confirmed that there are “restrictions” and limitations in the ability of the Group to utilise such cash resources (which are held in the PRC) outside of the PRC.

- (b) The Proposed New Bonds and Warrants Issue will also extend the maturity of the Company's debt obligations to five (5) years (as compared to the existing tenure of the Convertible Bonds with remaining period of about 1.00 year as at the Latest Practicable Date), provide the Company with a longer period to repay their debt obligations and greater financial flexibility and liquidity to deploy its internal cash balances for the expansion into, *inter alia*, such strategic opportunities like the K-12 education segment or geographical regions other than the PRC.

It will also help the Group to improve its net working capital position as the New Bonds will be classified as long-term liabilities as opposed to the existing Convertible Bonds which will soon be classified as short-term obligations. In the event that the Proposed Refinancing happens, the Group's current ratio, liquid ratio and net working capital position will improve as cash will be preserved and not utilised for repayment. Accordingly, the Group's liquidity position will not be materially worse off. The cash

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preserved will provide the Group with the flexibility in the event the Group's financial position permits payment of dividends in the future, a positive signalling effect which does not make Independent Shareholders worse off, especially since the ability of Mr. Chew and Ms. Doris to exercise the Warrants is "restricted" for a certain period pursuant to the undertakings as analysed above.

If the Convertible Bonds are repaid, we note that cash will decline by approximately S\$35.0 million; and current assets and liquid assets will deplete by the same amount. In the event that the Proposed Refinancing happens, the New Bonds have a five (5)-year maturity, whilst the S\$35.0 million "deferred" obligation is maintained as non-current; and an imminent or near-term current liability will be deferred. Thus, net working capital improves through both the preservation of current assets, and the deferral of the current repayment obligation. Hence, the Company and the Independent Shareholders, *vide* their interests in the Company, are not materially worse-off.

- (c) The extension of the maturity for the Company's debt obligations will allow the Company to immediately conserve its cash of approximately S\$39.2 million as at 30 June 2026 whilst making a Proposed Special Dividend payment, if declared, of approximately S\$5.5 million.
- (d) In the announcement dated 21 October 2021, the Group stated that the Monetary Authority of Singapore ("**MAS**") and the Commercial Affairs Department ("**CAD**") requested documents relating to loan facilities extended by Affin Bank Berhad ("**Affin Bank**") to certain subsidiaries (namely Raffles K12 Sdn Bhd and Raffles Iskandar), in connection with potential disclosure-related offenses under the SFA. The investigations subsequently led to the charging of five former and current directors on 20 September 2024 in relation to the Company's alleged failure to disclose defaults under the credit facilities extended by Affin Bank.

These are implications and impediments as the outstanding issues relate to, *inter alia*, Mr. Chew being a core driver of the Group's transformation and restructuring, and whilst the prices of Shares have generally increased over the periods analysed, there is a limitation of the Group's ability to credibly tap into banking, debt and equity capital markets given that the aforementioned issues have not been settled as at the Latest Practicable Date.

The historical banking dispute and subsequent regulatory investigations have implications for the Group's financing profile, lender perceptions as to the credit worthiness of the Group, and the Group's ability to raise financing from third parties. Independent Shareholders should note the historically "heavy reliance" the Group had on Mr. Chew and Ms. Doris for financing (as a "lender of last resort") for debt obligations, new business and operations, and strategic business decision. We note that the Group's total borrowings as at 30 June 2026 amounted to approximately S\$86.2 million, of which about 38.1% were due to Mr. Chew, while approximately 58.2% were from overseas lenders.

Estimated cash position and borrowings

Furthermore, based on confirmations from the Management and the adjustments to NAV and NTA as described in Section 5.3 of this letter, *inter alia*: (a) cancellations and conversions of convertible bonds; (b) payments for the Arbitral Final Awards; (c) proceeds from compensation of Langfang Land; (d) expenses incurred in relation to the cancellations and conversions of convertible bonds; (e) interest payments for the balance of the 2022 Convertible Bonds; and (f) assuming that no Proposed Special Dividend is paid, the Group's adjusted cash as at 30 June 2026 ("**Adjusted Existing Cash**") will increase from approximately S\$39.2 million to S\$56.6 million. Correspondingly, net borrowings of the Group would improve to approximately S\$29.5 million.

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Event when Proposed Refinancing as an IPT does not happen

In the event that the Proposed Refinancing as an IPT does not happen, no Proposed Special Dividend is paid, both Mr. Chew and Ms. Chew do not convert their existing Convertible Bonds and the Group repays the principal amount of the Convertible Bonds, the Group's adjusted cash holdings ("**Adjusted Existing Cash with No Proposed Refinancing and No Special Dividends**") will decline drastically by approximately 61.8% from approximately S\$56.6 million as described above (to approximately S\$21.6 million). Likewise, the Group's borrowings of approximately S\$86.2 million would reduce to approximately S\$51.1 million. Net borrowings of the Group would be approximately S\$29.5 million.

We note in the event that the Proposed Refinancing as an IPT does not happen, no Proposed Special Dividend is paid, and both Mr. Chew and Ms. Doris convert their existing Convertible Bonds, there is no requirement for the Group to repay that principal amount of Convertible Bonds. The Group's adjusted cash holdings would be broadly similar to Adjusted Existing Cash whilst its borrowings would be reduced to approximately S\$51.1 million. There would be a net cash position of approximately S\$5.6 million.

This is similar to the illustration for the event where the Proposed Refinancing does happen and the Warrants are exercised immediately (notwithstanding the undertakings provided). As such, the Company is not "worse off" in terms of its cash resources. Likewise, Independent Shareholders are not "worse off" or prejudiced as their existing interests in the Existing Share Capital and the Enlarged Share Capital (where applicable) is similar under this event as compared to their existing position.

Event when Proposed Refinancing as an IPT proceeds

In the event that the Proposed Refinancing as an IPT does proceed, and no Special Dividend is paid, the Group's adjusted cash holdings ("**Adjusted Existing Cash with Proposed Refinancing and No Special Dividends**") will be maintained at approximately S\$56.6 million whilst total borrowings outstanding as at 30 June 2026 (after adjusting for events and items as described in this Letter) would be approximately S\$86.1 million.

Independent Shareholders should note that:

- The amount of Adjusted Existing Cash with Proposed Refinancing and No Special Dividends of about S\$56.6 million would be significantly (about 2.6 times) higher as compared to Adjusted Existing Cash with No Proposed Refinancing and No Special Dividends due to the repayment of the existing Convertible Bonds held by Mr. Chew and Ms. Doris. This would provide the Group with more cash buffer and resources to settle other current borrowings of about S\$10.2 million and to fund possible capex requirements for purchases for PPE. We note that the average amount of capex for the last 3 financial years ended 30 June 2026 was about S\$9.0 million per annum. The S\$35.0 million of liquidity preserved is equivalent to approximately 3.9 times the Group's average annual historical capital expenditure of S\$9.0 million.
- As an illustration, after allowing for one (1) year of historical average capex and the identified current borrowings ("**Estimated Commitments**"), the Proposed Refinancing scenario retains approximately S\$37.4 million of cash resources; the repayment scenario (being the scenario when the Proposed Refinancing as an IPT does not occur and there is no conversion of the Convertible Bonds held by Mr. Chew and Ms. Doris) retains only approximately S\$2.4 million of cash resources; and the difference of approximately S\$35.0 million is "preserved", with the Company not being in a worse-off position. The Adjusted Cash with Proposed Refinancing and No Special Dividends provides approximately 2.9 times coverage of the Estimated Commitments; whilst the Adjusted Existing Cash with no

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Proposed Refinancing and No Special Dividends provides approximately 1.1 times coverage of Estimated Commitments. Accordingly the “residual buffer” falls from S\$37.4 million to S\$2.4 million if there is no Proposed Refinancing.

- The amount of Adjusted Existing Cash with No Proposed Refinancing and No Special Dividends of about S\$21.6 million should be reviewed in the context of other current borrowings with limited buffer to provide for the funding of possible capex requirements.
- Whilst the amounts of net borrowings (of approximately S\$29.5 million) will be similar when the Proposed Refinancing as an IPT does proceed, the maturity for the debt obligations (being the New Bonds as compared to the existing Convertible Bonds held by Mr. Chew and Ms. Doris) is extended by about four (4) years.

Thus, in the event that the Proposed Refinancing as an IPT does not happen, and the Group repays the existing Convertible Bonds held by Mr. Chew and Ms. Doris, the Group’s cash resources would be severely depleted and the Group’s access to working capital may be curtailed and this may potentially affect the ability of the Group to pursue its expansion into other education segments and geographical markets (outside of the PRC). Directors and Management have confirmed that the amount of Adjusted Existing Cash held by the Group outside of the PRC is less than the principal amount of Convertible Bonds.

Accordingly, both the Company and its Independent Shareholders are not prejudiced in terms of, *inter alia*, the cash resources of the Group or the extension of the maturity dates for the New Bonds as compared to the Convertible Bonds.

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6.2 PAST FOUR (4) YEARS OF FUND RAISING EXERCISES INVOLVING THE SHARES

Rights Issue and Placement of Convertible Bonds

On 7 June 2022, the Company announced (i) a renounceable underwritten rights issue (the “**Rights Issue**”) of up to approximately S\$26.2 million in aggregate principal amount of convertible bonds (the “**Rights Issue Bonds**”) on the basis of nineteen (19) Rights Issue Bonds for every one thousand (1,000) Shares; and (ii) a placement of an aggregate of S\$17.9 million in convertible bonds (the “**Placement Bonds**”) pursuant to a bought deal arrangement with the underwriter for the Rights Issue Bonds (the “**Placement**”).

The Rights Issue Bonds and the Placement Bonds (collectively, the “**2022 Convertible Bonds**”) have a tenure of five (5) years, bear interest of 6.0% per annum, and have an initial conversion price of S\$0.065 (the “**CB Conversion Price**”). Both the Rights Issue and the Placement were completed on 16 September 2022. The Rights Issue was oversubscribed at the completion date.

On 23 September 2022, Mr. Chew and Ms. Doris were allotted 2022 Convertible Bonds with an aggregate principal amount of approximately S\$17,455,306. Subsequently, on 4 January 2024, Mr. Chew acquired an additional S\$17,575,000 of 2022 Convertible Bonds via an off-market transaction. As at the Latest Practicable Date, Mr. Chew and Ms. Doris together hold an aggregate principal amount of approximately S\$35,030,306 of 2022 Convertible Bonds. The Rights Issue would have been unsubscribed if not for both Mr. Chew and Ms. Doris application for excess rights. We note that Mr. Chew also acquired a substantial portion of the Placement Bonds. This showed that the Group is reliant on both Mr. Chew and Ms. Doris for funding as they had in aggregate participated or invested in approximately 79.4% of the principal amounts of 2022 Convertible Bonds issued.

On 30 October 2025, the Company announced that it had entered into both the bond amendment term sheet and the loan amendment term sheet with Mr. Chew in relation to the Proposed Conversions. On 23 January 2026, the Shareholders approved the Proposed Conversions wherein we had acted as an independent financial adviser (as mentioned in this Letter).

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A comparison between the Exercise Price and the conversion prices for the Proposed Conversions, Rights Issue Bonds and the Placement Bonds are presented in the table below:

	Proposed New Bonds and Warrants Issue	Proposed Conversions	Rights Issue Bonds	Placement Bonds
Conversion/ Exercise Price	0.065	0.064	0.055 ⁽¹⁾	0.065
Gross amount raised (S\$m)	35.0	15.5	22.3	17.9
Maturity and security	5 years and unsecured	Not meaningful	5 years and unsecured	5 years and unsecured
Interest rate per annum	5.5%	Not meaningful	6.0%	6.0%
Premium/ discount over/(from) the VWAP for the Shares prior to the respective announcement	(57.2)%	(5.8)%	(9.8)% ⁽³⁾	6.6% ⁽³⁾
Spread above Singapore Overnight Average Rate ("SORA") per annum (%)	4.0404	-	4.6048 ⁽¹⁾	5.5048
Implied P/NAV ⁽³⁾	0.2 times	0.2 times	0.1 times	0.1 times
Implied P/NTA ⁽³⁾	0.2 times	0.2 times	0.1 times	0.1 times
No of new Shares that may be issued	538,927,784	241,100,605	402,991,938	275,384,615

Notes:

- (1) After taking into account the issuance at 85.0% (S\$0.85) to the Rights Issue Bonds price of S\$1. The spread over SORA is based on the interest payable of 6.0% per annum. After taking into account the issue price, the spread over SORA is 4.6048% per annum.
- (2) SORA rates are extracted from MAS website for 8 May 2026 (for the Proposed New Bonds and Warrant Issue) and 7 June 2022 (for the Rights Issue Bonds and the Placement Bonds).
- (3) For the Rights Issue Bonds and the Placement Bonds, it is based on the latest announced NAV and/or NTA for the Group as at 31 March 2022 prior to the announcement of the Placement and the Rights Issue, whilst the latest announced NAV and/or NTA for the Group as at 30 June 2025 was used for the Proposed Conversions and LPD Adjusted NAV and/or NTA per Share was used for the Proposed New Bonds and Warrants Issue. The differences in the premium or discount between the Rights Issue Bonds and the Placement Bonds arises from the exercise price for the Rights Issue Bonds which are adjusted for comparative purposes based on the issue price of 85.0% of par.

We note the following:

- (i) The Exercise Price is higher than the conversion price for the Rights Issue Bonds (after taking into account the issuance at 85.0% to the Rights Issue Bonds price of S\$1), but in line with the Placement Bonds and slightly higher than the Proposed Conversions. It is generally accepted that rights issues are generally priced at a discount in favour of the then existing Shareholders.
- (ii) The gross amount raised under the Proposed New Bonds and Warrants Issue is significantly higher than the amounts raised under each of the past transactions being the Proposed Conversions, the Rights Issue Bonds and the Placement Bonds.
- (iii) The interest rate payable for the New Bonds is lower than those for the Rights Issue Bonds and the Placement Bonds.

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- (iv) The discount of 57.2% as implied by the Exercise Price from the VWAP for the Shares as at the Last Trading Day is significantly higher or less favourable as compared to the discounts from the relevant VWAP for the Proposed Conversions, the Rights Issue Bonds, and less favourable as compared to the premium above the relevant VWAP for the Placement Bonds.

Furthermore, we note that the Warrants are deeply in the money with an intrinsic value (being the difference between the closing price for the Last Trading Day of approximately S\$0.148 and the Exercise Price) of approximately S\$0.083 per Warrant as compared to the Proposed Conversions and the Rights Issue Bonds which were only slightly in the money.

- (v) The spread over SORA for the New Bonds is significantly lower than those for the Rights Issue Bonds and the Placement Bonds despite the fact that all the bonds had final maturity periods of five (5) years. We note the following:

From an observation, the financial performance and position of the Group in FY2026 and for the LTM ended 31 March 2022 ("LTM2022") is fairly comparable, save for certain salient points.

In terms of profitability (as evidenced by the Group's profit before tax), the Group recorded a smaller profit before tax of approximately S\$6.8 million for FY2026 as compared to approximately S\$17.5 million registered for LTM2022. However, the Group incurred a lower loss of approximately S\$6.4 million (due mainly to deferred tax arising from disposal of certain properties in the PRC) as compared to a loss of approximately S\$7.9 million in LTM2022.

Correspondingly, the EBITDA declined quite considerably to approximately S\$41.0 million in FY2026 as compared to approximately S\$58.0 million in LTM2022. However, the Group's interest servicing ability as reflected by the EBITDA/Finance Cost ratio worsened slightly to approximately 2.46 times in FY2026 as compared to approximately 2.65 times in LTM2022.

The Group's equity base eroded quite significantly from approximately S\$697.3 million in LTM2022 to approximately S\$631.0 million in FY2026 attributable to, *inter alia*, the losses incurred over the years offset against issuance of new Shares arising from conversion of convertible and non-convertible bonds, favourable currency translation movements and sale of treasury Shares. But its net borrowings (after subtracting cash and cash equivalents, and restricted balances) of approximately S\$253.8 million in LTM2022 had also declined to approximately S\$44.8 million in FY2026, thus resulting in a better net borrowings/EBITDA ratio (or an indication of debt servicing ability) of approximately 1.09 times in FY2026 as compared to approximately 4.37 times in LTM2022.

In summary, we note that the credit spread above SORA had declined for the New Bonds notwithstanding the significantly lower profitability, EBITDA and their generally weaker interest servicing ability.

The credit spreads for the New Bonds is lower or favourable in FY2026, despite the amount raised under the New Bonds being lower at about S\$35.0 million as opposed to the aggregate gross amounts raised of about S\$40.2 million under the Right Issue Bonds and the Placement Bonds.

- (vi) The implied P/NAV and P/NTA ratios based on the Exercise Price pursuant to the Proposed New Bonds and Warrants Issue are higher and more favourable than the implied P/NAV and P/NTA ratios based on the conversion prices for the Rights Issue Bonds and the Placement Bonds and are in line with the January 2026 Conversions.

We note that, notwithstanding that the Rights Issue Bonds were offered at a 15.0% discount to their par value, Mr. Chew and Ms. Doris were allotted and issued approximately S\$17.5 million (including excess applications) in aggregate principal amount of the Rights Issue Bonds, representing approximately 66.6% of the approximately S\$26.2 million aggregate principal amount issued. This indicated that the funding raised pursuant to the Rights Issue was heavily reliant on Mr. Chew and Ms. Doris.

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Such reliance or support became even more pronounced following Mr. Chew's subsequent acquisition of an additional approximately S\$17.5 million of the Placement Bonds via an off-market transaction in January 2024, resulting in the funding provided through the 2022 Convertible Bonds being principally (in terms of the principal amount of the 2022 Convertible Bonds about 79.4%) attributable to Mr. Chew.

The above comparison has to be assessed in the context of the fact that the economic or general market conditions for the Shares or the prices for which the Shares were traded at the time then prevailing as well as the purpose for the issuance of such instruments may have been different from the Proposed New Bonds and Warrants Issue. Hence, the comparison between the Exercise Price and relevant conversion prices for the Proposed Conversions, the Rights Issue Bonds and the Placement Bonds above is necessarily limited and meant for illustration purposes.

The Sale of Treasury Shares

On 13 November 2025 and 16 December 2025, the Company announced the sale of approximately 16.0 million treasury Shares and approximately 10.0 million treasury Shares through KGI Securities (Singapore) Pte. Ltd. ("**KGI Securities**") to undisclosed third parties via married deals at selling prices of S\$0.104 per Share and S\$0.133 per Share respectively (collectively, the "**KGI Selling Prices**"), which represented a discount of approximately 4.2% from and a premium of approximately 6.8% over the VWAP for the Shares of S\$0.1086 and S\$0.1245 on 12 November 2025 and 15 December 2025 respectively, with implied P/NAV and/or P/NTA ratios of approximately 0.3 times (P/NTA of 0.4 times for 15 December 2025) respectively (based on the Group's NAV as at 30 June 2025). The aggregate gross proceeds of approximately S\$3.0 million had been used for working capital. On 16 January 2026, the Company announced the sale of approximately 44.7 million treasury Shares through the placement agent, Maybank Securities Pte. Ltd. ("**Maybank Securities**") to third-party purchasers at selling price of S\$0.127 per Share ("**Maybank Selling Price**"), which represented a discount of approximately 9.2% from the VWAP for the Shares of S\$0.1399 on 15 January 2026, with implied P/NAV and P/NTA ratios of approximately 0.3 times and 0.4 times respectively. Gross proceeds of approximately S\$5.7 million were raised from this transaction.

We note the following:

- (i) The Exercise Price is lower than both the KGI Selling Prices and Maybank Selling Price.
- (ii) The amount "raised" from the Proposed New Bonds and Warrants Issue of approximately S\$35.0 million is significantly higher than the aggregate proceeds from the sale of treasury Shares of approximately S\$8.7 million by KGI Securities and Maybank Securities.
- (iii) The discount of 57.2% as implied by the Exercise Price from the VWAP for the Shares as at the Last Trading Day is less favourable as compared to the discount/premium implied by the KGI Selling Prices and Maybank Selling Price for the sale of treasury Shares from/over the VWAP for the Shares on 12 November 2025, 15 December 2025 and 15 January 2026 respectively.
- (iv) The implied P/NAV and P/NTA ratios based on the Exercise Price are lower than the implied P/NAV and P/NTA ratios for the sale of treasury Shares based on the KGI Selling Prices and Maybank Selling Price.

In general, the Exercise Price for the Warrants is less favourable as compared to KGI Selling Prices and Maybank Selling Price in both absolute and relative terms (in terms of the implied P/NAV and/or P/NTA ratios).

The above comparison should be assessed in conjunction with the fact that the sales of treasury Shares took place after the announcement date for the Proposed Conversions and that the prices for the Shares had increased significantly (likely underpinned by the positive market perception on the Proposed Conversions (which demonstrated the CHS Concert Party Group's confidence in and continued commitment to the Company) as well as other corporate developments including, *inter alia*, the Sale of Treasury Shares, the HFYR Disposal (which enabled the Group to eliminate

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approximately S\$57.5 million of intra-group liabilities through the assumption of liabilities by HHECM, while also secured cash proceeds), the Property Disposal and the then financial performance.

We have considered the theoretical value of the Warrants based on the Binomial and Black-Scholes models, which are common methodologies used in the calculation of the theoretical value of call options, which is similar to the Warrants or conversions rights embedded within convertible bonds. The theoretical value of the Warrants is a function of, *inter alia*, the exercise price of the warrants (or conversion price for the convertible bonds), the current price of the underlying Shares, whether the warrants (or convertibles) can only be exercisable (or convertible) on a predetermined exercise (conversion) dates or at any time prior to the expiry date, the exercise (or conversion) period, the risk-free interest rate, the dividend yield of the Shares and the price volatility of the underlying Shares.

Based on the risk-free interest rate, and on the assumption that

- The dividend yield of the Shares is nil. Directors and the Management have confirmed and represented that (save for the Proposed Special Dividend and the special interim dividend declared in January 2026 (“**January Special Dividend**”)), the Company had not declared any dividends in the last ten (10) financial years, being FY2016 to FY2025.

This assumption is based on the fact that the recent January Special Dividend as approved by Shareholders in January 2026 were, *inter alia*, in view of the expected cash savings arising from then Proposed Conversions. It is noted that in the event that the Proposed Conversions or any of the whitewash resolutions (therein proposed at the extraordinary shareholders meeting on 23 January 2026, wherein we acted as an independent financial adviser as described earlier in this Letter) was not approved by the independent shareholders, the January Special Dividend may not take place. Likewise, the Proposed Special Dividend is not considered as it is subject to Shareholders’ approval of the Proposed Refinancing as an IPT. Furthermore, in view of the assumption that dividend yield is nil, we note that the unlisted Warrants with restrictions on its exercise (pursuant to the undertakings provided) may not be exercised till much later and closer to maturity. Accordingly, the results from both the Binomial and Black-Scholes models are fairly similar.

- The historical price volatility of the Shares.

The theoretical value of the Warrants, as computed using the Binomial model and Black-Scholes model (as provided by Bloomberg L.P.) as at the Announcement Date, and taking into consideration where applicable that the Warrants can be exercised at any time during the exercise period of five (5) years (subject to such restrictions) at the Exercise Price and the closing price of the Share of S\$0.1480 as at the Last Trading Day, is approximately S\$0.1066 (with an intrinsic value (based on the closing price as at the Last Trading Day) and a time value of money of approximately S\$0.0830 and S\$0.0236 respectively) for each Warrant.

Similarly using the above assumptions (such as, *inter alia*, the relevant conversion period and the risk-free rate applicable to that period), the theoretical value of the conversion rights for the Convertible Bonds, is approximately S\$0.0887 (with an intrinsic value (based on the closing price as at the Last Trading Day) and time value of money of approximately S\$0.0830 and S\$0.0057 respectively) for each conversion right.

We note that both the Warrants and the Convertible Bonds are “deeply” in the money, and that the aggregate theoretical value of all the Warrants is approximately S\$57.4 million whilst the aggregate theoretical value of the conversion rights is approximately S\$47.8 million. Their theoretical values are both significantly higher than their respective principal amounts of approximately S\$35.0 million. Based on the closing price of the Share of S\$0.092 as at the Latest Practicable Date, we note that the aggregate theoretical value of all the Warrants is approximately S\$30.9 million whilst the aggregate theoretical value of the conversion rights is approximately S\$19.5 million. Their theoretical values are both lower than their respective principal amounts of approximately S\$35.0 million.

Independent Directors should note that as the Proposed Refinancing involves the issuance of Warrants with “economic cost” or theoretical values of approximately S\$9.6 million in excess of the theoretical values of the Convertible Bonds which are the subject of the Proposed Refinancing (mainly

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due to time value of money), and additional interest payable of approximately S\$6.7 million for the New Bonds as compared to the Convertible Bonds, the terms for the Proposed New Bonds and Warrants are not on normal commercial terms. Independent Shareholders should note that the additional interest payable is due to the extension of the maturity of the debt (as the coupon rate for the New Bonds is lower than the Convertible Bonds) and that as analysed in this Letter, the interest rate payable for the New Bonds is generally favourable as compared to past bond issues and Precedent IPT Transactions. Accordingly, the economic cost of the Proposed Refinancing without taking into account the additional interest payable is approximately S\$9.6 million.

This should be viewed in the context that as confirmed by Directors and Management (and described later), there are no alternative offers (which includes corporate actions involving *pro-rata* shareholders participation and/or third parties for debt, equity or quasi-equity instruments) for the refinancing of the Convertible Bonds in the event Mr. Chew and Ms. Doris do not convert their holdings.

We note that the aggregate incremental “economic cost” or values of the “option rights” for the Warrants and interest payable for the New Bonds of approximately S\$16.4 million as described above (or approximately S\$9.6 million without taking into account the additional interest payable for the New Bonds), is less than the “increase” or preservation of cash resources of approximately S\$35.0 million as described earlier (in the event that the Proposed Refinancing happens as compared to the event when the Convertible Bonds are repaid). We note that S\$16.4 million of incremental economic cost is incurred to, *inter alia*, preserve S\$35.0 million of immediate liquidity, and to avoid a 61.8% reduction in Adjusted Existing Cash, retain operating and capex headroom, and defer the repayment obligation for approximately 3.6 years (based on the Announcement Date) or approximately 4.0 years (based on the Latest Practicable Date).

In the event, if we value the Warrants based on the closing price of S\$0.092 as at the Latest Practicable Date, we note that the aggregate incremental “economic cost” or values of the “option rights” for the Warrants and interest payable for the New Bonds of approximately S\$19.0 million as described above (or approximately S\$11.4 million without taking into account the additional interest payable for the New Bonds of approximately S\$7.5 million), is less than the “increase” or preservation of cash resources of approximately S\$35.0 million.

Based on our discussions with Directors and Management, we understand that:

- The preservation of the Company’s existing cash resources would provide the Group with greater financial flexibility and maintain a readily available source of liquidity to meet its ongoing operational requirements, working capital needs and other financial obligations as and when they fall due. Such cash resources may also be deployed to support the Group’s business operations, fund capital expenditure, or strategic initiatives, and address unforeseen funding requirements or adverse changes in market or operating conditions.
- As at the Latest Practicable Date, the Group’s actual cash balance was significantly lower than the Adjusted Existing Cash balance of approximately S\$56.6 million. In addition, the amount of Group’s Adjusted Existing Cash balance were held in the PRC (such cash held by the Group in the PRC, including cash held by OUCHK) is approximately S\$68.1 million and, having regard to the applicable PRC foreign exchange controls, regulatory procedures and cross-border remittance requirements, such cash may not be readily transferable out of China or immediately available for deployment elsewhere within the Group. This should be compared against amount of Group’s Adjusted Existing Cash balance held outside the PRC (such cash held by the Group in the PRC, including cash held by OUCHK), which is a deficit of approximately S\$11.4 million (after taking into account, *inter alia*, the Arbitral Final Awards and interest payments for the 2022 Convertible Bonds).
- If the Group were required to redeem the existing Convertible Bonds using its available cash resources, the resulting substantial cash outflow would materially and adversely affect the Group’s liquidity position and could render its cash position financially untenable. Such repayment would severely deplete the cash available to fund the Group’s day-to-day operations, working capital requirements and other financial obligations, and could significantly impair its ability to address unforeseen funding needs, withstand adverse operating conditions, or pursue business opportunities.

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- The Proposed Refinancing is critical in enabling the Group to avoid an immediate and substantial depletion of its cash resources, preserve liquidity for its ongoing operations, and mitigate the risk of placing the Group under severe financial strain. The callable feature for the New Bonds provides and affords the Group greater financial flexibility, as it would allow the Group, subject to the terms of the New Bonds, to redeem the New Bonds before their scheduled maturity should its liquidity position, cash flows or access to alternative financing improve. This would enable the Group to manage and reduce its outstanding indebtedness at an appropriate time, rather than being required to maintain the New Bonds for the entire five (5)-year tenure.

The Company and its Independent Shareholders (in terms of their existing interests in the Existing Share Capital and Enlarged Share Capital which are not changed based on their proportionate “economic interest” in the “financial flexibility”), are not prejudiced as the Company can utilise the cash preserved or financial flexibility for purposes as described in the Circular and/or our Letter (for all Shareholders) and as the commercial terms for the New Bonds does reflect the existing financial performance, position and interest and debt servicing abilities, albeit the Group’s limited access to financing as described in this Letter.

The Company is not “worse off, as there are no alternative offers, as the existing Convertible Bonds are debt obligations which are due “soon” whilst the New Bonds are not due till five (5) years after their issuance and the incremental “economic cost” for the Proposed New Bonds and Warrants Issue should be compared to the preservation of cash resources as described earlier. The increase in cash resources we understand as confirmed by Directors and Management will allow the Company and the Group to further its restructuring efforts and transformation process with adequate financial resources and such efforts, we note in recent years have been translated to improved perception of the Group’s value as evidenced, in general, from the prices of Shares. While the Warrants have a relatively long exercise period of five (5) years, we understand from Directors and Management that the exercise period was determined as a commercial matter to coincide with the maturity of the New Bonds. Accordingly, the five (5)-year exercise period should be assessed in the context of the overall structure, commercial terms and tenure of the Proposed Refinancing, rather than viewed in isolation.

It should be noted that the theoretical value of the call option using the Binomial or Black-Scholes model may not reflect the actual values of the Warrants in the event of a transaction.

Independent Shareholders should note that the above observations do not take into account the future prospects of the Group or the performance of the Group or the trading of the Shares in event of re-ratings or perception of deleveraging or operational recovery or asset appreciation but take into account the historical trading prices of the Shares and its volatility and assumes the “efficiency” of the markets”.

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6.3 OTHER RECENT FUND RAISING EXERCISES

Issue of Unlisted, Non-Convertible Bonds of Up to an Aggregate Principal Amount of S\$20,000,000

On 24 July 2024, the Company announced a proposed issue of S\$20.0 million in unlisted, unsecured, 5-year 10.5% per annum bonds ("**S\$20 Million Bonds**"). The S\$20 Million Bonds were issued at par, in denominations of S\$250,000, and will rank as direct, unsubordinated and unsecured obligations of the Company. We note that the New Bonds are issued together with the Warrants which are deeply in the money. The purpose of this analysis is to evaluate the terms of the New Bonds (an integral part of the Proposed Refinancing) as a debt instrument when compared to the S\$20 Million Bonds.

	New Bonds	S\$20 Million Bonds
Principal Amount	S\$35.0 million	S\$20.0 million
Interest rate per annum	5.5%	10.5%
Maturity and security	5 Years and unsecured	5 Years and unsecured
Spread above SORA per annum (%) ⁽¹⁾	4.0404	6.9542

Note:

- (1) SORA rates are extracted from MAS website for 8 May 2026 (for the Proposed New Bonds and Warrants Issue) and 24 July 2024 (for the S\$20 Million Bonds).

We note the following:

- (i) The principal amount for the New Bonds is significantly higher than the S\$20 Million Bonds.
- (ii) The interest rate payable for the New Bonds of approximately 5.5% per annum is significantly lower than the S\$20 Million Bonds.
- (iii) The spread above SORA for the New Bonds is significantly lower than the S\$20 Million Bonds with similar maturity periods of five (5) years. Likewise, both bonds are rank as direct, unsubordinated and unsecured obligations of the Company.

Comparatively, the financial performance and position of the Group, in terms of profit before tax, has strengthened and improved in FY2026 as compared to that for the LTM ended 31 December 2023 ("**LTM2024**"). The Group's EBITDA has improved from approximately S\$32.0 million in LTM2024 to S\$41.0 million for FY2026.

Notable improvements were a sharp turnaround in profitability as the Group recorded profit before tax of approximately S\$6.8 million and lower loss after tax of approximately S\$6.4 million for FY2026, as compared to losses before tax and after tax of about S\$6.2 million and S\$12.9 million respectively in LTM2024.

The Group's interest servicing capacity, as reflected by the EBITDA/Finance Cost ratio, also showed an improvement to approximately 2.46 times for FY2026, relative to approximately 1.52 times for LTM2024.

The Group's equity base improved (from approximately S\$599.2 million in LTM2024) to approximately S\$631.0 million in FY2026, attributable to, *inter alia*, issuance of new Shares arising from conversion of convertible and non-convertible bonds, favourable currency translation movements and sale of treasury Shares, rather than an improvement in the Group's underlying business performance. Nevertheless, gearing (as computed in terms of net borrowings) was significantly lower at approximately 0.07 times as compared to approximately 0.34 times in LTM2024. The Group managed to pare down about S\$164.1 million of the Borrowings to S\$86.2 million in FY2026 through, *inter alia*, the HFYR Disposal, the Property Disposal and conversion of convertible and non-convertible bonds etc.

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In general, the spread above SORA for the New Bonds as compared to the S\$20 Million Bonds reflects the improved financial strength and strong balance sheet. The amount to be raised under the New Bonds is about 75.0% more than the S\$20 Million Bonds in 2024.

We note that Mr. Chew subscribed for approximately 58.8% or S\$11.75 million in aggregate principal amount of the S\$20 Million Bonds issued. His subscription constituted the majority of the funding raised under the S\$20 Million Bonds further demonstrating the Group's heavy reliance on Mr. Chew for access to funding.

Issue of Unlisted, Non-Convertible Bonds of Up to an Aggregate Principal Amount of S\$10,000,000

On 13 June 2025, the Company announced a proposed issue of the of unlisted and non-convertible, 5-year 10.5% unsecured bonds of up to an aggregate principal amount of S\$10.0 million ("**S\$10 Million Bonds**"). The S\$10 Million Bonds are issuable at par, in denominations of S\$250,000, and will rank as direct, unsubordinated and unsecured obligations of the Company. We note that the New Bonds are issued together with the Warrants which are deeply in the money. The purpose of this analysis is to evaluate the terms of the New Bonds (an integral part of the Proposed Refinancing) as a debt instrument when compared to the S\$10 Million Bonds.

	New Bonds	S\$10 Million Bonds
Principal Amount	S\$35.0 million	S\$10.0 million (only S\$4.0 million issued)
Interest rate per annum	5.5%	10.5%
Maturity and security	5 Years and unsecured	5 Years and unsecured
Spread above SORA per annum (%) ⁽¹⁾	4.0404	8.7469

Note:

- (1) SORA rates are extracted from MAS website for 8 May 2026 (for the Proposed New Bond and Warrants Issue) and 13 Jun 2025 (for the S\$10 Million Bonds).

We note the following:

- (i) The principal amount for the New Bonds is significantly higher than the S\$10 Million Bonds (wherein only S\$4.0 million had been issued).
- (ii) The interest rate payable for the New Bonds of 5.5% is significantly lower than the S\$10 Million Bonds.
- (iii) The spread above SORA for the New Bonds is significantly lower than the S\$10 Million Bonds with similar maturity periods of five (5) years. Likewise, both bonds are rank as direct, unsubordinated and unsecured obligations of the Company.

The Group's financial performance was generally much weaker for the LTM ended 31 December 2024 ("**LTM2025**") as compared to FY2026. This was evidenced by the losses of approximately S\$18.1 million incurred in LTM2025 as compared to lower losses of approximately S\$6.4 million incurred in FY2026.

The Group's EBITDA ballooned to approximately S\$41.0 million in FY2026, an improvement of about 90.0% over the EBITDA of approximately S\$21.6 million recorded for LTM2025. The higher EBITDA, coupled with a lower amount of financing cost, has led to an improved interest servicing ability, as measured by the EBITDA/Finance Cost ratio of approximately 2.46 times in FY2026 compared to approximately 1.16 times in LTM2025.

The Group's equity base in FY2026 improved to approximately S\$631.0 million, mainly due to, *inter alia*, issuance of new Shares arising from conversion of convertible and non-convertible bonds, favourable currency translation movements and sale of treasury Shares, rather than an

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improvement in the Group's underlying business performance as compared to approximately S\$590.7 million in LTM2025. The Group's net borrowings/equity base ratio improved to 0.07 times in FY2026 as compared to approximately 0.30 times in LTM2025 because of the reduction in the net borrowings and increase in equity base in FY2026.

In summary, the spread above SORA for the New Bonds declined sharply, approximately by half, as compared to the S\$10 Million Bonds; and this is attributable to, *inter alia*, the improved financial performance in FY2026. In addition, the amount raised under the New Bonds is about 250.0% higher than the S\$10 Million Bonds (or about 775.0% more than the actual amounts issued for the S\$10 Million Bonds).

Directors and Management have confirmed that, as at the Latest Practicable Date, subscriptions from investors (other than Mr. Chew) amounted to approximately S\$4.0 million (or only approximately 40.0%) of the targeted subscription amount of S\$10.0 million. Although the Group may continue to approach other investors to secure further subscriptions to achieve the S\$10.0 million target, it is apparent that without Mr. Chew's participation, the bonds would, as at the Latest Practicable Date, remained materially undersubscribed.

The New Bonds, the S\$20 Million Bonds and the S\$10 Million Bonds (wherein only S\$4.0 million had been issued) contain provisions which allow redemption at the option of the Company, subject to the applicable terms, before their scheduled maturity. As such, the call option is beneficial to the issuer as it subjects bondholders to early redemption and reinvestment risk. A callable bond would, all else being equal, generally be expected to carry a higher interest rate than otherwise compared to a non-callable bond to compensate investors for such risks. Notwithstanding that all the three instruments contain this issuer-favourable feature, the New Bonds bear interest at 5.5% per annum, which is substantially lower than the 10.5% per annum interest rate payable for both the S\$20 Million Bonds and the S\$10 Million Bonds (wherein only S\$4.0 million had been issued). Accordingly, the interest rate under the New Bonds appears much more favourable to the Company, particularly when considered together with the financial flexibility afforded by the optional redemption provision. More importantly, we note that the actual amount subscribed by investors other Mr. Chew for the S\$10 Million Bonds is only S\$4.0 million, and is significantly lower than the principal amount of the New Bonds.

6.4 IMPLICATIONS OF CHS CONCERT PARTY GROUP'S CONTROLLING INTEREST IN THE COMPANY AND THE CODE

We wish to highlight that as at the Latest Practicable Date, the CHS Concert Party Group has an aggregate interest in 784,440,463 Shares which represents approximately 43.11% of the voting rights of the Company.

As set out in Section 2.4 of the Circular, on a fully diluted basis and assuming, *inter alia*, exercise of the Warrants, the CHS Concert Party Group's shareholding interest in the Company would increase to approximately 56.11%. In such a scenario, the CHS Concert Party Group would attain the statutory control over the Company (but not super majority control) and be in position to be able to pass all ordinary resolutions on matters in which the CHS Concert Party Group do not have an interest in and which are tabled for Shareholders' approval at general meetings to be convened by the Company.

In addition, in such a scenario, the CHS Concert Party Group would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer. Notwithstanding this, we note that as the CHS Concert Party Group's existing shareholding interest is close to 50.0% and they are the single largest shareholder, they already have a significant ability to control and influence the Company in terms of activities and for that matter (given generally accepted Shareholders apathy in terms of voting and/or attendance) ability to pass ordinary resolutions on matters in which the CHS Concert Party Group do not have an interest in etc. Furthermore, the right to acquire Shares pursuant to the issuance of the Warrants does not accord Mr. Chew and Ms. Doris any additional rights that they do not already have pursuant to the existing Convertible Bonds which are being refinanced.

We note that as stated in Section 2.7 of the Circular, Mr. Chew and Ms. Doris have provided in the irrevocable undertakings to the Company that they will not exercise any Warrants issued to them pursuant to the Proposed New Bonds and Warrants Issue in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company. Such undertakings shall remain in force for so long as the Warrants remain exercisable. However, Mr. Chew and Ms. Doris may still exercise the Warrants to the extent that such exercise does not result in them acquiring more than 1.0% of the voting rights in the Company in any six-month period under Rule 14.1(b) of the Code. Such exercise may nevertheless result in a gradual increase in their combined shareholding interests in the Company without triggering a mandatory general offer obligation under the Code. The Exercise Period will not be extended, no replacement warrants will be issued upon expiry, and any unexercised Warrants will lapse.

For the avoidance of doubt, Rule 14 of the Code requires a shareholder (together with persons acting in concert) to make a mandatory general offer if their voting rights cross certain thresholds, typically 30.0% or more, or if they already hold between 30.0% and 50.0% and acquire additional shares that increase their stake by more than 1.0% in any six-month period (such right to increase their stake by not more than 1.0% will be termed the "**Creeping Rule**").

We note that as an illustration that:

- (i) In the event that the conversion rights under the Convertible Bonds held by Mr. Chew and Ms. Doris, are all "exercised" or converted, the CHS Concert Party Group may be required to make a mandatory general offer, subject to and in accordance with Rule 14 of the Code, (which would be unconditional at the onset) at an assumed or hypothetical minimum offer price of S\$0.065 per Share for each Share in the capital of the Company other than those already owned or controlled by the CHS Concert Party Group. For the purposes of this illustration, the assumed hypothetical general offer price of S\$0.065 per Share is premised on the application of Rule 14.3 of the Code thereto, subject to there being no higher price paid or deemed paid by the CHS Concert Party Group and/or the determination of the SIC.

For the purposes of this illustration, it is assumed that the relevant VWAPs of Shares (on the day on which all the Convertible Bonds held by Mr. Chew and Ms. Doris are converted) is the same as the Last Trading Day, such an assumed hypothetical general offer price of S\$0.065 per Share, being at a significant discount to the historical VWAPs (up to the Latest Practicable Date) as described in Section 5.4 of this Letter, may not be accepted by Independent

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Shareholders especially if they can dispose of their Shares in the market at a higher price net of transactional cost.

- (ii) Similarly, in the event that the Warrants to be issued are all exercised, and a mandatory general offer is triggered (notwithstanding the undertakings provided), the minimum offer price would be determined in accordance with Rule 14.3 of the Code thereto. Accordingly, the minimum offer price under such hypothetical mandatory general offer may correspond to the Exercise Price, subject to there being no higher price paid or deemed paid by the CHS Concert Party Group and/or the determination of the SIC.

For the purposes of this illustration, it is assumed that the relevant VWAPs of the Shares on the day on which the Warrants to be issued are exercised is the same as the Last Trading Day, and accordingly such a hypothetical mandatory general offer may not be accepted by Independent Shareholders especially if they can dispose of their Shares in the market at a higher price net of transactional cost.

- (iii) For completeness, the minimum offer price under any mandatory general offer, if triggered, may be determined by reference to such higher prices in accordance with Rule 14.3 of the Code thereto. In such circumstances, the CHS Concert Party Group may be required to make a mandatory general offer at an offer price higher than the Exercise Price or for that matter in the event the existing Convertible Bonds are exercised. Accordingly, the CHS Concert Party Group may not necessarily proceed with the exercise of the Warrants to be issued if doing so would trigger a mandatory general offer at such higher offer price or for that matter in the case of the existing Convertible Bonds being exercised. The interests (voting and economic) of Independent Shareholders are not materially different.

Accordingly, based on the analysis and discussions in this Letter, and above illustrations, the Proposed Refinancing which includes the issuance of the Warrants does not prejudice Independent Shareholders' interest or place Independent Shareholders in a "worse-off position" in terms of voting rights or "economic interests", or in whether to accept a general offer as their rights and "economic interests" are not materially different from the case when existing Convertible Bonds are exercised by Mr. Chew and Ms. Doris. In fact it may be argued that the "restrictions" pursuant to the undertakings provided for the exercise of the Warrants affords "protection" against immediate dilution for both the Company and its Independent Shareholders.

6.5 FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The pro-forma financial effects of the Proposed Transactions as well as its underlying assumptions are set out in Section 5 of the Circular. We recommend that Independent Shareholders read those pages of the Circular carefully and in its entirety.

For illustrative purposes only, we note from Section 5 of the Circular, the pro-forma financial effects (based on the audited financial statements for FY2026), assuming that the Proposed Transactions were completed on 30 June 2026, are as follows:

- (i) The Group's NTA would decrease slightly from approximately S\$536.0 million, to approximately S\$532.5 million. The Proposed Transactions will not result in a material change in NTA and is not unfavourable and not prejudicial to the interests of the Company and its Independent Shareholders. However, the Group's NTA per Share would decline from approximately 29.49 Singapore cents as at 30 June 2026 to approximately 22.58 Singapore cents, mainly as a result of the increase in the number of issued new Shares arising from the exercise of the Warrants. Independent Shareholders should note that both the Exercise Price and the number of new Shares to be issued in the event that the Warrants are exercised are similar to the conversion price and the number of new Shares to be issued on the conversion of existing Convertible Bonds. From this perspective, the dilution of NTA per Share (which arises from new Shares issued pursuant to the exercise of the Warrants) may not be prejudicial to the interests of the Company and its Independent Shareholders.
- (ii) The Group's loss after tax attributable to the equity holders of the Company would worsen from approximately S\$5.6 million to approximately S\$32.5 million, attributable to a loss arising from

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the disposal of Langfang Land, and partially offset by the interest savings net of proposed conversions expenses. Excluding the loss arising from the disposal of Langfang Land, the loss after tax attributable to the Company, which will improve to approximately S\$3.8 million (mainly attributable to the interest savings net of proposed conversion expenses), is not unfavourable and not prejudicial to the interests of the Company and its Independent Shareholders. However, on a per Share basis, the Group's loss per Share ("**LPS**") would worsen from approximately 0.36 Singapore cents to approximately 1.56 Singapore cents, mainly as a result of the increase in the number of issued Shares arising from the exercise of the Warrants. Independent Shareholders should note that the number of new Shares to be issued pursuant to the exercise of the Warrants is similar to the number of new Shares to be issued on the conversion of existing Convertible Bonds. From this perspective, the dilution of EPS may not be prejudicial to the interests of the Company and its Independent Shareholders.

- (iii) The Group's net borrowings would decrease significantly from approximately S\$47.0 million to a net cash position of approximately S\$33.8 million and its net gearing ratio would correspondingly improve from approximately 0.07 times to approximately negative 0.05 times, which is favourable to the Company and its Independent Shareholders.

In summary, based on the pro-forma financial effects as set out in Section 5 of the Circular, we note that the Proposed Refinancing as an IPT (one of the Proposed Transactions) is not expected to result in unfavourable effects (excluding loss arising from the disposal of Langfang Land) on the Group's loss after tax attributable to the equity holders of the Company, and the Group's NTA and the Group's financial position is strengthened, as evidenced by significant reduction in the Group's net borrowings and the corresponding improvement in its net gearing ratio. As described above, the Proposed Refinancing as an IPT in terms of NTA per Share or LPS, as compared to the existing Convertible Bonds, is in general not prejudicial to the interests of the Company and its Independent Shareholders.

The Directors represented and confirmed that the Proposed Transactions are in the interests of and beneficial to the Group as follows:

- (i) The Proposed Refinancing as an IPT is expected to ease the Group's repayment obligations, significantly improve its cash flow position, and alleviate, to a certain extent, uncertainties with regard to the Group's ability to continue as a going concern.
- (ii) Alternative funding arrangements for the repayment of the Convertible Bonds, such as further debt financing, equity issuance, or restructuring arrangements, may be on less favourable terms and could impose additional financial or operational constraints on the Company. The Company believes that the Proposed Refinancing as an IPT represents the most effective and sustainable solution currently available.
- (iii) The Proposed Special Dividend is intended to partially offset the dilutive impact on Shareholders. The Proposed Special Dividend serves as a tangible return to all Shareholders in recognition of their continued support and balances the interests of Shareholders by supporting long-term financial sustainability while also offering near-term value.

6.6 UNDERTAKING BY MR. CHEW AND MS. DORIS

As set out in Section 2.7 of the Circular, Mr. Chew and Ms. Doris have each provided irrevocable undertakings confirming that they are subscribing for the Proposed New Bonds and Warrants Issue on a principal basis, for their own benefit, and on the basis of the "safe harbour" exemptions under the SFA. They have acknowledged the associated resale restrictions, confirmed that they are not acting in concert with any other party, and have stated that they qualify as accredited investors or relevant persons under Section 275 of the SFA. Each has also undertaken not to offer the instruments for resale in any manner prohibited by the SFA.

6.7 DIVIDEND TRACK RECORD

The Directors and the Management have confirmed and represented that (save for the special dividend approved by Shareholders in January 2026 and the Proposed Special Dividend), the Company had not declared any dividends in the last ten (10) financial years, being FY2016 to FY2025. Based on our discussions with the Directors, we understand that the Company currently does not have a formal dividend policy. Generally, the Board considers factors such as the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other relevant factors before determining whether any dividend is to be declared and/or paid. In addition, save for the dividend approved by Shareholders in January 2026 and the Proposed Special Dividend, no dividends were declared or recommended in the last three (3) financial years as the Group intended to conserve cash for future investments and working capital requirements.

We wish to highlight that the above is not an indication of the Company's future dividend policy, and there is no assurance that the Company will or will not pay dividends in future.

6.8 NO ALTERNATIVE FUNDRAISING

The Directors have confirmed that whilst significant efforts have been made by Directors and Management to source for alternative offers or financing arrangements with better pricing and favourable terms, as at the Latest Practicable Date, they are not aware of any alternative offers or financing arrangements, that are comparable or materially more favourable in nature, size and scope when compared to the Proposed New Bonds and Warrant Issue.

Directors and Management have confirmed that without the Proposed New Bonds and Warrants Issue, the Group will not be in position to retire the Convertible Bonds with an outstanding principal amount, as at the Latest Practicable Date, of approximately S\$35.0 million ("**CB Amount**"), or any meaningful part of it in the short to medium term, given the weak historical financial performance and position of the Group with a net current liabilities position and the material uncertainty relating to going concern as highlighted by the Auditor for AR2025 as well as the fact that the CB Amount is approximately 89.5% of the Group's cash and bank balances as at 30 June 2026.

We understand from the Directors that they had considered other fund-raising alternatives, including but not limited to the search for other strategic investors/partners, undertaking of placement or rights issue, and borrowings from financial institutions (both locally and regionally), before eventually deciding to proceed with the Proposed New Bonds and Warrants Issue.

The Directors note that the Group's currently weak financial performance and position (in particular, the losses incurred or the minimal profits generated as the case may be for FY2024 to FY2026 (after adjusting for non-trade and non-recurring items), and the negative net working capital), together with the material uncertainties related to going concern for FY2025 as well as the outstanding regulatory and legal issues that certain of the Directors are confronted with, may make it difficult to seek any meaningful amount of external borrowing from financial institutions/investors or funds from a placement or a rights issue for such amounts without a significant discount to the Share price.

In addition, as discussed in Section 6.1 above, Directors and Management have confirmed that, as at the Latest Practicable Date, the Group does not have any unutilised banking facilities (save for the construction loan in Thailand, which may only be utilised for the construction of the relevant building). The Group has not been able to secure financing from numerous local or regional banks. We understand from Directors and Management that the matter, involves, *inter alia*, issues relating to the Group's past ability to settle its outstanding liabilities with financial institution(s), and the subsequent investigations by CAD and the MAS. These, together with charges brought against five (5) former and existing directors, have materially and adversely impaired the Group's financing profile, lenders perception and their ability to borrow from financial institutions/investors. Furthermore, Directors have highlighted that the New Bonds to be issued have minimal or no covenants attached, is unsecured and have a five (5)-year tenure.

Although investigations and legal proceedings remain ongoing and charges have yet to be finally determined, these matters have given rise to significant legal, regulatory, reputational and compliance concerns from the perspective of prospective lenders. In particular, any proposed banking relationship

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or financing application involving the Group would likely be subject to substantially heightened reviews, as well as considerably more stringent internal credit and risk approvals. Directors and Management have represented that these circumstances have created an exceptionally high, and presently prohibitive, barrier to the Group being “onboarded” as a banking client.

Accordingly, the Group has, in practical terms, been effectively “shut out” from conventional banking markets for about four (4) to five (5) years and has had extremely limited access to external funding from financial institutions during this period. Directors and Management have further confirmed that securing new banking facilities on commercially acceptable terms for five (5) years is presently neither realistic nor even a possible funding option for the Group. This prolonged inability to access conventional financing has materially restricted the Group’s funding alternatives and significantly increased its reliance on its existing cash resources and shareholder-related funding support with Mr. Chew often acting as a lender of last resort.

Based on confirmations provided by Directors and Management, the amount of cash held by the Group outside of the PRC (excluding cash held by OUCHK) of approximately S\$7.1 million (or approximately 18.1% of the total cash held by the Group), is less than the principal amount of Convertible Bonds. As mentioned previously, there is an estimated cash deficit of S\$11.4 million, thus the Company may not be in any position to repay the principal amount of Convertible Bonds which are the subject of the Proposed Refinancing. In these circumstances, Directors have confirmed that preserving the Group’s existing cash resources and securing the Proposed Refinancing is critical to avoiding a substantial depletion of liquidity, limitation of financial flexibility and the risk of placing the Group under severe and potentially untenable financial pressure. All these have also resulted in the Group in having to dispose its assets at a low price. Directors and Management have also confirmed that, owing to these acute funding and liquidity constraints, the Group has had to dispose of certain assets, in the past, at prices which they considered to be low and which did not fully reflect the underlying value of those assets.

Directors and Management have confirmed that the Group has undertaken various equity fund-raising exercises, including, *inter alia*, placements of treasury Shares, in an effort to strengthen its liquidity position and address its funding requirements. Notwithstanding these efforts, the aggregate proceeds raised had amounted to only approximately S\$8.7 million, which was materially below the Group’s financing needs. The limited proceeds raised had demonstrated the considerable difficulty faced by the Group in attracting sufficient investor demand and accessing the equity capital markets for any meaningful amount of funding without diluting existing Shareholders. The Proposed Refinancing and the undertakings provided, we note from discussions in earlier sections of this Letter does not put the Company or its Independent Shareholders in a worse-off position as the dilution (albeit the difference in timing) in terms of percentage shareholdings is not materially different from the existing Convertible Bonds.

In particular, Directors and Management have represented that, having regard to the outcome of these prior fund-raising exercises, the prevailing market appetite for the Shares and the relatively limited trading liquidity of the Shares, it would be extremely challenging, if not commercially unrealistic, for the Group to raise approximately S\$35.0 million through further placements or other equity fund-raising exercises within the required timeframe and on acceptable terms. Any attempt to raise such a substantial amount may likely require the issuance of a significant number of new Shares at a steep discount to the prevailing market price, resulting in an immediate and significant dilution to existing Shareholders. The significant increase in the number of Shares in issue and available for trading could also exert an immediate material downward pressure on the market price of the Shares and may potentially result in a sharp and sustained decline in the Share price. Even with such substantial “pricing concessions”, there would remain no certainty that the requisite amounts may be raised. Accordingly, Independent Directors are of the view that an equity fund-raising exercise does not presently constitute a credible, sufficient or realistically executable alternative to the Proposed Refinancing.

While the Group has considered undertaking a rights issue as an alternative means of raising the requisite funds, Directors and Management have represented that, based on the Group’s past fund-raising experience (particularly the Rights Issue), the exercise was only successful with the support of Mr. Chew. Notwithstanding that the Rights Issue Bonds were offered on relatively attractive terms, subscriptions attributable to Shareholders other than Mr. Chew amounted to only approximately S\$8.7

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million, representing approximately 33.4% of the aggregate principal amount offered. Accordingly, without Mr. Chew's commitment, support and substantial participation, the Rights Issue would have been materially undersubscribed and could not have achieved full subscription as demand from the wider Shareholder base was weak.

The outcome of the Rights Issue had demonstrated the limited appetite among the Company's other Shareholders to provide funding of a meaningful scale and the Group's heavy dependence on Mr. Chew as its "lender of last resort". As a comparison, the approximately S\$8.7 million (as mentioned above) which was subscribed by other Shareholders translates to only about 24.9% of the S\$35.0 million principal amount required under the Proposed Refinancing. Directors and Management have therefore represented that, having regard to the remaining maturity of approximately 1.38 years (based on Announcement Date) or 0.99 years (based on the Latest Practicable Date) for the Convertible Bonds, it would be extremely challenging, if not commercially unrealistic, for the Group to undertake and complete a further rights issue of the same magnitude within the available timeframe. Such an exercise may likely require a substantial discount to the prevailing market price, which may result in significant dilution to existing Shareholders and expose the Group to considerable execution and market risks. Accordingly, a further rights issue does not presently constitute a sufficiently certain, viable or practicable alternative to the Proposed Refinancing.

The S\$20 Million Bonds and the S\$10 Million Bonds (for which only S\$4.0 million was issued) had demonstrated a clear and recurring pattern of the Group's reliance on Mr. Chew for funding. These bonds whose principal amounts were much smaller were issued at significantly higher interest rates. Without Mr. Chew's substantial participation, the Rights Issue would not have been fully subscribed. Similarly, as at the Latest Practicable Date, subscriptions for the S\$10 Million Bonds from investors other than Mr. Chew amounted to only approximately S\$4.0 million, representing 40.0% of the targeted amount.

Accordingly, Mr. Chew's financial support has not been merely supplementary but has been essential and critical to the Group's fund-raising efforts. In these circumstances, the Directors are of the view that a further rights issue does not presently constitute a viable or practicable alternative to the Proposed Refinancing. Independent Directors have confirmed that in the absence of the Proposed Refinancing, there are no alternatives available to the Group.

6.9 NO ASSURANCE OF PROFITABILITY OF THE SHARES

We would also like to highlight that there is no assurance that the steps taken or to be taken by the Company subsequent to the Proposed New Bonds and Warrants Issue to improve the Group's financial position and performance will be successful or would result in an enhancement of Shareholder value.

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7. OPINION AND RECOMMENDATION

In arriving at our recommendation, we have reviewed and examined all factors set out in Sections 5 and 6 of this Letter as well as others elaborated elsewhere in this Letter which we have considered to be pertinent in our assessment of the Proposed Refinancing as an IPT, including, *inter alia*, the views of and representations by Directors. Our recommendation or opinion is by no means an indication of the merits, financial performance and position or prospects of the Company or the Group after the completion of the Proposed Transactions, or the ability of the Company or the Group to service or meet its obligations when they fall due or whether the Proposed Refinancing as an IPT will alleviate the uncertainties (if any) regarding the Company or the Group's ability to operate as a going concern or the Exercise Price or the prices at which the Shares would trade after completion of the Proposed Transactions.

Shareholders are advised to read this Letter carefully and in its entirety. Our views, recommendation and opinion are necessarily limited and subject to the matters stated in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

In summary, having regard to our analysis and the consideration in this Letter (including, *inter alia*, its limitation and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to our terms of reference, as well as the representation and confirmation from Directors, we are of the opinion that on balance the terms of the Proposed Refinancing as an IPT, are **NOT ON NORMAL COMMERCIAL TERMS, AND NOT PREJUDICIAL** to the interests of the Company and the Independent Shareholders, after considering, *inter alia*, the following factors:

- (i) The Group's reliance on Mr. Chew for funding. The subscription for the Rights Issue, the S\$20 Million Bonds and the S\$10 Million Bonds (of which only S\$4.0 million was issued) had demonstrated a persistent and recurring pattern of the Group's heavy reliance on Mr. Chew for funding. Without Mr. Chew's commitment and support, the Rights Issue and the S\$20 Million Bonds would not have been fully subscribed, and these fund raising exercises would have been futile and failed to achieve their respective fund-raising objectives. Similarly, as at the Latest Practicable Date, subscriptions for the S\$10 Million Bonds from investors other than Mr. Chew amounted to only approximately S\$4.0 million or about 40.0% of the targeted principal amount. As of now, it still falls short of the original intended principal amount of S\$10.0 million. Thus, it appears that Mr. Chew's financial support has not been merely supplementary but has been very crucial and essential to the successful completion of the Group's past fund-raising exercises. These past fund-raising exercises had demonstrated that the Group had been unable to secure the requisite funding from investors without Mr. Chew support and commitments.
- (ii) The Exercise Price represents discounts of approximately 81.3% and 78.0% from the NAV per Share and NTA per Share respectively (as set out in Section 5.3 of this Letter). After taking into consideration the adjustments made as described in Section 5.3 of this Letter, the Proposed New Bonds and Warrants Issue, and the Proposed Special Dividend (but before the exercise of the Warrants), the Exercise Price represents discounts of approximately 81.1% and 77.7% from the Group's Adjusted NAV and Adjusted NTA after the Proposed New Bonds and Warrants Issue per Share, respectively.
- (iii) The P/NAV (or P/LPD Adjusted NAV or P/Adjusted NAV after Proposed New Bonds and Warrants Issue) multiple as implied by the Exercise Price is relatively lower and less favourable than the median and simple average of the historical trailing P/NAV multiples for each of the 1-month, 3-month, 6-month and 12-month periods prior to the Last Trading Day. However, it is significantly higher than the median and marginally higher than the simple average of the trailing P/NAV multiples for the 24-month period prior to the Last Trading Day.
- (iv) In general, the Exercise Price, as highlighted in Section 5.4 of this Letter, is not favourable as compared to the historical prices for the Shares prior to the Last Trading Day considering, *inter alia*, (a) the discount from the VWAP on the Last Trading Day; and (b) the discounts from the

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VWAP of the Shares for the 1-month, 3-month, 6-month, 12-month and 24-month periods prior to the Last Trading Day respectively.

- (v) The valuation of the Group (as implied by the Exercise Price) in terms of P/NAV and P/NTA (or LPD Adjusted P/NAV and/or LPD Adjusted P/NTA) appears to be lower and less favourable as compared to both the median and simple average of the Selected Comparable Companies after considering the factors highlighted in Section 5.5 of this Letter.
- (vi) The proposed interest rate payable for the New Bonds is favourable and lower than both the median and simple average of the Precedent IPT Transactions. As highlighted in Section 5.6 of this Letter, the LTM EBITDA/ (Interest + current borrowings) ratio of the Group appears to be within the range, but lower than both the median and simple average of the Precedent IPT Transactions. This indicates the Group's comparatively weaker debt-servicing capability with the New Bonds' maturity being longer than both the median and simple average of the Precedent IPT Transactions and, correspondingly, a higher credit risk profile relative to the Precedent IPT Transactions.

Whilst we have analysed the Proposed Refinancing with its constituents being the New Bonds and Warrants, we note as an observation from the Precedent Convertibles that the discount of the Exercise Price from the closing price on the Last Trading Day is less favourable and significantly higher than both the median and simple average of the discounts of the conversion prices from the relevant last traded prices of their shares for the Precedent Convertibles. Similarly, the P/NTA (or P/NAV) ratio as implied by the Exercise Price and the LPD Adjusted NTA per Share (or LPD Adjusted NAV per Share) for the Warrants is less favourable and significantly lower than both the simple average and median conversion price to NTA (or NAV) per share for the Precedent Convertibles.

- (vii) The rationale for the Proposed Refinancing as an IPT as outlined in Section 6 of the Circular. In particular, we note that: (a) the Proposed Refinancing as an IPT will allow the Company to refinance and purchase a large portion of the outstanding 2022 Convertible Bonds without utilising the Company's internal cash resources or existing credit facilities, and that the bulk of the Group's cash resources are held within the PRC and any "remittance" of such cash is subject to PRC foreign exchange controls on remittance out of the PRC. It would thereby (a) preserve the Group's liquidity and working capital for its operational and business needs; (b) provide greater financial flexibility since the maturity of the Company's debt obligations (pursuant to the Convertibles to be refinanced) will be extended by a further four (4) years; and that (c) a significant amount of the Group's total cash was held by entities within the PRC (including Hong Kong). We note as confirmed by Directors that the amount of cash as at 30 June 2026 held outside of the PRC (excluding cash held by OUCHK) of approximately S\$7.1 million may not suffice for repayment or redemption of the Convertible Bonds, not to mention the potential amounts payable for Arbitral Final Awards of approximately S\$17.2 million wherein we note from the 29 July 2026 announcement that the Company intends to "*vigorously pursue all available legal remedies and avenues to challenge the Final Awards, including filing an application with the competent court to set aside the Final Awards*".
- (viii) The Group's historically weak financial performance, as outlined in Section 5.2 of this Letter. This is demonstrated by the losses incurred (after adjusting for non-trade and non-recurring items, for the past three (3) financial years) and its weak financial position (as demonstrated by the negative net working capital as at 30 June 2026), as well as the fact that the principal amount of the Convertible Bonds which are the subject of the Proposed Refinancing is approximately 89.5% of the Group's cash and bank balances as at 30 June 2026.
- (ix) The Proposed New Bonds and Warrants Issue is undertaken to refinance the existing Convertible Bonds held by Mr. Chew and Ms. Doris, which we have viewed in the context of past fund-raising exercises, which include, *inter alia*, the Rights Issue Bonds, the Placement Bonds and the Proposed Conversions.

The discount of 57.2% as implied by the Exercise Price from the VWAP of the Shares as at the Last Trading Day is significantly higher or less favourable as compared to the discounts from the relevant VWAPs for the Proposed Conversions and the Right Issue Bonds, or the premium

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over the relevant VWAP for the Placement Bonds. However, the implied P/NAV and P/NTA ratios based on the Exercise Price, LPD Adjusted NAV or NTA per Share, and Adjusted NAV or NTA per Share) pursuant to the Proposed New Bonds and Warrants Issue are higher and more favourable than the implied P/NAV and P/NTA ratios based on the conversion prices for the Rights Issue Bonds and the Placement Bonds and are in line with the January 2026 Conversions.

The Directors believe that: (a) the longer maturity, the structure and terms of the Proposed New Bonds and Warrants Issue provide a more favourable option to the Company as compared to financing which are presently not available from banks, financial institutions and investors for similar amounts; (b) raising long-term funds through the New Bonds (which are redeemable at the Company's option) and the Warrants (which may only be exercised much later) would enable the Company to diversify its sources through a mix of equity and debt securities with flexibility for liquidity and repayment with extended maturity; (c) the Warrants, may on exercise enable the Company to increase its liquidity and given the "restrictions" provided pursuant to the undertakings, it will not result in an immediate dilution of Independent Shareholders' interest; and (d) the provision which allows for redemption at the option of the Company under the New Bonds would provide the Group greater financial flexibility, as it would allow the Group, subject to the terms of the New Bonds, to redeem the New Bonds before their scheduled maturity should its liquidity position, cash flows or access to alternative financing improve.

We have also compared other fund-raising exercises like the S\$20 Million Bonds (wherein Mr. Chew's participation was significant at about 58.8%) and the S\$10 Million Bonds (for which only S\$4.0 million was subscribed). In general, the spread above SORA for the New Bonds is more favourable when compared to the S\$20 Million Bonds and S\$10 Million Bonds and is reflective of the financial performance, position and credit standing of the Group at the relevant point in time.

- (x) The amount of Adjusted Existing Cash with Proposed Refinancing and No Special Dividends would be significantly more (about 2.6 times) as compared to Adjusted Existing Cash with No Proposed Refinancing and No Special Dividends due to the repayment of the existing Convertible Bonds owned by Mr. Chew and Ms. Doris.

We also note that a significant amount of the Group's Adjusted Existing Cash is in the PRC, and Management and Directors have confirmed that that the amount of Adjusted Existing Cash held by the Group outside of the PRC is significantly less than the principal amount of Convertible Bonds which are the subject of the Proposed Refinancing (in fact, the Adjusted Existing cash held outside of the PRC (excluding cash held by OUCHK) as at 30 June 2026 of approximately S\$7.1 million may not suffice for repayment or redemption of the Convertible Bonds, not to mention the potential amounts payable for the Arbitral Final Awards; and funds in the PRC cannot be easily repatriated to Singapore for their use.

- (xi) The dilution impact of the exercise of the Warrants on existing Independent Shareholders' interest is set out in Section 6.1 of this Letter. Independent Shareholders are not prejudiced in terms of the absolute number of Shares they hold or the potential dilution in terms of percentage of shareholding interests pursuant to the issue of the Warrants which are exercisable into such number of new Shares which is similar when compared to the conversion of the existing Convertible Bonds held by Mr. Chew and Ms. Doris. We note that there is no "transfer" of voting rights or material differences in voting rights (or participation in economic benefits from future or prospective performance which may or may not be translated to prices of Shares) from the Independent Shareholders, as their interests in the Company does not change after the Proposed Refinancing as compared to the Convertible Bonds, albeit the differences in maturities. Whilst the CHS Concert Party Group, as at the Latest Practicable Date, does not have statutory control, they are the single largest group of Shareholders and do have significant influence over the business and operating strategies of the Group, and the ability to influence the outcome of resolutions (wherein they are not interested in) given shareholders apathy in general and attendance in general meetings.

As described and illustrated in Section 6.4, we note that the right to acquire Shares pursuant to the issuance of the Warrants does not accord Mr. Chew and Ms. Doris any additional rights that

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they do not already have pursuant to the existing Convertible Bonds (and there is no waiver of Independent Shareholders' rights in a takeover), albeit the differences in expiry profiles. In addition, given the market prices of the Shares, Independent Shareholders may not accept, as described in this Letter, in the hypothetical event of a mandatory general offer, a minimum offer price of say S\$0.065. Accordingly, Independent Shareholders' interests are not prejudiced.

Furthermore, the "restrictions" on the exercise of the Warrants provided pursuant to the undertakings will afford Independent Shareholders "protection" from an immediate dilution of their shareholding interests and they are not materially worse off. Independent Shareholders will retain their voting influence and governance protection (which arises from delaying the acquisition of voting rights and preserving minority influence) for a longer period than would otherwise have been the case notwithstanding that the dilution is deferred rather than avoided.

- (xii) On its announcement dated 21 October 2021, the Group stated that the MAS and the CAD requested documents relating to loan facilities extended by certain financial institutions, in connection with potential disclosure-related offenses under the SFA. The investigations subsequently led to the charging of five former and current directors on 20 September 2024 in relation to the Company's alleged failure to disclose defaults under certain credit facilities. The ongoing investigations and legal proceedings arising from the Group's alleged disclosure-related offences with respect to the Group's ability to meet its obligations when due, have resulted in significant legal, regulatory, reputational and compliance concerns, which Directors and Management have represented have been "a heavy boulder over the Company's neck" effectively restricting the Group's access to conventional bank financing for about four (4) to five (5) years. Consequently, the Group has had limited funding alternatives, increased reliance on its existing cash resources and shareholder-related funding, and, *inter alia*, in certain instances, may have disposed of assets at prices which may not fully reflect their underlying values. In these circumstances, preserving the Group's cash resources and securing the Proposed Refinancing may be important to maintaining its liquidity and avoiding severe financial pressure. These are implications and impediments as the outstanding issues relate to, limitation of the Group's ability to credibly tap into banking, debt and equity capital markets.

The aggregate incremental "economic cost" of the Warrants and interest payable for the New Bonds, should be viewed in the context of the: (a) preservation of cash resources of approximately S\$35.0 million (in the event that the Proposed Refinancing happens as compared to the event when the Convertible Bonds are repaid); and (b) the limited amount of the Group's cash held outside the PRC (which may be required for, *inter alia*, its working capital and investment purposes not to mention meeting its obligations outside of the PRC etc).

The preservation of the Group's cash resources: (a) provides greater financial flexibility and liquidity, (b) enables the Group to deploy such funds in accordance with its objectives and to support the generation of future economic benefits; (c) improves current and liquid ratios with no change in net debt; (d) provides the needed cash buffer given, *inter alia*, the average historical capex requirements were about S\$9.0 million per annum (as reflected in the last three (3) financial years ended 30 June 2026); and (e) does not "impede" Independent Shareholders' ability to participate and given the undertakings provided such participation is without any immediate dilution in terms of future economic benefits.

- (xiii) The potential favourable financial effects of the Proposed Refinancing as an IPT, which are not unfavourable, as outlined in this Letter on the Group's loss after tax attributable to the equity holders of the Company (excluding loss on disposal of Langfang Land), the Group's NTA and the strengthening of its financial position, as evidenced by an improvement from a net debt to a net cash position) as well as the corresponding improvement in its net gearing ratio, whilst noting the less favourable financial effects of the Proposed Refinancing as an IPT on LPS and the Group's NTA per Share, which may not be materially different when compared to the existing Convertible Bonds.
- (xiv) The Directors' confirmation and representation as described in Section 6.8 of this Letter that they had considered other funding alternatives, including but not limited to search for other strategic investors/partners, undertaking of placement or rights issue, and obtaining external borrowings from financial institutions, and they are not aware of any alternative offers or

APPENDIX B

financing, which is comparable in nature, size and scope, and materially more favourable than the Proposed New Bonds and Warrants Issue.

- (xv) The Directors' opinion as set out in Section 9 of the Circular that the Directors, having considered, amongst others, the rationale for the Proposed Refinancing as an IPT, are of the opinion that the Proposed Refinancing as an IPT, is in the best interests of the Group and not prejudicial to the interests of the Independent Shareholders.
- (xvi) Although there is an economic cost for the Warrants, we note that, *inter alia*, after balancing the preservation of S\$35.0 million of liquidity, the absence of comparable financing alternatives, the Group's existing cash resources under various scenarios, (*inter alia*, the amount of cash held outside of the PRC (excluding cash held by OUCHK) as at 30 June 2026 of approximately S\$7.1 million which may not suffice for repayment or redemption of the Convertible Bonds, not to mention the potential amounts payable for the Arbitral Final Awards and the difficulties in remitting cash from the PRC), the extension of debt maturity, the substantially similar dilution profile as compared with the existing Convertible Bonds, and the dilution and governance protections arising from the undertakings, the Proposed Refinancing, taken as a whole, is not materially prejudicial to the interests of the Company and the Independent Shareholders.

APPENDIX B

Matters to highlight

We would also wish to highlight the following matters which may affect the decisions or actions of the Independent Shareholders:

- (1) Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, PPE; investment properties; intangible assets; and non-current assets held for sale) or contracts entered into or to be entered into by the Group (where applicable), and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into or to be entered into by the Group.

With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, PPE; investment properties; intangible assets; and non-current assets held for sale) including, *inter alia*, the contracts or agreements that the Group has embarked upon or is about to embark upon (where applicable) and have relied on the opinion of the Directors and the audited financial statements where applicable for the assessment.

- (2) Directors and Management have confirmed, *inter alia*, that, to the best of their knowledge and belief, (a) save as disclosed in the audited consolidated financial statements of the Group for FY2026, the Group's announcements on the SGXNet and the Circular, there have been no known material events that have or will have material impact to the audited consolidated financial statement of financial position of the Group since 30 June 2026 as compared to the analysis reflected in this Letter; and (b) there are no material differences between the estimated market value of the assets and liabilities and their respective book values as at 30 June 2026 which would have a material impact on the NAV and NTA of the Group as compared to the analysis reflected in this Letter.
- (3) The scope of our appointment does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group before and after the transactions stipulated in the Circular or the Proposed Refinancing as an IPT or the sufficiency of the Group's working capital or the ability of the Group to continue as a going concern. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the Proposed Refinancing as an IPT or the other transactions or resolutions stipulated in the Circular (where applicable), or voting for or voting against the Proposed Refinancing as an IPT or the other transactions or resolutions stipulated in the Circular (where applicable) or on the future financial performance of the Company or the Group or the plans (if any) for each of them.
- (4) Mr. Chew and Ms. Doris have undertaken not to, exercise any Warrants issued to them pursuant to the Proposed New Bonds and Warrants Issue in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company. Such undertakings shall remain in force for so long as the Warrants remain exercisable.
- (5) As at the Latest Practicable Date, the CHS Concert Party Group owns 784,440,463 Shares or approximately 43.11% of the Existing Share Capital. Accordingly, the undertakings provided does not mean that they will not be able to exercise all the Warrants which are proposed to be issued. Instead, subject to and in satisfaction of the Creeping Rule, the CHS Concert Party Group may time their exercise of the Warrants such that they will exceed 50.0% of the voting rights without triggering a mandatory general offer.

Specific objectives

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular or individual needs and constraints of any individual Independent Shareholder. As each Independent Shareholder or group of Independent Shareholders would have different investment objectives and profiles, Independent Directors should advise any individual Shareholder or group of Shareholders who may require specific advice in the context of investments in unlisted shares or his or their specific investment objectives or portfolio to consult his

APPENDIX B

or their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Independent Shareholders are advised to read Section 14 of the Circular and Notice of the EGM which has been enclosed with the Circular carefully so that the appropriate election of voting for or voting against can be made.

This Letter is addressed to the Independent Directors in connection with and for the purpose of their evaluation of the Proposed Refinancing as an IPT and is not meant or intended to be an evaluation of the other resolutions to be proposed or alternatives. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor the Shareholders nor any third parties, may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose, save in connection with the Circular, at any time and in any manner without the prior written consent of ACA in each specific case except for the EGM and the Proposed Refinancing.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters and the scope of our appointment stated herein and does not apply by implication to any other matter.

The recommendations made by the Independent Directors to Shareholders in relation to the Proposed Refinancing as an IPT as well as the other resolutions referred to in the Circular and the issue of the Circular shall remain the sole responsibility of the Independent Directors and the Directors respectively.

Yours faithfully,

For and on behalf of

ASIAN CORPORATE ADVISORS PTE. LTD.

H.K. LIAU
MANAGING DIRECTOR

FOO QUEE YIN
MANAGING DIRECTOR

NOTICE OF EXTRAORDINARY GENERAL MEETING

RafflesEducation

RAFFLES EDUCATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199400712N)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of Raffles Education Limited (“**Company**”) will be held at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164 on 30 October 2026 (Friday) at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution:

*Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as ascribed to them in the circular to shareholders dated 14 October 2026 issued by the Company (“**Circular**”).*

ORDINARY RESOLUTION 1: THE PROPOSED REFINANCING

THAT:

- (a) approval be and is hereby given for the Proposed CB Purchase and Proposed New Bonds and Warrants Issue and the transactions contemplated under the respective Bond Subscription Agreements;
- (b) pursuant to section 161 of the Companies Act and Rules 805, 811 and 812 of the Listing Manual, approval be and is hereby given (notwithstanding that the issue thereof may take place after the next or ensuing annual or other general meeting of the Company) for:
 - (i) the creation, allotment and issue of up to 538,927,784 Warrants to Mr. Chew and Ms. Doris, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price of S\$0.065 per New Share during the Exercise Period, subject to and otherwise in accordance with the terms and conditions of the Deed Poll (the “**Warrant Conditions**”);
 - (ii) the creation, allotment and issue of such additional Warrants (“**Additional Warrants**”) as may be required or permitted to be issued in accordance with any adjustment events as set out in the Warrant Conditions, any such Additional Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series as the Warrants, save as otherwise provided in the Warrant Conditions;
 - (iii) the allotment and issue of, upon the exercise of the Warrants, up to 538,927,784 New Shares (or such other number as may result from any adjustment pursuant to the Warrant Conditions) as may be required or permitted to be allotted and issued to Mr. Chew and/or Ms. Doris upon the exercise of the Warrants, subject to and otherwise in accordance with the Warrant Conditions and their irrevocable undertakings, such New Shares to be credited as fully paid when issued and to rank for any dividends, rights, allocations or other distributions, the record date for which falls on or after the relevant exercise date of the relevant Warrants, and, subject as aforesaid, *pari passu* in all other respects with the then existing ordinary shares in the capital of the Company; and
 - (iv) the allotment and issue of, on the same basis as sub-paragraph (iii) above, such additional New Shares as may be required to be allotted and issued upon the exercise of any Additional Warrants referred to in sub-paragraph (ii) above, such additional New Shares to be credited as fully paid when issued and to rank for any dividends, rights, allocations or other distributions, the record date for which falls on or after the relevant exercise date of the relevant Additional Warrants, and, subject as aforesaid, *pari passu* in all other respects with the then existing ordinary shares in the capital of the Company;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for the Proposed Refinancing as an interested person transaction under Chapter 9 of the Listing Manual;
- (d) the Directors and each of them be and are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this Ordinary Resolution or in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

By Order of the Board
RAFFLES EDUCATION LIMITED

Keloth Raj Kumar (Mr)
Company Secretary
14 October 2026

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

Unless otherwise defined, all capitalised terms used herein shall have the same meanings as the Circular dated 14 October 2026.

- (1) The EGM will be held, in a wholly physical format, at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164 on 30 October 2026 (Friday) at 9.30 a.m.. **There will be no option for Shareholders to participate virtually.**
- (2) The documents and information relating to the EGM (including the Circular, Notice of EGM, Proxy Form and Request Form) have been made available on SGXNet and the Company's website and may be accessed at the following URLs:
 - (a) <https://www.sgx.com/securities/company-announcements>
 - (b) <https://raffles.education/InvestorRelations.html>

Printed copies of this Circular will NOT be despatched to Shareholders. Nevertheless, printed copies of the Notice of EGM, the Proxy Form and the Request Form will be despatched to Shareholders. Shareholders may request physical copies of this Circular by filling out the form to request for printed copy of the Circular ("**Request Form**") and returning it to the Company by post to the office of the Share Registrar of the Company (B.A.C.S. Private Limited) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or if by electronic mail to main@zicoholdings.com enclosing a clear scanned completed and signed Request Form, to be received by the Company no later than 20 October 2026.

- (3) Submission of questions in advance of the EGM
 - (a) All Shareholders may submit substantial and relevant questions relating to the business of the EGM up till 9.30 a.m. on 23 October 2026 either:
 - (i) by post to the office of the Share Registrar of the Company (B.A.C.S. Private Limited) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (ii) by email to the Company's Share Registrar of the Company (B.A.C.S. Private Limited), at main@zicoholdings.com.

Shareholders who submit questions in advance of the EGM should provide their full name, identification/registration number, address, contact number, email and the manner in which they hold Shares (if you hold Shares directly, please provide your account number with The Central Depository (Pte) Limited ("**CDP**"); otherwise, please state if you hold your Shares through the Central Provident Fund ("**CPF**"), Supplementary Retirement Scheme ("**SRS**") or other Relevant Intermediary) for verification purposes, failing which the submission will be treated as invalid.

- (b) The Company will endeavour to address all substantial and relevant questions:
 - (i) (if received by the deadline set out in section 3(a) above) before the EGM, at least 48 hours before the closing date and time for the lodgement of the Proxy Forms via an announcement on SGXNet and the Company's website; or
 - (ii) (if received after the deadline set out in section 3(a) above) during the EGM.
- (c) Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- (d) The Company will also, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company's website, and the minutes will include the responses to the questions received from Shareholders which were addressed during the EGM.

(4) Voting

Shareholders who wish to exercise their voting rights at the EGM may:

- (a) (where the Shareholder is an individual) attend and vote at the EGM; or
- (b) (where the Shareholder is an individual or a corporation) appoint a proxy to vote on their behalf.

Each of the resolutions to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of poll.

Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the EGM via proxy must submit a form of proxy to appoint the proxy ("**Proxy Form**"). The Proxy Form must be submitted to the Company in the following manner:

- (a) by post to the Share Registrar of the Company (B.A.C.S. Private Limited) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (b) by email to the Share Registrar of the Company (B.A.C.S. Private Limited), at main@zicoholdings.com,

in either case, so as to be received no later than **9.30 a.m. on Tuesday, 27 October 2026, being 72 hours before the time fixed for the EGM**, failing which the Proxy Form will be treated as invalid. Members are strongly encouraged to submit completed Proxy Forms electronically via email.

Unless otherwise permitted under the Companies Act 1967 of Singapore (the "**Companies Act**"), a member of the Company entitled to attend, speak and vote at the EGM may appoint not more than two proxies to attend, speak and vote in his stead.

NOTICE OF EXTRAORDINARY GENERAL MEETING

A member can appoint the Chairman of the EGM as his/her/its proxy, but this is not mandatory. A proxy need not be a member of the Company.

A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the Proxy Form.

In the case of submission of the Proxy Form appointing the Chairman of the EGM as proxy, it must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

An investor who holds shares through CPF or SRS and wishes to vote, should approach their respective CPF Agent Banks (i.e. the agent banks approved by CPF) or SRS Operators (i.e. the agent banks included in the SRS) to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM (i.e. by 5.00 p.m. on Tuesday, 20 October 2026).

The name of a Depositor (as defined under Section 81SF of the Securities and Futures Act 2001 of Singapore) must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

(5) Voting Results

An independent scrutineer will be appointed by the Company to direct and supervise the counting and validation of all valid votes cast at the EGM. The voting results will be announced during the EGM and the Company will also issue an announcement on SGXNet on the results of the resolutions put to vote at the EGM.

“Relevant Intermediary” has the same meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, **“Purposes”**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

RAFFLES EDUCATION LIMITED

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

EXTRAORDINARY GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

A printed copy of this Proxy Form will be sent to members and has also been made available to members via electronic means on SGXNet and the Company's website.

IMPORTANT:

1. The EGM will be held, in a wholly physical format, at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164 on 30 October 2026 (Friday) at 9.30 a.m.. There will be no option for Shareholders to participate virtually.
2. Unless otherwise defined, all capitalised terms used herein shall have the same meanings as the Circular dated 14 October 2026.
3. Pursuant to Section 181 of the Companies Act 1967 of Singapore, Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the EGM.
4. For Central Provident Fund ("CPF") / Supplementary Retirement Scheme ("SRS") investors who have used their CPF / SRS monies to buy Shares in Raffles Education Limited, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective agent banks if they have any queries regarding their appointment as proxies.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 14 October 2026.

*I/We (Name) _____

*NRIC/Passport No./Company Registration No. _____

of (Address) _____

being a member/members of RAFFLES EDUCATION LIMITED (the "Company") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or if no proxy is named, the Chairman ("Chairman") of the Extraordinary General Meeting (the "EGM") of the Company, as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the EGM to be held at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164 on 30 October 2026 (Friday) at 9.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the below resolutions if no voting instruction is specified, and on any other matter arising at the Extraordinary General Meeting and at any adjournment thereof.

No.	ORDINARY RESOLUTION	For**	Against**	Abstain**
1.	The Proposed Refinancing			

Notes:

* Delete as appropriate.

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" please tick [✓] in the "For" or "Against" box. Alternatively, please indicate the number of votes "For" or "Against" in the appropriate box. If you wish to "Abstain" from voting on the resolution, please tick [✓] in the abstain box. Alternatively, please indicate the number of shares you wish to abstain from voting.

Dated this _____ day of _____

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:

1. Please insert the total number of ordinary shares in the issued share capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the register of members kept by the Share Registrar ("**Register of Members**"), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. Shareholders who wish to exercise their voting rights at the EGM may:
 - (a) (where the Shareholder is an individual) attend and vote at the EGM; or
 - (b) (where the Shareholder is an individual or a corporation) appoint a proxy to vote on their behalf.

Each of the resolutions to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of poll.

Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the EGM via proxy must submit a Proxy Form to appoint the proxy. The Proxy Form must be submitted to the Company in the following manner:

- (a) by post to the Company's Share Registrar of the Company (B.A.C.S. Private Limited) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (b) by email to the Company's Share Registrar of the Company (B.A.C.S. Private Limited), at main@zicoholdings.com,

in either case **no later than 9.30 a.m. on Tuesday, 27 October 2026, being 72 hours before the time appointed for the EGM**, failing which the Proxy Form will be treated as invalid. Members are strongly encouraged to submit completed Proxy Forms electronically via email.

3. A member can appoint the Chairman of the EGM as his/her/its proxy, but this is not mandatory. A proxy need not be a member of the Company.
4. In the case of submission of this Proxy Form appointing the Chairman of the EGM as proxy, it must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
5. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. An investor who holds shares through CPF or SRS and wishes to vote, should approach their respective CPF Agent Banks (i.e. the agent banks approved by CPF) or SRS Operators (i.e. the agent banks included in the SRS) to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM (i.e. by 5.00 p.m. on Tuesday, 20 October 2026).
7. The name of a Depositor (as defined under Section 81SF of the Securities and Futures Act 2001 of Singapore) must appear on the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

"**Relevant Intermediary**" has the same meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 14 October 2026.