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

RESPONSE TO SGX'S QUERIES

The board of directors (the "**Board**") of Raffles Education Limited ("**Raffles Education**" or the "**Company**" and together with its subsidiaries, the "**Group**") has received queries from the SGX Regco whereby SGX RegCo refers to the extraordinary general meeting of Raffles Education Limited held on 30 October 2026 (the "**EGM**") in relation to the proposed refinancing involving the issuance of bonds and warrants to interested persons (the "**Proposed Refinancing**").

Unless otherwise defined, all capitalised terms used herein shall have the same meaning ascribed to them in the Company's circular dated 14 October 2026 (the "**Circular**").

The Board would like to respond to the following queries raised by SGX RegCo on 4 November 2026 as follows:

1. In section 3.2 of the EGM minutes, SIAS asked how the IFA was selected, the criteria applied in selecting the IFA, and management's role in the appointment. The Company stated that the IFA was selected based on the requirements under Chapter 9 of the Listing Manual. The response did not provide details of the selection process, criteria applied, or the respective roles of management and the Independent Directors in the appointment.

Please disclose and explain:

a. the process undertaken to identify and appoint the IFA, including whether more than one candidate was considered;

The Company identified Asian Corporate Advisors Pte. Ltd. ("**ACA**") as a potential IFA having regard to the requirements applicable to the Proposed Refinancing and ACA's experience in acting as an independent financial adviser for transactions involving listed issuers. The Company procured quotations from three (3) independent financial advisory firms. After considering the respective quotations received, the Company decided to appoint ACA as the Independent Financial Adviser ("IFA") for the Proposed Refinancing, taking into consideration ACA's familiarity with the Company, having previously acted as the IFA for the EGM held on 23 January 2026. Re-engaging ACA would therefore minimise the learning curve, facilitate a more efficient and timely engagement, and ensure continuity, particularly in view of ACA's satisfactory performance in the previous engagement.

Following discussions on the proposed scope of work and terms of engagement, ACA submitted its mandate for the appointment. The terms of the mandate were reviewed and discussed with ACA, and revisions were subsequently made to the mandate before it was finalized.

b. the specific criteria applied in evaluating and selecting the IFA;

In evaluating ACA for appointment as the IFA, the directors who are deemed independent of the Proposed Refinancing ("**Independent Directors**") considered, among others, (i) ACA's relevant experience and track record in acting as an independent financial adviser for transactions involving SGX-listed issuers, including transactions involving whitewash waivers; (ii) its familiarity with the applicable regulatory requirements and the scope of work required for the Proposed Refinancing; (iii) its ability to undertake the required work within the relevant transaction timetable and provide the requisite independent opinion; (iv) the proposed scope and terms of engagement; and (v) the reasonableness of its proposed professional fees having regard to the nature and scope of the engagement.

c. the persons who proposed, evaluated and approved the appointment of the IFA; and

The appointment of ACA was evaluated and approved by the Independent Directors.

d. the considerations of the Independent Directors or the Audit Committee in satisfying themselves that the IFA was independent and appropriately qualified.

Please refer to answer provided in 1(b).

2. In section 3.3 of the EGM minutes, SIAS asked who initiated the Proposed Refinancing and how the Independent Directors established that it was the most appropriate solution. Similar matters were raised by an independent shareholder in sections 3.9 to 3.12 of the EGM minutes. The Company explained the general rationale for preserving liquidity but did not provide details of how the Proposed Refinancing was initiated and negotiated, or how the Independent Directors evaluated its structure and terms against available alternatives.

Please disclose and explain:

a. who first proposed or initiated the Proposed Refinancing and the circumstances in which it was proposed;

On 13 February 2026, following the Board meeting, Mr. Chew Hua Seng highlighted to the Independent Directors that the Convertible Bonds held by the interested persons were due to mature in September 2027. The Independent Directors noted that, in view of the Company's financial constraints, the Company would explore and evaluate potential financing alternatives.

b. who represented the Company in discussions with the interested persons on the terms of the Proposed Refinancing;

The interested persons and the Independent Directors held direct discussions on the terms of the Proposed Refinancing.

c. when and how the Independent Directors first became involved in considering the Proposed Refinancing;

Please refer to answer provided in 2(a).

d. the respective roles of the interested persons, management, the Executive Directors and the Independent Directors in developing and negotiating the structure and terms of the Proposed Refinancing;

The interested persons (one of whom being an Executive Director) had presented the terms of the Proposed Refinancing to the Independent Directors but the Executive Director recused from all deliberation and decisions to be made by the Independent Directors. The management assisted the Independent Directors in the evaluation process by providing all the information required by the Independent Directors such as financial effects of the Proposed Refinancing. The management also assisted in procuring proposals from independent financial advisers for the Independent Directors' consideration. The Independent Directors represented the Company in negotiations with the interested persons and deliberated on the structure and terms of the Proposed Refinancing as well as the appointment of the IFA.

e. the measures established to ensure that the negotiations were conducted independently and at arm's length;

The Independent Directors were involved in considering the Proposed Refinancing before it was announced. The proposed transaction structure and terms were presented to the Independent Directors for their review and deliberation. Mr. Chew Hua Seng, being an Executive Director and an interested person had recused himself from deliberations and decisions by the Board on all matters pertaining to the Proposed Refinancing.

f. the basis on which the Independent Directors assessed that the five-year bonds with detachable warrants were the most appropriate solution, including alternatives considered and why those alternatives were not pursued; and

Various alternatives were considered by the Independent Directors including (a) possibility of further issuance of bonds similar to the 10.5%, 5-year unsecured bond issuance in 2024-25 but noted that only 21% of previous attempt to raise S$30m bond issuance were subscribed by non-interested persons (comprising only S$6.25m demand), signalling limited public investors' interest even when coupon was 10.5% p.a.; (b) rights issue of shares or convertible bonds were deliberated with management but noted that excluding subscription by Mr. Chew Hua Seng, the last rights issue of 6%, 5-year S$26.2m convertible bonds in 2022 received only 15.9% acceptances from entitled shareholders, i.e. the Company's past experience clearly demonstrated the highly uncertain outcome from undertaking a rights issue; and (c) management also attempted to engage with banks to consider possibility of raising a secured term loan but none of the banks were able to provide a committed term sheet. Informal feedback from the banks mentioned challenges in obtaining internal approvals in light of the on-going investigations and legal proceedings relating to the Group's alleged disclosure-related offences in connection with certain credit facilities.

Therefore, the Independent Directors believe that the most practical solution was to negotiate a mutually acceptable refinancing deal with the interested persons involving financing terms that are not too different from those already in existence in the outstanding convertible bonds.

g. whether, and if so how, the improvement in the Group's financial position affected the Independent Directors' assessment of the need for the Proposed Refinancing or the appropriateness of its terms.

The improvement in the Group's financial position is primarily the reduction in gearing due to the repayment of the mortgage loan following the sale of the property at 51 Merchant Road. As highlighted in the Circular, there is minimal deployable cash outside of China and certainly insufficient to redeem the outstanding convertible bonds at maturity without raising new funding. In arriving at the final decision on the issuance of new bonds with warrants, the Independent Directors took into account the limited financing alternatives as explained in (f).

3. In section 3.4 and 3.5 of the EGM minutes, SIAS asked about the Independent Directors' assessment of the Group's continued reliance on funding from interested persons, the alternatives evaluated to reduce such reliance, and whether the Proposed Refinancing defers rather than resolves the Group's funding challenges. The Company referred to the Independent Directors' recommendation in the circular, which considered the Group's financial position, liquidity requirements, access to alternative financing, and the overall benefits and costs of the transaction. The response did not explain how the Proposed Refinancing would address the Group's continued reliance on funding from interested persons or its underlying funding requirements.

Please disclose and explain:

a. what steps have been taken by the Company to restore access to external financing;

The most tangible improved access to external funding will more likely happen when the on-going investigations and legal proceedings relating to the Group's alleged disclosure-related offences in connection with certain credit facilities are fully resolved and closed, a situation not fully within the control of the Company.

b. the Independent Directors' specific considerations and assessment regarding the Group's continued reliance on interested persons for funding, including the risks arising from such reliance; and

Until 3 (a) is resolved or more non-core assets of the Company can be monetised, the Independent Directors acknowledged that it is inevitable for the Group to have certain reliance on interested persons for funding. At the moment, the terms of such financing have not imposed onerous burden on the Group financial obligation, hence the risks have been manageable.

c. the Independent Directors' assessment of whether the Proposed Refinancing would address the Group's underlying funding requirements, as opposed to merely deferring the need to repay or refinance its existing indebtedness.

The Independent Directors are of the view that the Proposed Refinancing is effective in extending the maturity of the Group's indebtedness without raising the cash cost of servicing the existing debt. Preserving the remaining cash resources of the Group is also prudent to meet any unexpected funding needs that could arise in the coming years.

4. In section 3.6 of the EGM minutes, SIAS asked whether the Independent Directors had quantified the economic value conferred through the warrants and the basis on which they considered the Proposed Refinancing fair to minority shareholders. The Company referred principally to restrictions on the exercise of the warrants and the IFA's conclusion that the Proposed Refinancing was not prejudicial to the Company and its minority shareholders. The response did not explain the specific basis on which the Independent Directors assessed that the issuance of the warrants was fair.

Please disclose and explain the basis on which the Independent Directors concurred with the IFA's conclusion that the Proposed Refinancing is not prejudicial to the interests of the Company and its minority shareholders.

The Independent Directors concurred with the IFA's conclusion that the Proposed Refinancing is not prejudicial to the interests of the Company and its minority shareholders after considering, inter alia, the following:

- The proposed interest rate payable for the new bonds is favourable and lower compared to similar precedent interested person transactions as highlighted in the IFA Letter;
- The Proposed Refinancing would enable the company to preserve its liquidity and working capital for operational and business needs. It would also provide greater financial flexibility since the maturity of the Company's debt obligations will be extended by a further 4 years;
- The Company's historically weak financial performance;
- The Company has limited access to conventional bank financing due to ongoing investigations and legal proceedings arising from the alleged disclosure-related offences which led five former and current directors being charged;
- The dilution impact arising from the conversion of the warrants which are proposed to be issued pursuant to the Proposed Refinancing is similar to that which would arise from the conversion of the existing convertible bonds held by the interested persons.

BY ORDER OF THE BOARD
RAFFLES EDUCATION LIMITED
6 November 2026