

CIRCULAR DATED 8 JANUARY 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 15 January 2026.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for 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 Conversion Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Proposed Conversions, Conversion Shares, the Company, its subsidiaries, or its securities.

RafflesEducation

RAFFLES EDUCATION LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) **THE PROPOSED CONVERSIONS OF CERTAIN OUTSTANDING AMOUNTS OWED BY THE GROUP TO MR. CHEW HUA SENG INTO NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY;**
- (2) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. CHEW HUA SENG FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY MR. CHEW HUA SENG AND PARTIES ACTING IN CONCERT WITH HIM, AS A RESULT OF THE PROPOSED CONVERSIONS;**
- (3) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. CHEW HUA SENG FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY MR. CHEW HUA SENG AND PARTIES ACTING IN CONCERT WITH HIM, AS A RESULT OF THE CHSCP SCRIP DIVIDEND; AND**
- (4) **THE PROPOSED ALLOTMENT AND ISSUANCE OF SCRIP DIVIDEND SHARES PURSUANT TO THE SCRIP DIVIDEND SCHEME.**

Independent Financial Adviser to the Independent Directors in respect of the Whitewash Resolutions

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	:	20 January 2026 (Tuesday) at 10.00 a.m. (Singapore Time)
Date and time of Extraordinary General Meeting	:	23 January 2026 (Friday) at 10.00 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 this Circular:

“AIP”	:	The approval in-principle granted by the SGX-ST for the listing of and quotation for up to 241,100,605 Conversion Shares, subject to the AIP Conditions
“AIP Conditions”	:	Shall have the meaning ascribed to it in Section 10 of this Circular
“Announcement Date”	:	30 October 2025, being the date on which the Company announced, among other things, the Proposed Conversions
“associate”	:	<p>(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <p>(i) his immediate family;</p> <p>(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</p> <p>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and</p> <p>(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</p>
“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 Sheets”	:	Collectively, the Bond Amendment Term Sheet and Loan Amendment Term Sheet
“Board” or “Directors”	:	The board of directors of the Company as at the Latest Practicable Date
“Bond Amendment Term Sheet”	:	The binding term sheet entered into between the Company and Mr. Chew on 29 October 2025, in relation to the Bond Subscription Agreements
“Bonds”	:	Unlisted and non-convertible bonds issued by the Company to Mr. Chew pursuant to the Bond Subscription Agreements
“Bond Subscription Agreements”	:	The bond subscription agreements dated 24 July 2024 and 1 April 2025 entered into between the Company and Mr. Chew for the subscription and issuance of Bonds

DEFINITIONS

“CB Shares”	:	Shall have the meaning ascribed to it in Section 2.4.4 of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“CHS Concert Party Group”	:	Mr. Chew and parties acting in concert with him
“CHSCP Scrip Dividend”	:	The Scrip Dividend Shares to be allotted and issued to the CHS Concert Party Group, pursuant to their election to receive their entire entitlement to the Proposed Special Dividend in the form of Scrip Dividend Shares in lieu of cash
“CHSCP Scrip Dividend Enlarged Share Capital”	:	<p>For illustrative purposes, and based on the Maximum Potential Dilution Scenario, the enlarged issued and paid-up share capital of the Company (excluding treasury shares) comprising 1,512,422,452 Shares, assuming completion of the allotment and issuance of up to 30,749,284 Shares pursuant to the CHSCP Scrip Dividend, based on the following assumptions:</p> <ul style="list-style-type: none"> (i) the Company declares the Proposed Special Dividend of S\$0.004 per Share; (ii) the VWAP of S\$0.0684 on 29 October 2025 is applied for the issuance of the Scrip Dividend Shares; (iii) save for the CHS Concert Party Group, no other Shareholder elects to receive their entitlement under the Proposed Special Dividend in Scrip Dividend Shares in lieu of cash; and (iv) the CHS Concert Party Group’s current shareholding of 525,812,764 Shares remains unchanged. <p>For the avoidance of doubt, the CHSCP Scrip Dividend Enlarged Share Capital does not include the Conversion Shares</p>
“CHSCP Scrip Dividend Whitewash Resolution”	:	The resolution in relation to the waiver of the obligation of Mr. Chew to make a mandatory general offer for the Company’s Shares under Rule 14 of the Code incurred as a result of the CHSCP Scrip Dividend
“Circular”	:	This circular to Shareholders dated 8 January 2026
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Raffles Education Limited
“Conditions”	:	The conditions to which the Proposed Conversions are subject, as set out in Section 2.5.5 of this Circular

DEFINITIONS

“Consolidated Enlarged Share Capital”	:	The consolidated enlarged issued and paid-up share capital of the Company (excluding treasury shares) assuming completion of the Proposed Transactions, comprising 1,753,523,057 Shares, which for illustrative purposes, in the Maximum Potential Dilution Scenario, includes: <ul style="list-style-type: none">(a) the CHSCP Scrip Dividend Enlarged Share Capital; and(b) the Conversion Shares
“Controlling Interest”	:	The interest of a Controlling Shareholder
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none">(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
“Conversion Price”	:	The price at which each Conversion Share shall be issued upon conversion, being S\$0.0644
“Conversion Shares”	:	The aggregate of 241,100,605 new Shares to be allotted and issued by the Company to Mr. Chew at the Conversion Price pursuant to the Proposed Conversions, and each, a “Conversion Share”
“Convertible Bonds”	:	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, 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025 and 31 December 2025, and the offer information statement dated 30 August 2022 for further information on the Convertible Bonds
“Council”	:	The Securities Industry Council
“CPF”	:	The Central Provident Fund
“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
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company (excluding treasury shares) comprising 1,481,673,168 Shares as at the Latest Practicable Date

DEFINITIONS

“Fully Diluted Share Capital”	:	The fully diluted issued and paid-up share capital of the Company (excluding treasury shares) comprising 2,363,117,901 Shares, which for illustrative purposes, assumes the following: (a) completion of the Proposed Transactions in the Maximum Potential Dilution Scenario; (b) conversion and cancellation of all outstanding Convertible Bonds at the conversion price of S\$0.065 per Share; and (c) exercise of all outstanding employee share options
“FY2025”	:	Financial year ended 30 June 2025
“Group”	:	The Company and its subsidiaries
“IFA”	:	The independent financial adviser, being Asian Corporate Advisors Pte. Ltd.
“IFA Letter”	:	The letter dated 8 January 2026 from the IFA to the Independent Directors in relation to each of the Whitewash Resolutions, appended to this Circular as Appendix D
“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 Conversions and the Whitewash Resolutions
“Independent Shareholders”	:	Shareholders excluding the CHS Concert Party Group and parties not independent of them for the purposes of the Whitewash Resolutions
“IPT”	:	Shall have the meaning ascribed to it in Section 6.1 of this Circular
“Latest Practicable Date”	:	The latest practicable date prior to the issuance of this Circular, being 29 December 2025
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Loan”	:	The loan extended by Mr. Chew to Tonghui pursuant to the Loan Agreement
“Loan Agreement”	:	The loan agreement dated 29 July 2024 entered into between Tonghui and Mr. Chew
“Loan Amendment Term Sheet”	:	The binding term sheet entered into between the Company, Tonghui and Mr. Chew on 29 October 2025, in relation to the Loan Agreement
“Maturity Date”	:	Shall have the meaning ascribed to it in Section 2.2.2 of this Circular
“Maximum Potential Dilution Scenario”	:	Shall have the meaning ascribed to it in Section 3.4 of this Circular

DEFINITIONS

“Mr. Chew”	:	Mr. Chew Hua Seng
“Notice of EGM”	:	The notice of EGM as set out on pages N-1 to N-4 of this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolutions”	:	The ordinary resolutions proposed for approval in this Circular
“Proposals”	:	Shall have the meaning ascribed to it in Section 1.1.1 of this Circular
“Proposed Bond Conversion”	:	The proposed conversion of the Bonds into Conversion Shares, at the election of the Company, with such Conversion Shares to be allotted and issued to Mr. Chew
“Proposed Conversions”	:	Comprising the Proposed Bond Conversion and the Proposed Loan Conversion
“Proposed Conversions Enlarged Share Capital”	:	The enlarged issued and paid-up share capital of the Company (excluding treasury shares) comprising 1,722,773,773 Shares, assuming completion of the allotment and issuance of 241,100,605 Conversion Shares pursuant to the Proposed Conversions For the avoidance of doubt, the Proposed Conversions Enlarged Share Capital does not include any Scrip Dividend Shares (including the CHSCP Scrip Dividend)
“Proposed Conversions Whitewash Resolution”	:	The resolution in relation to the waiver of the obligation of Mr. Chew to make a mandatory general offer for the Company’s Shares under Rule 14 of the Code incurred as a result of the Proposed Conversions
“Proposed Hefei Disposal”	:	Shall have the meaning ascribed to it in Section 8.2 of this Circular
“Proposed Loan Conversion”	:	The proposed conversion of the outstanding principal amount of approximately S\$3,776,879 under the Loan owed by Tonghui to Mr. Chew into Conversion Shares, at the election of the Company, with such Conversion Shares to be allotted and issued to Mr. Chew
“Proposed Property Disposal”	:	Shall have the meaning ascribed to it in Section 8.2 of this Circular
“Proposed Special Dividend”	:	The proposed special interim dividend of S\$0.004 per Share to be declared by the Company (subject always to adherence with all applicable laws and the Company’s constitution)
“Proposed Transactions”	:	Collectively, the Proposed Conversions, the Proposed Special Dividend and the allotment and issuance of the CHSCP Scrip Dividend
“Proxy Form”	:	The proxy form in respect of the EGM as attached to this Circular

DEFINITIONS

“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
“Relevant Intermediary”	:	Has the meaning ascribed to it in Section 181 of the Companies Act
“Request Form”	:	The form to request for a printed copy of this Circular
“Qualifying Dividend”	:	A dividend to which the Scrip Dividend Scheme applies, as determined by the Directors
“Scrip Dividend Scheme”	:	The scrip dividend scheme adopted by the Company on 2 January 2026, the terms and conditions of which are set out in the Company’s announcement dated 2 January 2026
“Scrip Dividend Shares”	:	New Shares to be issued in respect of a Qualifying Dividend pursuant to the Scrip Dividend Scheme
“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
“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
“Tonghui”	:	Langfang Tonghui Education Consultancy Co. Ltd., a subsidiary of the Company
“VWAP”	:	Volume-weighted average price

DEFINITIONS

“Whitewash Resolutions” : Collectively, the Proposed Conversions Whitewash Resolution and the CHSCP Scrip Dividend Whitewash Resolution

“Whitewash Waivers” : Shall have the meaning ascribed to it in Section 4.2 of this Circular

Currency, Units and Others

“%” : Percentage or per centum

“S\$” and “Singapore cents” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

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 terms **“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.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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 (Retd) 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

8 January 2026

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

Dear Sir / Madam,

- (1) **THE PROPOSED CONVERSIONS OF CERTAIN OUTSTANDING AMOUNTS OWED BY THE GROUP TO MR. CHEW HUA SENG INTO NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY;**
- (2) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. CHEW HUA SENG FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY MR. CHEW HUA SENG AND PARTIES ACTING IN CONCERT WITH HIM, AS A RESULT OF THE PROPOSED CONVERSIONS;**
- (3) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. CHEW HUA SENG FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY MR. CHEW HUA SENG AND PARTIES ACTING IN CONCERT WITH HIM, AS A RESULT OF THE CHSCP SCRIP DIVIDEND; AND**
- (4) **THE PROPOSED ALLOTMENT AND ISSUANCE OF SCRIP DIVIDEND SHARES PURSUANT TO THE SCRIP DIVIDEND SCHEME.**

1. INTRODUCTION

1.1. Extraordinary General Meeting

1.1.1 The Company is convening an EGM to seek the approval of Shareholders for the following resolutions:

- (a) the Proposed Conversions (Ordinary Resolution 1);
- (b) the Proposed Conversions Whitewash Resolution (Ordinary Resolution 2);
- (c) the CHSCP Scrip Dividend Whitewash Resolution (Ordinary Resolution 3); and
- (d) the Proposed Allotment and Issuance of Scrip Dividend Shares (Ordinary Resolution 4),

(collectively, the “**Proposals**”).

1.1.2 Shareholders should note that:

- (a) Ordinary Resolutions 1 and 2 are inter-conditional. This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 2 will not be deemed duly passed, and *vice versa*; and

LETTER TO SHAREHOLDERS

- (b) Ordinary Resolution 3 is conditional upon the passing of Ordinary Resolutions 1 and 2. This means that if Ordinary Resolutions 1 and 2 are not duly passed, Ordinary Resolution 3 will not be deemed duly passed.

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 Proposals. The resolutions to be tabled at the EGM are set out in the Notice of EGM on pages N-1 to N-4 of this Circular.

1.3. Legal Adviser

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

2. THE PROPOSED CONVERSIONS

2.1. Background

- 2.1.1 As announced on the Announcement Date, the Company had, on 29 October 2025, entered into the following:

- (a) the Bond Amendment Term Sheet with Mr. Chew, in relation to the Bond Subscription Agreements; and
- (b) the Loan Amendment Term Sheet with Tonghui and Mr. Chew, in relation to the Loan Agreement,

pursuant to which the terms of the existing Bonds and Loan have been amended to provide for the conversion of approximately S\$15,526,879, being the outstanding principal amounts owed to Mr. Chew under the Bonds and the Loan (excluding any accrued or outstanding interest), into Conversion Shares, at the election of the Company. For the avoidance of doubt, any accrued or outstanding interest under the Bonds and Loan will be settled separately in cash.

- 2.1.2 The Proposed Conversions will not result in any new cash proceeds for the Company.

- 2.1.3 The Proposed Conversions will be undertaken pursuant to the private placement exemption under Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Conversions.

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

2.2. The Proposed Bond Conversion

- 2.2.1 As announced by the Company on 27 September 2024 and 3 April 2025, Mr. Chew had subscribed for an aggregate of S\$11,750,000 in principal amount of Bonds.

- 2.2.2 The salient terms of the Bonds, as announced by the Company on 24 July 2024, are as follows:

Principal Amount : Up to S\$20,000,000, of which Mr. Chew had subscribed for an aggregate of S\$10,000,000 in principal amount of Bonds on 27 September 2024 and S\$1,750,000 in principal amount of Bonds on 3 April 2025.

Issue Price : 100.0% of the principal amount of Bonds.

LETTER TO SHAREHOLDERS

Interest	:	The Bonds will bear interest at the rate of 10.5% per annum. As at the Latest Practicable Date, approximately S\$1,456,839 in interest has accrued under the Bonds subscribed by Mr. Chew, of which S\$1,450,223 has been paid to Mr. Chew, with the balance remaining payable in accordance with the terms and conditions of the Bonds.
Form and Denomination	:	The Bonds will be issued in registered form in denomination of S\$250,000 or integral multiples thereof.
Status of the Bonds	:	The 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 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	:	<p>The Bonds will mature on the date falling five (5) years from its issue date ("Maturity Date").</p> <p>Of the Bonds subscribed by Mr. Chew, S\$10,000,000 in principal amount of Bonds subscribed on 27 September 2024 will mature on 26 September 2029, and S\$1,750,000 in principal amount of Bonds subscribed on 3 April 2025 will mature on 2 April 2030.</p>
Redemption at the option of the Company	:	The Bonds may be redeemed at the option of the Company, in whole (and not in part), prior to the Maturity Date, by giving at least 30 calendar days' prior notice, at 100.0% of its principal amount, in accordance with the terms and conditions of the Bonds.
Redemption on maturity	:	Subject to the terms and conditions of the Bonds, unless previously redeemed, purchased and cancelled or extended as provided for in the terms and conditions of the Bonds, the Company will redeem each Bond at 100.0% of its principal amount on the Maturity Date.
Listing	:	The Bonds will not be listed on any stock exchange.
Governing Law	:	Singapore law.

Please refer to the Company's announcements dated 24 July 2024, 27 September 2024, 2 April 2025, and 3 April 2025 for further information on the Bonds.

2.2.3 The net proceeds from the issuance of the Bonds have been fully applied to refinance some of the Group's borrowings and for working capital purposes. The use of the net proceeds is in accordance with the intended use of proceeds as disclosed in the Company's announcement dated 24 July 2024.

2.2.4 Under the Bond Amendment Term Sheet, the Company shall have a right to convert the outstanding principal amount of Bonds held by Mr. Chew into new Shares, exercisable at the Company's discretion, in whole or in part, and in one or more tranches. The Bonds (as amended by the Bond Amendment Term Sheet) may not be transferred to any third party.

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2.2.5 The Company had approached the other holders of the Bonds to propose amendments to the terms of their Bonds to provide for convertibility, however, only Mr. Chew agreed to proceed with the proposal.

2.3. The Proposed Loan Conversion

2.3.1 Pursuant to the Loan Agreement dated 29 July 2024, Mr. Chew had extended an unsecured loan of RMB50,000,000 to Tonghui. As at the Latest Practicable Date, approximately RMB21,218,183 (approximately S\$3,776,879¹) of the principal amount of the Loan remains outstanding.

2.3.2 The salient terms of the Loan are as follows:

Purpose	:	The purpose of the Loan is to support Tonghui's business development needs.
Loan Period	:	The Loan is for an initial period of one (1) month. Should there be any outstanding balance, the Loan will be automatically extended on a monthly basis until the full principal amount is repaid.
Interest	:	<p>The Loan bears interest at the rate of 6.0% per annum.</p> <p>As at the Latest Practicable Date, approximately RMB2,268,902 (approximately S\$403,869¹) in interest has accrued under the Loan, of which approximately RMB1,208,574 (settled in Singapore dollars) has been paid to Mr. Chew, with the balance remaining payable in accordance with the Loan Agreement.</p>
Repayment	:	Payment of the Loan shall first be applied towards the payment of interest, with any remaining balance applied towards the repayment of the principal amount of the Loan.
Governing Law	:	Laws of the People's Republic of China.

2.3.3 The Loan has been fully applied by Tonghui to support its working capital requirements. The application of the Loan is in accordance with the stated purpose of the Loan in the Loan Agreement.

2.3.4 Under the Loan Amendment Term Sheet, the Company and Tonghui have a joint right to convert the outstanding principal amount of the Loan into new Shares, such right to be exercisable at the discretion of the Company and Tonghui, in whole and in part, and in one or more tranches. The Loan (as amended by the Loan Amendment Term Sheet) may not be assigned or transferred to any third party.

2.3.5 As Tonghui is a subsidiary of the Company, the Proposed Loan Conversion forms part of a broader restructuring of the Group's debt obligations. By facilitating the conversion at the Company level, the Group effectively reduces liabilities at the subsidiary level while raising a corresponding amount of equity, thereby strengthening its consolidated balance sheet. The Proposed Loan Conversion is in the best interests of the Group as it improves the Group's overall financial position. As at 30 June 2025, Tonghui owes the Company intercompany balances of S\$28,161,871, which will increase following the Loan Conversion. These intercompany balances, however, will be eliminated upon consolidation at the Group level and therefore will not affect the Group's consolidated financial position.

2.4. Information and disclosures relating to Mr. Chew

2.4.1 Mr. Chew is the Chairman and Chief Executive Officer of the Company.

¹ The Loan is denominated in RMB, with the figure based on an exchange rate of RMB1.00 : SGD0.178002, as at 30 June 2025.

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2.4.2 Mr. Chew is also a Controlling Shareholder of the Company. As at the Latest Practicable Date, the CHS Concert Party Group collectively holds 525,812,764 Shares, representing approximately 35.49% of the Existing Share Capital. Please refer to **Appendix A** of this Circular for details of the shareholdings of the CHS Concert Party Group.

2.4.3 Mr. Chew will not be holding the Conversion Shares on trust or as a nominee.

2.4.4 Convertible Bonds

For completeness, Mr. Chew also holds an aggregate of S\$35,030,306² in principal amount of Convertible Bonds in addition to the Bonds which are the subject of the Proposed Bond Conversion. For the avoidance of doubt, the Convertible Bonds held by Mr. Chew are not subject to the Proposed Conversions, and conversions pursuant to the terms of the Convertible Bonds will not result in adjustments to terms of the Proposed Conversions.

The salient terms of the Convertible Bonds, as announced by the Company on 7 June 2022, are as follows:

Maturity Date	:	5 years from the issue date of the Convertible Bonds.
Coupon	:	6.0% per annum, payable on a semi-annual basis.
Form and Denomination	:	The Convertible Bonds will be issued in registered form and in denomination of S\$1.00 each and integral multiples thereof and will initially be represented by a global certificate registered in the name of, and deposited with, CDP. Except in the limited circumstances described in the provisions of the global certificate representing the Convertible Bonds, owners of interests in the Convertible Bonds represented by such global certificate will not be entitled to receive definitive security certificates in respect of their individual holdings of Convertible Bonds. The Convertible Bonds which are represented by such global certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.
Conversion Right	:	Holders of the Convertible Bonds will have the right to convert their Convertible Bonds into Shares (" CB Shares "), credited as fully paid, in accordance with the terms and conditions of the Convertible Bonds.
Conversion Price	:	Subject to adjustments as set out in the terms and conditions of the Convertible Bonds, the initial conversion price shall be S\$0.065.
Conversion Period	:	Subject to and in compliance with the terms and conditions of the Convertible Bonds and any applicable fiscal or other laws or regulations, holders of Convertible Bonds may exercise the right to convert their Convertible Bonds, in whole or in part, into CB Shares at any time on or after the date falling 60 days after the issue date of the Convertible Bonds up to the date falling 10 days prior to the maturity date of the Convertible Bonds, excluding closed periods (as described in the terms and conditions of the Convertible Bonds), provided that, in each case, if such final date for the exercise of the right to convert is not a business day, then the period for exercise of conversion by holders of Convertible Bonds shall end on the immediately preceding business day.

² Of this amount, Mr. Chew is deemed interested in an aggregate principal amount of S\$646,819 Convertible Bonds held by his spouse, Ms. Doris Chung Gim Lian.

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Adjustments to Conversion Price	: (a) consolidation or subdivision or reclassification of Shares; (b) the Company issuing any Shares credited as fully paid to shareholders by way of capitalisation of profits or reserves; (c) capital distributions; (d) rights issues of Shares or options over Shares; (e) rights issues of other securities; (f) other issues at less than current market price; (g) modification of rights of conversion, other offers to shareholders and other events; and (h) if the Company determines that an adjustment should be made or should not be made or that the effective date for the relevant adjustments should be another date, the use by the Company of a leading independent investment bank of international repute (acting as expert) to determine if the adjustment is fair and reasonable, so as to restore the economic position of the bondholders after the occurrence of such events or circumstances, to the same position as if the diluting of such events or circumstances had not occurred. The adjustments are determined in accordance with the specified formulas set out in the terms and conditions of the Convertible Bonds.
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.
Status of the CB Shares	: The CB Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the existing issued Shares as of the date the relevant Shares are credited to the relevant holder of Convertible Bonds' account with CDP or the date he is registered as such in the Company's register of members, save for any dividends, rights, allotments or other distributions for which the record date precedes the relevant registration date of the Convertible Bonds, subject to the terms and conditions of the Convertible Bonds.
Final Redemption	: Unless previously redeemed, converted or purchased and cancelled as provided in the terms and conditions of the Convertible Bonds, the Company will redeem each Convertible Bond at 100.0% of its principal amount together with accrued interest up to (but excluding) the maturity date of the Convertible Bonds. The Company shall at least thirty (30) days before the maturity date of the Convertible Bonds give notice to the holders of the maturity date and shall make such announcement.

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Tax Redemption	:	The Company may, at any time, having given not less than 30 or more than 60 days' irrevocable notice to the holders of Convertible Bonds, redeem all (and not some only) of the Convertible Bonds at 100.0% of their principal amount, together with unpaid interest accrued to (but excluding) the date fixed for redemption for taxation reasons (i.e. the Company has or will become obliged to pay additional amount due to change of tax rules in Singapore or other Jurisdiction), and in the manner, set out in the terms and conditions of the Convertible Bonds.
Clearing and Settlement	:	The Convertible Bonds will be cleared through CDP and represented by a global certificate registered in the name of, and deposited with, CDP as authorised depository.
Listing of the Convertible Bonds and the CB Shares	:	The Convertible Bonds are listed on the SGX-ST, and the CB Shares to be issued upon conversion of the Convertible Bonds will be listed on the SGX-ST.
Governing Law	:	Singapore law.

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, 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025 and 31 December 2025, and the offer information statement dated 30 August 2022 for further information on the Convertible Bonds.

2.5. Key Terms of the Proposed Conversions

2.5.1 Conversion Price

Subject to the adjustments set out in the respective Binding Term Sheets, the Conversion Price is S\$0.0644 per Conversion Share, being the VWAP of S\$0.0684 per Share for trades done on the SGX-ST on 29 October 2025, being the last full market day on which the Shares were traded prior to the Announcement Date, less the amount of the Proposed Special Dividend of S\$0.004 per Share. Please refer to Section 3 below for further details on the Proposed Special Dividend.

The Conversion Price was determined with reference to the prevailing market price of the Shares, and is equivalent to the theoretical ex-dividend share price, with no discount or premium applied. However, the Conversion Price represents a discount of approximately 5.8% to the VWAP of S\$0.0684 per Share for trades done on the SGX-ST on 29 October 2025, being the last full market day on which the Shares were traded prior to the entry into the Binding Term Sheets.

The Conversion Price will be subject to adjustments in circumstances such as, among other things, in the event of a rights issue, bonus issue, reclassification, subdivision or consolidation of Shares and/or issues below market price, as set out in the respective Binding Term Sheets.

2.5.2 The Conversion Shares

Based on the Conversion Price, an aggregate of 241,100,605 Conversion Shares may be issued to Mr. Chew under the Proposed Conversions. The Conversion Shares represent approximately 16.3% of the Existing Share Capital and will represent approximately 13.7% of the Consolidated Enlarged Share Capital. On a fully diluted basis, the Conversion Shares will represent approximately 10.2% of the Company's Fully Diluted Share Capital. Please refer to **Appendix C** of this Circular for the *pro forma* illustration of the shareholding interests of the CHS Concert Party Group before and after the completion of the Proposed Transactions, and for illustration purposes only, on a fully diluted basis.

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The Conversion Shares 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 Conversion Shares.

Mr. Chew has undertaken not to, directly or indirectly, sell, contract to sell, offer, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of the Conversion Shares allotted and issued to him for a period of six (6) months from the date of allotment and issuance of the Conversion Shares.

2.5.3 Conversion Period

Subject to the satisfaction of the Conditions, the Company will exercise its rights to convert all of the Bonds and the Loan into Conversion Shares within one (1) week of the Record Date for the Proposed Special Dividend.

2.5.4 Shareholders' approval for the Proposed Conversions

Pursuant to Section 161 of the Companies Act and Rule 805 of the Listing Manual, the Proposed Conversions will be made pursuant to the specific approval of Shareholders to be obtained at the EGM. For the avoidance of doubt, the Company will not be relying on its existing general share issue mandate approved by Shareholders at the annual general meeting held on 31 October 2025, for the allotment and issuance of the Conversion Shares.

In addition, Rule 812(1) and Rule 812(2) of the Listing Manual provide that, *inter alia*, an issue of shares must not be placed to the issuer's directors and substantial shareholders unless specific shareholders' approval has been obtained for such placement, and the person, and its associates, must abstain from voting on the resolution approving the placement. Accordingly, Mr. Chew and his associates will abstain from voting on the resolution(s) approving the Proposed Conversions.

2.5.5 Conditions

The Proposed Conversions is subject to, *inter alia*, the following Conditions:

- (a) the approval of Shareholders (excluding Mr. Chew and his associates) being obtained at the EGM for the Proposed Conversions;
- (b) the approval of Independent Shareholders being obtained at the EGM for the Proposed Conversions Whitewash Resolution; and
- (c) the approval in-principle of the SGX-ST being obtained for the listing of and quotation for the Conversion Shares on the SGX-ST and such approval not having been revoked or amended and, to the extent that any conditions for such approval are required to be fulfilled on or before the allotment and issuance of the Conversion Shares, they are so fulfilled.

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 Company's 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 Proposed Conversions are expected to result in substantial cash savings for the Company from the principal repayment of the Bonds and the Loan. Subject to Shareholders' approval of the Proposed Conversions and the Whitewash Resolutions 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\$0.004 per Share in view of the expected cash savings arising from the Proposed Conversions.

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- 3.2. It is proposed that the Record Date for the Proposed Special Dividend will fall prior to the issuance of the Conversion Shares. Accordingly, the Conversion Shares will not be entitled to the Proposed Special Dividend. Notwithstanding the foregoing, as stated in Section 2.5.1 above, for the purposes of calculating the Conversion Price, the Company has taken into account the undisturbed share price of the Company on 29 October 2025, being the VWAP for last full market day on which the Shares were traded on the SGX-ST prior to the announcement of the Proposed Conversions, as well as the Proposed Special Dividend. Accordingly, the Conversion Price is the theoretical ex-dividend share price, which is at a discount equivalent to the Proposed Special Dividend.
- 3.3. To support the Company's cash conservation efforts, the CHS Concert Party Group, at the request of the Company, has preliminarily agreed to elect to receive their entire entitlement to the Proposed Special Dividend in the form of the CHSCP Scrip Dividend in lieu of cash. Based on the CHS Concert Party Group's current shareholding of 525,812,764 Shares, they would be entitled to a Proposed Special Dividend of approximately S\$2,103,251. This is expected to reduce the immediate cash outlay required for the Proposed Special Dividend and further support the Company's liquidity position.
- 3.4. The number of new Shares to be issued pursuant to the CHSCP Scrip Dividend will be calculated based on the closing price as at the Record Date to be announced. The issue price of the Scrip Dividend Shares will be determined by the directors in compliance with Rule 862(4) of the Listing Manual, but will not, in any event, be lower than S\$0.0684, being the VWAP of the Shares on 29 October 2025. For the avoidance of doubt, there is no certainty that the CHS Concert Party Group will ultimately elect to receive their entire entitlement to the Proposed Special Dividend in the form of the CHSCP Scrip Dividend in lieu of cash.

For illustration purposes only, and to present the maximum potential dilution scenario ("**Maximum Potential Dilution Scenario**"), assuming:

- (a) Shareholders' approval is obtained for the Proposed Conversions and each of the Whitewash Resolutions;
- (b) the Company declares the Proposed Special Dividend of S\$0.004 per Share;
- (c) the VWAP of S\$0.0684 on 29 October 2025 is applied for the issuance of the Scrip Dividend Shares;
- (d) save for the CHS Concert Party Group, no other Shareholder elects to receive their Proposed Special Dividend in Scrip Dividend Shares in lieu of cash; and
- (e) the CHS Concert Party Group's current shareholding of 525,812,764 Shares remains unchanged,

approximately 30,749,284 Shares will be issued pursuant to the CHSCP Scrip Dividend, representing approximately 2.1% of the Existing Share Capital, and 1.8% of the Consolidated Enlarged Share Capital. Please refer to **Appendix C** of this Circular for a *pro forma* illustration of the shareholding interests of the CHS Concert Party Group before and after the completion of the Proposed Transactions, and for illustration purposes only, on a fully diluted basis.

- 3.5. Should the CHSCP Scrip Dividend be issued, Mr. Chew has undertaken that he will not, for a period of six (6) months from the date of allotment and issuance of such CHSCP Scrip Dividend, directly or indirectly, sell, contract to sell, offer, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of any part of the CHSCP Scrip Dividend allotted and issued to him.
- 3.6. Please refer to Section 9 of this Circular for details on the authority for the allotment and issuance of the Scrip Dividend Shares pursuant to the Scrip Dividend Scheme. Further details of the Proposed Special Dividend, including the Record Date and payment date, will be announced by the Company in due course. Shareholders are also advised to refer to the Company's announcement dated 2 January 2026 for further details on the Scrip Dividend Scheme, including its terms and conditions.

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4. THE WHITEWASH RESOLUTIONS

4.1. Mandatory offer obligation under the Code

4.1.1 Pursuant to Rule 14 of the Code, unless waived by the Council, a person will incur an obligation to make a general offer if such person, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights, and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1.0% of the voting rights.

4.1.2 As at the Latest Practicable Date, the CHS Concert Party Group collectively holds approximately 35.49% of the Existing Share Capital.

4.1.3 The CHSCP Scrip Dividend Whitewash Resolution

Based on the assumptions and illustration set out in Section 3.4 of this Circular, in the Maximum Potential Dilution Scenario, approximately 30,749,284 Shares will be issued to the CHS Concert Party Group pursuant to the CHSCP Scrip Dividend. This will result in the CHS Concert Party Group's collective shareholding increasing from approximately 35.49% of the Existing Share Capital to approximately 36.80% of the CHSCP Scrip Dividend Enlarged Share Capital.

As Mr. Chew's aggregate voting rights in the Company may increase by more than 1.0% following the allotment and issuance of the CHSCP Scrip Dividend to the CHS Concert Party Group (including Mr. Chew), the CHS Concert Party Group may incur an obligation to make a mandatory general offer pursuant to Rule 14 of the Code, unless this obligation is waived by the Council.

4.1.4 The Proposed Conversions Whitewash Resolution

As set out in Section 2.5.2 of this Circular, an aggregate of 241,100,605 Conversion Shares may be issued to Mr. Chew under the Proposed Conversions. This will result in the CHS Concert Party Group's collective shareholding increasing from approximately 35.49% of the Existing Share Capital to approximately 44.52% of the Proposed Conversions Enlarged Share Capital and approximately 45.49% of the Consolidated Enlarged Share Capital.

Accordingly, Mr. Chew's aggregate voting rights in the Company may increase by more than 1.0% following the allotment and issuance of the Conversions Shares to him, thereby incurring an obligation to make a mandatory general offer pursuant to Rule 14 of the Code, unless this obligation is waived by the Council.

4.2. Whitewash Waivers

The Council had on 24 October 2025, waived the obligation for Mr. Chew to make a mandatory offer for the Company under Rule 14 of the Code incurred as a result of (i) the CHS Concert Party Group (including Mr. Chew)'s acquisition of the CHSCP Scrip Dividend, and (ii) Mr. Chew's subsequent acquisition of the Conversion Shares (collectively, the "**Whitewash Waivers**"), subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of (i) the CHSCP Scrip Dividend to the CHS Concert Party Group; and (ii) the Conversion Shares to Mr. Chew, separate resolutions in relation to each of the Whitewash Waivers by way of a poll each to waive their rights to receive a general offer from Mr. Chew;
- (b) each of the Whitewash Resolutions is separate from other resolutions;
- (c) Mr. Chew, parties acting in concert with him, and parties not independent of them abstain from voting on each of the Whitewash Resolutions;

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- (d) Mr. Chew and his concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular):
 - (i) during the period between the Announcement Date and the date Shareholders' approval is obtained for each of the Whitewash Resolutions; and
 - (ii) in the 6 months prior to the Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Transactions;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on each of the Whitewash Resolutions;
- (f) the Company sets out clearly in this Circular:
 - (i) details of the Proposed Transactions, including the proposed issue of (A) the CHSCP Scrip Dividend to the CHS Concert Party Group, and (B) the Conversion Shares to Mr. Chew under the Proposed Conversions;
 - (ii) the dilution effect to existing holders of voting rights of the Company upon the issue of (A) the CHSCP Scrip Dividend to the CHS Concert Party Group, and (B) the Conversion Shares to Mr. Chew, under the Proposed Transactions;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and option in respect of Shares held by Mr. Chew and his concert parties as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by Mr. Chew and his concert parties upon the issue of (A) the CHSCP Scrip Dividend to the CHS Concert Party Group, and (B) the Conversion Shares to Mr. Chew, under the Proposed Transactions; and
 - (v) specific and prominent reference to the fact that:
 - (A) the issue of the Conversion Shares to Mr. Chew under the Proposed Conversions could result in Mr. Chew and his concert parties holding Shares carrying over 49.0% of the voting rights of the Company and to the fact that Mr. Chew and his concert parties will be free to acquire further Shares without incurring any obligation under Rule 14 to make a general offer;
 - (B) Shareholders, by voting for each of the Whitewash Resolutions, are waiving their rights to a general offer from Mr. Chew at the highest price paid by Mr. Chew and his concert parties for the Shares in the past 6 months preceding the Announcement Date; and
 - (C) Shareholders, by voting for the Whitewash Resolution in respect of the Proposed Conversions, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Proposed Conversions;
- (g) this Circular states that each of the Whitewash Waivers granted by the Council to Mr. Chew from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at sub-paragraphs (a) to (f) above;
- (h) Mr. Chew obtains the Council's approval in advance for those parts of this Circular that refer to the Whitewash Resolutions;

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- (i) to rely on each of the Whitewash Resolutions:
 - (i) the approval of each of the Whitewash Resolutions must be obtained within 3 months of the date the Council granted the Whitewash Waivers (i.e. 24 October 2025);
 - (ii) in respect of the CHSCP Scrip Dividend, the acquisition of the CHSCP Scrip Dividend by the CHS Concert Party Group must be completed within 3 months of the approval of the CHSCP Scrip Dividend Whitewash Resolution; and
 - (iii) in relation to the Proposed Conversions:
 - (A) the respective Bond Amendment Term Sheet and Loan Amendment Term Sheet must be executed, as well as the issue of the convertible bonds and the convertible loan facilities thereunder (collectively, the “**Convertibles**”) must be completed within 3 months of the approval of the Proposed Conversions Whitewash Resolution; and
 - (B) the acquisition of the Conversion Shares by Mr. Chew under the Proposed Conversions must be completed within 5 years of date of issue of the Convertibles³; and
- (j) Mr. Chew will comply or procure the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code.

4.3. Potential dilution

The table below sets out, for illustration purposes and based on the Maximum Potential Dilution Scenario, the shareholding of the Independent Shareholders as at the Latest Practicable Date based on the Existing Share Capital, the CHSCP Scrip Dividend Enlarged Share Capital, the Proposed Conversions Enlarged Share Capital, and the Consolidated Enlarged Share Capital. For the avoidance of doubt, no other Shares that may be issued pursuant to any outstanding share options or convertible securities have been taken into account in the computation below:

	Existing Share Capital		CHSCP Scrip Dividend Enlarged Share Capital ⁽¹⁾		Proposed Conversions Enlarged Share Capital ⁽²⁾		Consolidated Enlarged Share Capital ⁽³⁾	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
CHS Concert Party Group	525,812,764	35.49	556,562,048	36.80	766,913,369	44.52	797,662,653	45.49
Independent Shareholders	955,860,404	64.51	955,860,404	63.20	955,860,404	55.48	955,860,404	54.51
Total	1,481,673,168	100.00	1,512,422,452	100.00	1,722,773,773	100.00	1,753,523,057	100.00

Notes:

- (1) In this scenario, it is assumed that:
 - (a) approximately 30,749,284 Shares pursuant to the CHSCP Scrip Dividend was issued at the price of S\$0.0684, being the VWAP on 29 October 2025;
 - (b) save for the CHS Concert Party Group, no other Shareholder elects to receive their Proposed Special Dividend in Scrip Dividend Shares in lieu of cash; and
 - (c) the Conversion Shares have not yet been issued.
- (2) In this scenario, it is assumed that 241,100,605 Conversion Shares have been issued pursuant to the Proposed Conversions and no Scrip Dividend Shares (including the CHSCP Scrip Dividend) have been issued.
- (3) In this scenario, it is assumed that:
 - (a) approximately 30,749,284 Shares pursuant to the CHSCP Scrip Dividend was issued at the price of S\$0.0684, being the VWAP on 29 October 2025;
 - (b) save for the CHS Concert Party Group, no other Shareholder elects to receive their Proposed Special Dividend in Scrip Dividend Shares in lieu of cash; and
 - (c) 241,100,605 Conversion Shares have been issued.

³ As stated in Section 2.5.3 above, the Company will exercise its rights to convert the Bonds and the Loan into Conversion Shares within one (1) week of the Record Date for the Proposed Special Dividend.

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Please refer to **Appendix C** of this Circular for a *pro forma* illustration of the shareholding interests of the CHS Concert Party Group before and after the completion of the Proposed Transactions, and for illustration purposes only, on a fully diluted basis.

4.4. Whitewash Resolutions

Independent Shareholders are requested to vote, by way of a poll, on each of the Whitewash Resolutions set out as Ordinary Resolution 2 and Ordinary Resolution 3 in the Notice of EGM, to waive their rights to receive a mandatory general offer for the Company's Shares from Mr. Chew under Rule 14 of the Code, in each of the following events:

- (a) if Mr. Chew incurs an obligation to make a mandatory general offer under the Code as a result of the allotment and issuance of the CHSCP Scrip Dividend to the CHS Concert Party Group (including Mr. Chew); and
- (b) if Mr. Chew incurs an obligation to make a mandatory general offer under the Code as a result of the allotment and issuance of the Conversion Shares to Mr. Chew.

4.5. Advice to Independent Shareholders

Independent Shareholders should note that:

- (a) **the issue of the Conversion Shares to Mr. Chew under the Proposed Conversions could result in Mr. Chew and his concert parties holding Shares carrying over 49.0% of the voting rights of the Company. In such event, Mr. Chew and his concert parties would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer⁴;**
- (b) **by voting in favour of each of the Whitewash Resolutions, Independent Shareholders will be waiving their rights to receive a mandatory general offer from Mr. Chew at the highest price paid by Mr. Chew and/or his concert parties for the Shares in the past six (6) months preceding the Announcement Date;**
- (c) **by voting in favour of the Proposed Conversions Whitewash Resolution, Independent Shareholders could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Proposed Conversions; and**
- (d) **approval of the Proposed Conversions Whitewash Resolution is a condition precedent to the Proposed Conversions, and Ordinary Resolution 1 in relation to the Proposed Conversions and Ordinary Resolution 2 in relation to the Proposed Conversions Whitewash Resolution are inter-conditional. Accordingly, in the event that the Proposed Conversions Whitewash Resolution is not passed by Independent Shareholders, the Proposed Conversions will not proceed to completion.**

⁴ The above statement is incorporated in this Circular to comply with the conditions of the Whitewash Waivers. Based on the Maximum Potential Dilution Scenario illustrated in Section 4.3 above, the shareholding of Mr. Chew and his concert parties may not cross 49.0% as a result of the Proposed Transactions.

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5. INDEPENDENT FINANCIAL ADVISER

5.1. Appointment of IFA

Asian Corporate Advisors Pte. Ltd. has been appointed as the IFA to advise the Independent Directors in relation to each of the Whitewash Resolutions.

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 each of the Whitewash Resolutions, respectively, before deciding whether or not to vote in favour of each of Ordinary Resolution 2 and Ordinary Resolution 3, 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 D** of this Circular.

5.2. 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 paragraph 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:

“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 Whitewash Resolutions, including, inter alia, the views of and representations by the Directors. Our recommendation or opinion is by no means an indication of the merits, prospects, financial performance and position of the Company or the Group after the completion of the Proposed Transactions, or whether the Company or the Group can improve their financial position, performance and cash flow or whether the Company or the Group can continue to operate as a going concern or the ability to meet its liabilities when due or the adequacy of the Group's working capital or the sufficiency of the Proposed Transactions to address the concerns of the Company or the Group 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 IFA Letter. The following should be read in conjunction with, and in the context of, the full text of this IFA 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 the Directors, we are of the opinion that the terms of the Proposed Transactions, being the subject of the Whitewash Resolutions, is **FAIR** and **REASONABLE**, and the Whitewash Resolutions, when considered in the context of the Proposed Transactions, are **NOT PREJUDICIAL** to the interest of the Company and the Independent Shareholders.*

For the purposes of evaluation of the Proposed Transactions, being the subject of the Whitewash Resolutions, from a financial point of view, we have adopted the approach that the term “fair and reasonable” should be regarded as comprising two distinct concepts:

- (i) Whether issuance of shares is “fair” relates to an opinion on the value of the issue price which is based strictly on the evaluation of the issue price (i.e. by looking at the financial analysis of the Conversion Price and the Minimum Issue Price as set out in Section 5), and based on information known to us which is publicly available.*

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- (ii) Whether issuance of shares is “reasonable”, relates to, after taking into consideration, *inter alia*, the actual and potential financial impact of other circumstances surrounding the issuance of shares as well as the Company or the Group which we consider relevant (being quantitative and qualitative factors available and made known to us).

We are of the view that the terms of the Proposed Transactions, being the subject of the Whitewash Resolutions, is **FAIR, REASONABLE**, and **NOT PREJUDICIAL** to the interest of the Company and the Independent Shareholders after considering, *inter alia*, the following factors:

- (i) The rationale for the Proposed Transactions as outlined in Section 8 of the Circular. In particular, we note that: (a) the Proposed Conversions are expected to reduce the Group’s overall financial leverage, alleviate its 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; and (b) the proposed CHSCP Scrip Dividend will support the Company’s efforts to conserve internal cash reserves and strengthen its capital position. In addition, we note that the amount of cash that can be conserved pursuant to the Proposed Transactions is approximately S\$17.6 million and this is material given the Group’s *pro forma* net debt position of approximately S\$50.7 million.
- (ii) The material uncertainty relating to going concern highlighted by the Independent Auditor for AR2025.
- (iii) The historical financial performance, position and condition of the Group, which are weak, after considering, *inter alia*, losses incurred for FY2023 to FY2025 (after adjusting with non-trade and non-recurring items), negative net working capital as at 30 June 2025, and the material uncertainties related to going concern. We note that the Proposed Conversions would allow the Group to retire the Outstanding Amounts which otherwise the Group is and will not be in position to retire the Outstanding Amounts or any meaningful part of it in the short to medium term given the weak historical financial performance and position of the Group with net current liabilities position and the material uncertainty relating to going concern highlighted by the Independent Auditor for AR2025 as well as the fact that the Outstanding Amounts is approximately 81.3% of the Group’s cash and bank balances as at 30 June 2025.
- (iv) The Conversion Price is determined based on the VWAP of S\$0.0684 per Share for trades done on the SGX-ST on 29 October 2025 (being the last full market day on which the Shares were traded prior to the Announcement Date), less the amount of the Proposed Special Dividend of S\$0.004 per Share. The Conversion Price was determined with reference to the prevailing market price of the Shares, and is equivalent to the Theoretical Ex-Dividend Share Price as at the Last Trading Day, with no discount or premium applied.
- (v) The actual issue price of the Scrip Dividend Shares will be determined by the Directors in compliance with Rule 862(4) of the Listing Manual, but will in any event not be lower than S\$0.0684, being the VWAP of the Shares on 29 October 2025.
- (vi) The substantial discount to NAV (or Adjusted NAV) implied by the Conversion Price and the Minimum Issue Price may have factored in the fact that: (a) the Shares had historically traded at prices significantly below the Group’s NAV (at P/NAV multiples of between approximately 0.1 times to 0.2 times during the 24-month period prior to the Last Trading Day; (b) the Group’s properties are majority in the PRC coupled with the sluggish outlook for the PRC real estate sector whereby majorities of the Group’s properties are based in; and (c) the Group’s weak financial position with net current liabilities as at 30 June 2025 and the material uncertainty related to going concern as highlighted by the Independent Auditor for FY2025.
- (vii) The P/NAV (or P/Adjusted NAV) multiples as implied by the Conversion Price and/or the Minimum Issue Price are relatively higher and more favourable than the median and the simple average of trailing P/NAV multiples for each of the 1-month, 3-month, 6-month, 12-month, and 24-month periods prior to the Last Trading Day.

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- (viii) *In general, the Conversion Price and the Minimum Issue Price are favourable as compared to the historical prices for the Shares prior to the Last Trading Day considering, inter alia: (a) the premia implied by the Conversion Price of approximately 9.3%, 13.4%, 18.8% and 23.8% over the VWAP for the Shares for the 3-month, 6-month, 12-month and 24-month periods prior to the Last Trading Day or the small discount implied by the Conversion Price of approximately 1.5% from the VWAP for the Shares for the 1-month period prior to the Last Trading Day; and (b) the premia implied by the Minimum Issue Price of approximately 4.6%, 16.1%, 20.4%, 26.2% and 31.5% over 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.*
- (ix) *The valuation of the Group (as implied by both the Conversion Price and/or the Minimum Issue Price) in terms of LTM EV/EBITDA, LTM PER, P/NAV, P/NTA, and P/Revenue appear to be favourable or fairly comparable to the Selected Comparable Companies after considering the factors highlighted in Section 5.5 of this Letter.*
- (x) *Fair comparison of the Proposed Conversions against the Selected Debt Conversions in terms of size, dilution effect, and implied premium/discount over/from historical prices.*
- (xi) *The pre-emptive rights accorded to all entitled Shareholders – Pursuant to the Scrip Dividend Scheme which was adopted by the Company on 2 January 2026, Shareholders may elect to receive their respective entitlements of the Proposed Special Dividend in Scrip Dividend Shares in lieu of part only or all of cash.*
- (xii) *The potential favourable financial effects of the Proposed Transactions as outlined in Section 7 of the Circular on the Group's net gearing whilst noting the less favourable financial effects of the Proposed Transactions on the Group's EPS and NTA per Share.*
- (xiii) *The dilution effect of the Proposed Transactions is fairly comparable to the Selected Debt Conversion.*
- (xiv) *The Directors' confirmation and representation 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 to the Proposed Conversions.*
- (xv) *The Directors' opinion as set out in Section 12 of the Circular that the Directors, having considered, amongst others, the rationale for the Proposed Transactions, are of the opinion that the Proposed Transactions and the Whitewash Resolutions, when considered in the context of the Proposed Transactions, are in the best interests of the Group and not prejudicial to the interests of the Independent Shareholders.*

ACA' s recommendation

*Based on our assessment of the Proposed Transactions being the subject of the Whitewash Resolutions as set out above, we advise the Independent Directors to recommend that Independent Shareholders vote **in favour** of the Whitewash Resolutions to be proposed at the EGM. We advise the Independent Directors to highlight to the Independent Shareholders the matters as stated in our Letter, including, inter alia, our limitation in the analysis, evaluation, comments and opinion in this Letter. In addition, we advise the Independent Directors to recommend to the Independent Shareholders to exercise caution in their decision in voting in favour of or against the Whitewash Resolutions.*

In performing our evaluation, we have not been provided with, and have not had access to, any financial projections or future plans or corporate actions (if any) of the Company or the Group. The opinion set forth herein is based solely on publicly available information and information provided by the Directors and the Management and therefore does not reflect any projections or future financial performance of the Company after the completion of the Proposed Transactions and is based on the economic and market conditions prevailing as of the date of this opinion. Our advice is solely confined to our views on the Whitewash Resolutions."

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5.3. 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 D** 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.

6. INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE LISTING MANUAL

- 6.1. 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" ("IPT") and subject to Chapter 9 of the Listing Manual. 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 of the Company, is deemed to be an interested person of the Company.
- 6.2. As the value of the Proposed Conversions of approximately S\$15,526,879, amounts to 3.38% of the Group's latest audited NTA attributable to the owners of the Company of S\$459,610,000 as at 30 June 2025, the Proposed Conversions is a discloseable IPT under Chapter 9 of the Listing Manual.
- 6.3. Save as disclosed in this Circular and in the Company's annual report, as at 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 2026.

7. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

- 7.1. 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. The illustrative effects assume the Maximum Potential Dilution Scenario arising from the Proposed Transactions.
- 7.2. The *pro forma* financial effects have been prepared based on the latest audited financial results of the Group for FY2025, on the following bases and assumptions:
- (a) the declaration of the Proposed Special Dividend of S\$0.004 per Share;
 - (b) the VWAP of S\$0.0684 on 29 October 2025 is applied for the issuance of the Scrip Dividend Shares;
 - (c) save for the CHS Concert Party Group, no other Shareholder elects to receive their entitlement under the Proposed Special Dividend in Scrip Dividend Shares in lieu of cash;
 - (d) the sequence of events comprising (i) the declaration and payment of the Proposed Special Dividend and the allotment and issuance of up to 30,749,284 Shares pursuant to the CHSCP Scrip Dividend, followed by (ii) the allotment and issuance of 241,100,605 Conversion Shares;
 - (e) the Proposed Transactions had been completed on 30 June 2025 for the purpose of illustrating the financial effects on the NTA;
 - (f) the Proposed Transactions had been completed on 1 July 2024 for the purpose of illustrating the financial effects on the EPS;
 - (g) the Proposed Transactions had been completed on 30 June 2025 for the purpose of illustrating the financial effects on the net gearing;

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- (h) no other outstanding share options or convertible securities of the Company have been converted into Shares;
- (i) the sale of 16,000,000 and 10,000,000 treasury shares announced by the Company on 13 November 2025 and 16 December 2025 respectively had been completed on 30 June 2025 for the purpose of illustrating the relevant financial effects;
- (j) the allotment and issue of 23,004,055, 12,449,230, 17,476,922, 155,384, 11,526,105 and 600,000 Shares upon the conversion and cancellation of Convertible Bonds announced by the Company on 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025 and 31 December 2025 respectively had been completed on 30 June 2025 for the purpose of illustrating the relevant financial effects;
- (k) the Existing Share Capital comprising 1,481,673,168 Shares (excluding treasury shares);
- (l) the expenses incurred in connection with the Proposed Transactions amounting to approximately S\$300,000; and
- (m) the *pro forma* financial effects do not take into account the Proposed Hefei Disposal and the Proposed Property Disposal.

7.3. Share Capital

	Number of Shares (excluding treasury shares)
As at the Latest Practicable Date	1,481,673,168
After the declaration and payment of the Proposed Special Dividend and issuance of the CHSCP Scrip Dividend but before completion of the Proposed Conversions	1,512,422,452
After the completion of the Proposed Conversions	1,753,523,057

7.4. NTA per Share

Assuming that the Proposed Transactions were completed on 30 June 2025, the *pro forma* financial effects on the Group's NTA per Share would be as follows:

	Before the Proposed Transactions	After the declaration and payment of the Proposed Special Dividend and issuance of the CHSCP Scrip Dividend but before completion of the Proposed Conversions	After the Proposed Transactions
NTA attributable to the owners of the Company (S\$)	466,332,000	462,509,000	477,736,000
Number of issued ordinary shares in the capital of the Company	1,481,673,168	1,512,422,452	1,753,523,057
NTA per Share (Singapore cents)	31.47	30.58	27.24

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7.5. Earnings per Share

Assuming that the Proposed Transactions were completed on 1 July 2024, the *pro forma* financial effects on the Group's Earnings per Share would be as follows:

	Before the Proposed Transactions	After the declaration and payment of the Proposed Special Dividend and issuance of the CHSCP Scrip Dividend but before completion of the Proposed Conversions	After the Proposed Transactions
Earnings after income tax attributable to the owners of the Company (S\$)	7,696,000	7,696,000	8,463,000
Weighted average number of issued ordinary shares in the capital of the Company	1,480,531,743	1,511,281,027	1,752,381,632
Earnings per Share (Singapore cents)	0.52	0.51	0.48

7.6. Net Gearing

Assuming that the Proposed Transactions were completed on 30 June 2025, the *pro forma* financial effects on the Group's net gearing would be as follows:

	Before the Proposed Transactions	After the declaration and payment of the Proposed Special Dividend and issuance of the CHSCP Scrip Dividend but before completion of the Proposed Conversions	After the Proposed Transactions
Net borrowings (S\$) ⁽¹⁾	185,158,000	188,981,000	173,754,000
Total equity (S\$) ⁽²⁾	562,548,000	558,725,000	573,952,000
Net gearing (times)	0.33	0.34	0.30

Notes:

- (1) Net borrowings refer to the total borrowings less cash and cash equivalents.
- (2) Total equity excludes non-controlling interest and is adjusted for fair value adjustment reserves for computation of net gearing.

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8. RATIONALE FOR THE PROPOSED TRANSACTIONS

- 8.1. The Company is proposing to undertake the Proposed Conversions as part of a broader financial strategy to manage its debt obligations, improve its balance sheet, and support its long-term financial sustainability and growth. As at 30 June 2025, the Group had net current liabilities of approximately S\$85.8 million and the Company's independent auditor had highlighted a material uncertainty related to going concern in the Company's annual report for FY2025⁵. The conversion of the outstanding debt into equity is expected to reduce the Group's overall financial leverage, alleviate its repayment obligations, and significantly improve its cash flow position. This, in turn, will allow the Company to reallocate resources to other strategic initiatives, operational investments, and business expansion opportunities. Alternative funding arrangements for the repayment of the Bonds and the Loan, 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 the Proposed Conversions represent the most effective and sustainable solution currently available.
- 8.2. After the Announcement Date, the Company had announced further corporate actions to be undertaken by the Group, including without limitation, the entry into a sale and purchase agreement by certain of its subsidiaries with Hefei Heyi Education Consulting Management Co., Ltd for the disposal of 100.0% equity interest in Hefei Yuren Education Management Co., Ltd., (the "**Proposed Hefei Disposal**")⁶, and the entry into a sale and purchase agreement by its subsidiary, Raffles Assets (Singapore) Pte. Ltd., in respect of the proposed disposal of the property located at 51 Merchant Road Singapore 058283⁷ (the "**Proposed Property Disposal**"). Discussions with Mr. Chew in respect of the Proposed Conversions had commenced towards the end of 2024, with the preliminary terms of the transaction being substantially formalised around March 2025. The necessary formal application(s) in respect of the Proposed Transactions were subsequently submitted to the relevant regulatory authorities in early April 2025 and approval was obtained on 24 October 2025. On the other hand, negotiations relating to the Proposed Hefei Disposal commenced around November 2025, while negotiations relating to the Proposed Property Disposal commenced around July 2025.
- 8.3. At the time when negotiations on the Proposed Hefei Disposal and the Proposed Property Disposal commenced, there was no certainty that any definitive agreements for either the Proposed Hefei Disposal or the Proposed Property Disposal would be entered into. In addition, each of the Proposed Hefei Disposal and the Proposed Property Disposal is subject to the satisfaction (or waiver, where applicable) of various conditions precedent, and there is no certainty or assurance that the Proposed Hefei Disposal or the Proposed Property Disposal will proceed to completion. As set out in the relevant announcements, these corporate actions (including the Proposed Conversions) forms part of the Group's broader financial strategy to manage its debt obligations, strengthen its balance sheet, and support its long-term financial sustainability and growth.
- 8.4. The Conversion Price was determined with reference to the prevailing market price of the Shares for trades done on the SGX-ST on 29 October 2025, being the last full market day on which the Shares were traded prior to the entry into the Binding Term Sheets, and is equivalent to the theoretical ex-dividend share price, with no discount or premium applied. The Shares have historically traded at prices significantly below the Group's NAV per Share.
- 8.5. To share the expected cash savings on principal repayment from the Proposed Conversions, the Company intends to declare the Proposed Special Dividend. 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.

⁵ Please refer to the Company's announcement dated 14 October 2025 for further information.

⁶ Please refer to the Company's announcements dated 19 November 2025 and 26 November 2025 for further information on the Proposed Hefei Disposal.

⁷ Please refer to the Company's announcement dated 1 December 2025 for further information on the Proposed Property Disposal.

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- 8.6. The proposed CHSCP Scrip Dividend will support the Company's efforts to conserve internal cash reserves and strengthen its capital position. The CHS Concert Party Group's preliminary agreement to receive the CHSCP Scrip Dividend also demonstrates their confidence in and continued commitment to the Company.

9. THE PROPOSED ALLOTMENT AND ISSUANCE OF SCRIP DIVIDEND SHARES PURSUANT TO THE SCRIP DIVIDEND SCHEME

- 9.1. On 2 January 2026, the Company announced the adoption of the Scrip Dividend Scheme, under which Shareholders may elect to receive Qualifying Dividends in the form of Scrip Dividend Shares credited as fully paid, in lieu of cash. Shareholders are advised to refer to the Company's announcement dated 2 January 2026 for further details on the Scrip Dividend Scheme, including its terms and conditions.
- 9.2. The authority to issue the Scrip Dividend Shares may be pursuant to specific Shareholders' approval in compliance with Rule 805 of the Listing Manual or the Company may otherwise rely on a valid general mandate granted by the Shareholders to the Directors pursuant to Rule 806 of the Listing Manual.
- 9.3. The Directors propose, pursuant to Section 161 of the Companies Act and Rule 805 of the Listing Manual, to seek specific Shareholders' approval at the EGM for the authority to issue such number of Scrip Dividend Shares from time to time as may be required to be issued in respect of a Qualifying Dividend pursuant to the Scrip Dividend Scheme. Such approval, if granted, will continue in force until the conclusion of the next annual general meeting of the Company. The Company intends to seek specific Shareholders' approval for the authority to issue Scrip Dividend Shares on an annual basis thereafter, pursuant to Section 161 of the Companies Act and Rule 805 of the Listing Manual.
- 9.4. For the avoidance of doubt, should specific Shareholders' approval for the authority to issue Scrip Dividend Shares not be obtained at the EGM, the Company shall rely on its existing general share issue mandate approved by Shareholders at the annual general meeting held on 31 October 2025, for the allotment and issuance of any such Scrip Dividend Shares.

10. ADDITIONAL LISTING APPLICATION

The Company has submitted an additional listing application to the SGX-ST for the dealing in, listing of and quotation for up to 241,100,605 Conversion Shares on the Main Board of the SGX-ST.

On 2 January 2026, the Company announced that the SGX-ST had, on 2 January 2026, granted its approval in-principle (the "**AIP**") for the listing of and quotation for up to 241,100,605 Conversion Shares, subject to the following conditions (collectively, the "**AIP Conditions**"):

- (a) compliance with the SGX-ST's continuing listing requirements; and
- (b) shareholders' approval for the Proposed Conversions being obtained at the EGM.

Shareholders should note that the AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Proposed Conversions, Conversion Shares, the Company, its subsidiaries, or its securities.

11. 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.

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12. DIRECTORS' OPINION AND RECOMMENDATION

12.1. Directors' Opinion

The Directors are of the opinion that, barring any unforeseen circumstances, after taking into account the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

12.2. Directors' Recommendation

12.2.1 The Proposed Conversions and the Proposed Conversions Whitewash Resolution

The Independent Directors, having considered, among other things, the rationale, terms and conditions of the Proposed Conversions, and the opinion and advice of the IFA as set out in the IFA Letter, including:

- (a) that the Proposed Conversions are expected to significantly reduce the Group's overall debt position and result in significant cash savings, which is material in light of the Company's financial position;
- (b) that the Conversion Price was determined with reference to the prevailing market price of the Shares based on trades conducted on the SGX-ST on 29 October 2025, being the last full market day on which the Shares were traded prior to the entry into the Binding Term Sheets, and is equivalent to the theoretical ex-dividend share price, with no discount or premium applied; and
- (c) that there is no certainty that the Proposed Hefei Disposal or the Proposed Property Disposal will proceed to completion,

are of the opinion that the terms and conditions of the Proposed Conversions taken as a whole are fair and reasonable, and the Proposed Conversions, as well as the Proposed Conversions Whitewash Resolution, when considered in the context of the Proposed Conversions, are in the best interests of the Company and is not prejudicial to the interests of the Independent Shareholders. Accordingly, the Independent Directors recommend that Independent Shareholders vote in favour of Ordinary Resolution 1 and Ordinary Resolution 2 in respect of the Proposed Conversions and the Proposed Conversions Whitewash Resolution at the EGM.

12.2.2 The CHSCP Scrip Dividend Whitewash Resolution

The Independent Directors, having considered, among other things, the rationale and terms of the Proposed Special Dividend and the CHSCP Scrip Dividend, and the opinion and advice of the IFA as set out in the IFA Letter, are of the opinion that the terms of the Proposed Special Dividend and the CHSCP Scrip Dividend taken as a whole are fair and reasonable, and the CHSCP Scrip Dividend Whitewash Resolution, when considered in the context of the Proposed Special Dividend and the CHSCP Scrip Dividend is in the best interests of the Company and is not prejudicial to the interests of the Independent Shareholders. Accordingly, the Independent Directors recommend that Independent Shareholders vote in favour of Ordinary Resolution 3 in respect of the CHSCP Scrip Dividend Whitewash Resolution at the EGM.

12.2.3 The Proposed Allotment and Issuance of Scrip Dividend Shares

The Directors, having considered, among other things, the rationale and terms of the proposed allotment and issuance of Scrip Dividend Shares and all other relevant information set out in this Circular, are of the opinion that the proposed allotment and issuance of Scrip Dividend Shares are in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 4 in respect of the proposed allotment and issuance of Scrip Dividend Shares at the EGM.

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13. STATEMENT FROM THE AUDIT COMMITTEE

The Audit Committee, having considered and reviewed, *inter alia*, the rationale, terms and conditions of the Proposed Conversions, the opinion of the IFA as set out in the IFA Letter, and the fact that the Conversion Price was determined with reference to the prevailing market price of the Shares based on trades conducted on the SGX-ST on 29 October 2025, being the last full market day on which the Shares were traded prior to the entry into the Binding Term Sheets, and is equivalent to the theoretical ex-dividend share price, with no discount or premium applied, is satisfied that the Proposed Conversions is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

14. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 14.1. Ms. Doris Chung Gim Lian, a substantial shareholder of the Company, is the spouse of Mr. Chew. She is a part of the CHS Concert Party Group, and has preliminarily elected to receive the CHSCP Scrip Dividend.
- 14.2. 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).
- 14.3. The interests of the Directors, substantial shareholders, and the CHS Concert Party Group in the share capital of the Company as at the Latest Practicable Date are set out in **Appendix A** of this Circular.
- 14.4. The interests of the Directors, substantial shareholders, and the CHS Concert Part Group in the Convertible Bonds as at the Latest Practicable Date are set out in **Appendix B** of this Circular.

15. 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 23 January 2026 at 10.00 a.m., Singapore time, for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions as set out in the Notice of EGM.

16. ABSTENTION FROM VOTING

Any Shareholder who is interested in the Proposals should abstain from voting at the EGM in respect of the Ordinary Resolutions as set out in the Notice of EGM. Such Shareholders should also not accept nominations as proxies in respect of the aforesaid Ordinary Resolutions, 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 each of the aforesaid Ordinary Resolutions.

Under Rule 812(2) of the Listing Manual, where a meeting is held to obtain shareholders' approval for a placement of shares to a person in the categories set out in Rule 812(1) of the Listing Manual, the person and its associate must abstain from voting on the resolution approving the placement. Accordingly, Mr. Chew and his associates will abstain from voting on the Ordinary Resolution to approve the Proposed Conversions at the EGM. Mr. Chew and his associates shall also decline to accept appointment as proxies for any Shareholder to vote in respect of the Ordinary Resolution to approve the Proposed Conversions, 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.

LETTER TO SHAREHOLDERS

The CHS Concert Party Group and parties not independent of them will abstain from voting on the respective Ordinary Resolutions to approve the Proposed Conversions Whitewash Resolution and CHSCP Scrip Dividend Whitewash Resolution at the EGM. The CHS Concert Party Group and parties not independent of them shall also decline to accept appointment as proxies for any Shareholder to vote in respect of the Ordinary Resolution to approve the Proposed Conversions Whitewash Resolution and CHSCP Scrip Dividend Whitewash Resolution, 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 Resolutions.

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

17. ACTION TO BE TAKEN BY SHAREHOLDERS

17.1. 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 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 15 January 2026.

17.2. 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 15 January 2026 at 5.00 p.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 verification purposes.

The Company will endeavour to respond to substantial and relevant questions so received by 15 January 2026 at 5.00 p.m., via an announcement of SGXNet and the Company's website.

17.3. 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 corporate) appoint the Chairman as 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 Chairman of the EGM as their proxy to do so on their behalf.

LETTER TO SHAREHOLDERS

The instrument appointing the Chairman of the EGM as proxy 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 10.00 a.m. on 20 January 2026, being seventy-two (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 under the SRS and wishes to vote, should approach their respective SRS Operators to submit their forms to appoint the Chairman of the EGM as their proxy, at least seven (7) working days before the EGM.

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

18. 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.

LETTER TO SHAREHOLDERS

19. 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 Amendment Term Sheet; and
- (f) the Loan Amendment Term Sheet.

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 / CHS CONCERT PARTY GROUP 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 / CHS Concert Party Group)				
Mdm. Lim Siew Mun	4,375,300	-	4,375,300	0.30
Mr. Lim How Teck ⁽²⁾	4,144,530	2,769,230	6,913,760	0.47
BG (Retd) Chua Chwee Koh	10,103,600	-	10,103,600	0.68
Mr. Joseph Ho Yan Jun	1,375,300	-	1,375,300	0.09
Substantial Shareholders / The CHS Concert Party Group				
Mr. Chew Hua Seng ⁽³⁾	491,769,605 ⁽⁴⁾	34,043,159	525,812,764	35.49
Ms. Doris Chung Gim Lian ⁽³⁾	170,992,922 ⁽⁴⁾	354,819,842	525,812,764	35.49

Notes:

- (1) The percentage shareholding interest is computed based on the Existing Share Capital comprising 1,481,673,168 Shares (excluding treasury 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) Mr. Chew is deemed to be interested in the Shares held by his spouse, Ms. Doris Chung Gim Lian, and *vice versa*.
- (4) Includes 136,949,763 Shares jointly held by Mr. Chew and his spouse, Ms. Doris Chung Gim Lian.

APPENDIX B

INTERESTS OF THE DIRECTORS AND THE SUBSTANTIAL SHAREHOLDERS / CHS CONCERT PARTY GROUP IN THE CONVERTIBLE BONDS AS AT THE LATEST PRACTICABLE DATE

	Direct Interest in Convertible Bonds (S\$)	Deemed Interest in Convertible Bonds (S\$)
Directors (other than the Substantial Shareholders / CHS Concert Party Group)		
Mdm. Lim Siew Mun	100,000	-
Mr. Lim How Teck	-	-
BG (Retd) Chua Chwee Koh	421,000	-
Mr. Joseph Ho Yan Jun	-	-
Substantial Shareholders / The CHS Concert Party Group		
Mr. Chew Hua Seng ⁽¹⁾	34,383,487	646,819
Ms. Doris Chung Gim Lian ⁽¹⁾	646,819	34,383,487

Note:

- (1) Mr. Chew is deemed to be interested in the Convertible Bonds held by his spouse, Ms. Doris Chung Gim Lian, and vice versa.

APPENDIX C

ILLUSTRATION OF SHAREHOLDING INTERESTS BEFORE AND AFTER THE COMPLETION OF THE PROPOSED TRANSACTIONS

The shareholding interests set out below are for illustration purposes only and reflects the sequence of events comprising (i) the issuance of the CHSCP Scrip Dividend, followed by (ii) the allotment and issuance of the Conversion Shares, and is based on the following bases and assumptions:

- (a) the declaration of the Proposed Special Dividend of S\$0.004 per Share;
- (b) the VWAP of S\$0.0684 on 29 October 2025 is applied for the issuance of the Scrip Dividend Shares;
- (c) save for the CHS Concert Party Group, none of the other Shareholders elects to receive their Proposed Special Dividend in Scrip Dividend Shares in lieu of cash;
- (d) the conversion and cancellation of all outstanding Convertible Bonds at the conversion price of S\$0.065 per Share after the completion of the Proposed Transactions. As at the Latest Practicable Date, the Company has S\$39,517,715 outstanding Convertible Bonds;
- (e) the exercise of all outstanding employee share options after the completion of the Proposed Transactions. As at the Latest Practicable Date, the Company has 1,630,000 outstanding employee share options; and
- (f) the CHS Concert Party Group's current shareholding of 525,812,764 Shares as at the Latest Practicable Date.

	Number of Shares as at the Latest Practicable Date	Percentage shareholding as at the Latest Practicable Date (%) ⁽¹⁾	Number of Shares upon completion of the allotment and issuance of the CHSCP Scrip Dividend	Percentage shareholding upon completion of the allotment and issuance of the CHSCP Scrip Dividend (%) ⁽²⁾	Number of Shares upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares	Percentage shareholding upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares (%) ⁽³⁾	Number of Shares upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares on a fully diluted basis	Percentage shareholding upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares on a fully diluted basis (%) ⁽⁴⁾
Directors (other than the Substantial Shareholders / CHS Concert Party Group)								
Mdm. Lim Siew Mun	4,375,300	0.30	4,375,300	0.29	4,375,300	0.25	5,913,761	0.25
Mr. Lim How Teck ^(a)	6,913,760	0.47	6,913,760	0.46	6,913,760	0.39	6,913,760	0.29
BG (Retd) Chua Chwee Koh	10,103,600	0.68	10,103,600	0.67	10,103,600	0.58	16,580,523	0.70
Mr. Joseph Ho Yan Jun	1,375,300	0.09	1,375,300	0.09	1,375,300	0.08	1,375,300	0.06

APPENDIX C

	Number of Shares as at the Latest Practicable Date	Percentage shareholding as at the Latest Practicable Date (%) ⁽¹⁾	Number of Shares upon completion of the allotment and issuance of the CHSCP Scrip Dividend	Percentage shareholding upon completion of the allotment and issuance of the CHSCP Scrip Dividend (%) ⁽²⁾	Number of Shares upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares	Percentage shareholding upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares (%) ⁽³⁾	Number of Shares upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares on a fully diluted basis	Percentage shareholding upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares on a fully diluted basis (%) ⁽⁴⁾
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Substantial Shareholders / The CHS Concert Party Group

Mr. Chew Hua Seng ⁽⁶⁾	525,812,764	35.49	556,562,048	36.80	797,662,653	45.49	1,336,590,437	56.56
Ms. Doris Chung Gim Lian ⁽⁶⁾	525,812,764	35.49	556,562,048	36.80	797,662,653	45.49	1,336,590,437	56.56

Other Shareholders

	933,092,444	62.97	933,092,444	61.69	933,092,444	53.21	995,744,120	42.14
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Notes:

- (1) The percentage shareholding interest is computed based on the Existing Share Capital comprising of 1,481,673,168 Shares (excluding treasury shares).
- (2) The percentage shareholding interest upon completion of the allotment and issuance of up to 30,749,284 Shares pursuant to the CHSCP Scrip Dividend is computed based on the CHSCP Scrip Dividend Enlarged Share Capital comprising 1,512,422,452 Shares (excluding treasury shares).
- (3) The percentage shareholding interest upon completion of the allotment and issue of up to 30,749,284 Shares pursuant to the CHSCP Scrip Dividend and 241,100,605 Conversion Shares is computed based on the Consolidated Enlarged Share Capital comprising 1,753,523,057 Shares (excluding treasury shares).
- (4) The percentage shareholding interest upon completion of the allotment and issue of up to 30,749,284 Shares pursuant to the CHSCP Scrip Dividend and 241,100,605 Conversion Shares is computed based on the Fully Diluted Share Capital comprising 2,363,117,901 Shares (excluding treasury shares), assuming the conversion and cancellation of all outstanding Convertible Bonds and the exercise of all outstanding employee share options.
- (5) Mr. Lim How Teck is deemed to be interested in the Shares held by his spouse, Ms. Tan Cheng Hiang Rosalind (Mrs. Rosalind Lim).
- (6) Mr. Chew is deemed to be interested in the Shares held by his spouse, Ms. Doris Chung Gim Lian, and *vice versa*.

APPENDIX D

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

8 January 2026

- (1) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. CHEW HUA SENG ("MR. CHEW") FOR ALL THE ISSUED SHARES IN THE CAPITAL OF RAFFLES EDUCATION LIMITED (THE "COMPANY") NOT ALREADY OWNED OR CONTROLLED BY MR. CHEW AND PARTIES ACTING IN CONCERT WITH HIM, AS A RESULT OF THE PROPOSED CONVERSIONS (AS DEFINED HEREIN) (THE "PROPOSED CONVERSIONS WHITEWASH RESOLUTION"); AND
- (2) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. CHEW FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY MR. CHEW AND PARTIES ACTING IN CONCERT WITH HIM, AS A RESULT OF THE CHSCP SCRIP DIVIDEND (AS DEFINED HEREIN) (THE "CHSCP SCRIP DIVIDEND WHITEWASH RESOLUTION");

(COLLECTIVELY, THE "WHITEWASH RESOLUTIONS")

Unless otherwise defined or where the context otherwise requires, all terms used herein shall have the same meanings as defined in the circular dated 8 January 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 for the purpose of making a recommendation to the Independent Shareholders (as defined herein) in respect of the Proposed Conversions and the Whitewash Resolutions (the "Independent Directors"). 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 (Retd) Chua Chwee Koh.

This letter (the "Letter" or "IFA Letter") sets out, *inter alia*, our views and evaluation of the Whitewash Resolutions proposed as ordinary resolutions 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, which if passed by the Shareholders other than (i) Mr. Chew; (ii) parties acting in concert with Mr. Chew; and (iii) parties not independent of the parties mentioned in (i) and (ii) above for the purposes of the Whitewash Resolutions (the "Independent Shareholders"), would result in a waiver by the Independent Shareholders of their rights to receive a mandatory general offer ("Mandatory Offer") from Mr. Chew in connection with the issue of the Conversion Shares (defined later) and the

APPENDIX D

CHSCP Scrip Dividend under the Proposed Transactions (defined later). Likewise, it contains our recommendations to the Independent Directors in relation to the Whitewash Resolutions.

Unless otherwise defined or where the context otherwise requires, the definitions used in the Circular shall apply throughout this Letter. Certain figures and computations as enumerated or set out in this Letter are based on approximations and their accuracies are subjected to rounding.

1.1. BACKGROUND

The Proposed Conversions

On 30 October 2025, (the “**Announcement Date**”), the Company announced that it had, on 29 October 2025 entered into:

- (i) a binding term sheet (the “**Bond Amendment Term Sheet**”) with Mr. Chew in relation to the bond subscription agreements dated 24 July 2024 and 1 April 2025 (the “**Bond Subscription Agreements**”) entered into between the Company and Mr. Chew for the subscription and issuance of unlisted, non-convertible bonds (the “**Bonds**”); and
- (ii) a binding term sheet (the “**Loan Amendment Term Sheet**”, and together with the Bond Amendment Term Sheet, the “**Binding Term Sheets**”) with Mr. Chew and Langfang Tonghui Education Consultancy Co. Ltd. (“**Tonghui**”, a subsidiary of the Company) in relation to the loan agreement dated 29 July 2024 (the “**Loan Agreement**”) entered into between Tonghui and Mr. Chew, pursuant to which Mr. Chew had extended a loan to Tonghui (the “**Loan**”),

pursuant to which the terms of the existing Bonds and Loan have been amended to provide for the conversion of approximately S\$15,526,879, being the outstanding principal amounts owed to Mr. Chew under the Bonds and the Loan (excluding any accrued or outstanding interest) (collectively, the “**Outstanding Amounts**”), into 241,100,605 new Shares (the “**Conversion Shares**”) at a conversion price of S\$0.0644 per Conversion Share (the “**Conversion Price**”), at the election of the Company (collectively, the “**Proposed Conversions**”). For the avoidance of doubt, any accrued or outstanding interest under the Bonds and Loan will be settled separately in cash.

The Proposed Special Dividend

The Proposed Conversions are expected to result in substantial cash savings for the Company from the principal repayment of the Bonds and the Loan. Subject to Shareholders’ approval of the Proposed Conversions and the Whitewash Resolutions 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\$0.004 per Share (the “**Proposed Special Dividend**”), in view of the expected cash savings arising from the Proposed Conversions. It is noted that in the event that the Proposed Conversions or any of the Whitewash Resolutions is not passed by the Independent Shareholders, the Proposed Special Dividend may not take place.

To support the Company’s cash conservation efforts, Mr. Chew and parties acting in concert with him (the “**CHS Concert Party Group**”), at the request of the Company, has preliminarily agreed to elect to receive their entire entitlement to the Proposed Special Dividend in the form of the Scrip Dividend Shares (as defined in the Circular) in the capital of the Company (the “**CHSCP Scrip Dividend**”) in lieu of cash. Based on the CHS Concert Party Group’s current shareholding of 525,812,764 Shares, they would be entitled to a Proposed Special Dividend of approximately S\$2,103,251. The number of new Shares to be issued pursuant to the CHSCP Scrip Dividend will be calculated based on the closing price as at the Record Date (as defined in the Circular) to be announced. The issue price of the Scrip Dividend Shares will be determined by the Directors in compliance with Rule 862(4) of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), but will not, in any event, be lower than S\$0.0684 (the “**Minimum Issue Price**”), being the volume-weighted average price (the “**VWAP**”) of the Shares on 29 October 2025. For the avoidance of doubt, there is no certainty that the CHS Concert Party Group will ultimately elect to receive their entire entitlement to the Proposed Special Dividend in the form of the CHSCP Scrip Dividend in lieu of cash.

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The CHSCP Scrip Dividend Whitewash Resolution

Based on the assumptions and illustration set out in Section 3.4 of the Circular, in the Maximum Potential Dilution Scenario (as defined in the Circular), approximately 30,749,284 Shares will be issued to the CHS Concert Party Group pursuant to the CHSCP Scrip Dividend. This will result in the CHS Concert Party Group's collective shareholding increasing from approximately 35.49% of the existing issued and paid-up Share capital of the Company (excluding treasury Shares) comprising 1,481,673,168 Shares (the **"Existing Share Capital"**) to approximately 36.80% of the enlarged issued and paid-up Share capital of the Company (excluding treasury shares) comprising 1,512,422,452 Shares, assuming completion of the allotment and issuance of up to 30,749,284 Shares pursuant to the CHSCP Scrip Dividend under the Maximum Potential Dilution Scenario (the **"CHSCP Scrip Dividend Enlarged Share Capital"**).

As Mr. Chew's aggregate voting rights in the Company may increase by more than 1.0% following the allotment and issuance of the CHSCP Scrip Dividend to the CHS Concert Party Group (including Mr. Chew), the CHS Concert Party Group may incur an obligation to make a Mandatory Offer pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the **"Code"**), unless this obligation is waived by the Securities Industry Council (the **"SIC"** or **"Council"**).

The Proposed Conversions Whitewash Resolution

As set out in Section 2.5.2 of the Circular, an aggregate of 241,100,605 Conversion Shares may be issued to Mr. Chew under the Proposed Conversions. This will result in the CHS Concert Party Group's collective shareholding increasing from approximately 35.49% of the Existing Share Capital to approximately 44.52% of the enlarged issued and paid-up Share capital of the Company (excluding treasury Shares) comprising 1,722,773,773 Shares, assuming completion of the allotment and issuance of 241,100,605 Conversion Shares pursuant to the Proposed Conversions (the **"Proposed Conversions Enlarged Share Capital"**) and approximately 45.49% of the consolidated enlarged issued and paid-up Share capital of the Company (excluding treasury Shares) assuming completion of the allotment and issuance of up to 30,749,284 Shares pursuant to the CHSCP Scrip Dividend and 241,100,605 Conversion Shares pursuant to the Proposed Conversions, comprising 1,753,523,057 Shares (the **"Consolidated Enlarged Share Capital"**).

Accordingly, Mr. Chew's aggregate voting rights in the Company may increase by more than 1.0% following the allotment and issuance of the Conversions Shares to him, thereby incurring an obligation to make a Mandatory Offer pursuant to Rule 14 of the Code, unless this obligation is waived by the Council.

1.2 THE WHITEWASH WAIVERS

The information on the Whitewash Waivers, as extracted from Section 4.2 of the Circular, are set out in italics below. We recommend that Shareholders read the terms and conditions contained therein carefully.

"4.2 Whitewash Waivers"

*The Council had on 24 October 2025, waived the obligation for Mr. Chew to make a mandatory offer for the Company under Rule 14 of the Code incurred as a result of (i) the CHS Concert Party Group (including Mr. Chew)'s acquisition of the CHSCP Scrip Dividend, and (ii) Mr. Chew's subsequent acquisition of the Conversion Shares (collectively, the **"Whitewash Waivers"**), subject to the following conditions:*

- (a) *a majority of holders of voting rights of the Company approve at a general meeting, before the issue of (i) the CHSCP Scrip Dividend to the CHS Concert Party Group; and (ii) the Conversion Shares to Mr. Chew, separate resolutions in relation to each of the Whitewash Waivers by way of a poll each to waive their rights to receive a general offer from Mr. Chew;*
- (b) *each of the Whitewash Resolutions is separate from other resolutions;*

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- (c) *Mr. Chew, parties acting in concert with him, and parties not independent of them abstain from voting on each of the Whitewash Resolutions;*
- (d) *Mr. Chew and his concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular):*
 - (i) *during the period between the Announcement Date and the date Shareholders' approval is obtained for each of the Whitewash Resolutions; and*
 - (ii) *in the 6 months prior to the Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Transactions;*
- (e) *the Company appoints an independent financial adviser to advise the Independent Shareholders on each of the Whitewash Resolutions;*
- (f) *the Company sets out clearly in this Circular:*
 - (i) *details of the Proposed Transactions, including the proposed issue of (A) the CHSCP Scrip Dividend to the CHS Concert Party Group, and (B) the Conversion Shares to Mr. Chew under the Proposed Conversions;*
 - (ii) *the dilution effect to existing holders of voting rights of the Company upon the issue of (A) the CHSCP Scrip Dividend to the CHS Concert Party Group, and (B) the Conversion Shares to Mr. Chew, under the Proposed Transactions;*
 - (iii) *the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and option in respect of Shares held by Mr. Chew and his concert parties as at the Latest Practicable Date;*
 - (iv) *the number and percentage of voting rights to be acquired by Mr. Chew and his concert parties upon the issue of (A) the CHSCP Scrip Dividend to the CHS Concert Party Group, and (B) the Conversion Shares to Mr. Chew, under the Proposed Transactions; and*
 - (v) *specific and prominent reference to the fact that:*
 - (A) *the issue of the Conversion Shares to Mr. Chew under the Proposed Conversions could result in Mr. Chew and his concert parties holding Shares carrying over 49% of the voting rights of the Company and to the fact that Mr. Chew and his concert parties will be free to acquire further Shares without incurring any obligation under Rule 14 to make a general offer;*
 - (B) *Shareholders, by voting for each of the Whitewash Resolutions, are waiving their rights to a general offer from Mr. Chew at the highest price paid by Mr. Chew and his concert parties for the Shares in the past 6 months preceding the Announcement Date; and*
 - (C) *Shareholders, by voting for the Whitewash Resolution in respect of the Proposed Conversions, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Proposed Conversions;*
- (g) *this Circular states that each of the Whitewash Waivers granted by the Council to Mr. Chew from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at sub-paragraphs (a) to (f) above;*

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- (h) *Mr. Chew obtains the Council's approval in advance for those parts of this Circular that refer to the Whitewash Resolutions;*
- (i) *to rely on each of the Whitewash Resolutions:*
 - (i) *the approval of each of the Whitewash Resolutions must be obtained within 3 months of the date the Council granted the Whitewash Waivers (i.e. 24 October 2025);*
 - (ii) *in respect of the CHSCP Scrip Dividend, the acquisition of the CHSCP Scrip Dividend by the CHS Concert Party Group must be completed within 3 months of the approval of the CHSCP Scrip Dividend Whitewash Resolution; and*
 - (iii) *in relation to the Proposed Conversions:*
 - (A) *the respective Bond Amendment Term Sheet and Loan Amendment Term Sheet must be executed, as well as the issue of the convertible bonds and the convertible loan facilities thereunder (collectively, the “**Convertibles**”) must be completed within 3 months of the approval of the Proposed Conversions Whitewash Resolution; and*
 - (B) *the acquisition of the Conversion Shares by Mr. Chew under the Proposed Conversions must be completed within 5 years of date of issue of the Convertibles¹; and*
- (j) *Mr. Chew will comply or procure the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code.”*

Independent Shareholders are requested to vote, by way of a poll, on each of the Whitewash Resolutions set out as Ordinary Resolution 2 and Ordinary Resolution 3 in the Notice of EGM, to waive their rights to receive a Mandatory Offer for the Company's Shares from Mr. Chew under Rule 14 of the Code, in each of the following events:

- (a) if Mr. Chew incurs an obligation to make a Mandatory Offer under the Code as a result of the allotment and issuance of the CHSCP Scrip Dividend to the CHS Concert Party Group (including Mr. Chew); and
- (b) if Mr. Chew incurs an obligation to make a Mandatory Offer under the Code as a result of the allotment and issuance of the Conversion Shares to Mr. Chew.

As set out in Section 4.5 of the Circular, Independent Shareholders should note that:

- (a) **the issue of the Conversion Shares to Mr. Chew under the Proposed Conversions could result in Mr. Chew and his concert parties holding Shares carrying over 49.0% of the voting rights of the Company. In such event, Mr. Chew and his concert parties would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer²;**
- (b) **by voting in favour of each of the Whitewash Resolutions, Independent Shareholders will be waiving their rights to receive a Mandatory Offer from Mr. Chew at the highest price paid by Mr. Chew and/or his concert parties for the Shares in the past six (6) months preceding the Announcement Date;**
- (c) **by voting in favour of the Proposed Conversions Whitewash Resolution, Independent Shareholders could be forgoing the opportunity to receive a general offer from another**

¹ As stated in Section 2.5.3 of the Circular, the Company will exercise its rights to convert the Bonds and the Loan into Conversion Shares within one (1) week of the Record Date for the Proposed Special Dividend.

² The above statement is incorporated in this Letter to comply with the conditions of the Whitewash Waivers. Based on the Maximum Potential Dilution Scenario illustrated in Section 4.3 of the Circular, the shareholding of Mr. Chew and his concert parties may not cross 49.0% as a result of the Proposed Transactions.

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person who may be discouraged from making a general offer in view of the potential dilution effect of the Proposed Conversions; and

- (d) approval of the Proposed Conversions Whitewash Resolution is a condition precedent to the Proposed Conversions, and Ordinary Resolution 1 in relation to the Proposed Conversions and Ordinary Resolution 2 in relation to the Proposed Conversions Whitewash Resolution are inter-conditional. Accordingly, in the event that the Proposed Conversions Whitewash Resolution is not passed by Independent Shareholders, the Proposed Conversions will not proceed to completion.

2. TERMS OF REFERENCE

ACA has been appointed to advise the Independent Directors with respect to the Whitewash Resolutions in relation to the Proposed Conversions and the CHSCP Scrip Dividend (collectively, the **“Proposed Transactions”**) and the allotment and issuance of the Conversion Shares and the CHSCP Scrip Dividend. We were neither a party to the Proposed Transactions, the Whitewash Resolutions, and where applicable, any other proposed transaction stipulated in the Circular, 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 the Whitewash Resolutions, 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 determination of the parties acting in concert, for the purposes of the Whitewash Resolutions other than to form an opinion, strictly and solely on the bases set out herein on whether the terms of the Proposed Transactions (being the subject of the Whitewash Resolutions) are fair and reasonable, and not prejudicial to the interests of the Independent Shareholders when considered in the context of the issuance of the Conversion Shares and the CHSCP Scrip Dividend. 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 and the Whitewash Resolutions.

We have confined our evaluation strictly and solely on the financial terms of the Proposed Transactions, being the subject of the Whitewash Resolutions 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-conditional of the Proposed Transactions and the Whitewash Resolutions or the validity of any resolution or the future prospects of the Company and its subsidiaries (collectively, the **“Group”**) subsequent to the Proposed Transactions or the possibility/probability that the Group can improve its financial performance and position or such other proposed corporate actions or that the anticipated benefits from the Proposed Transactions can be realised (as the case may be). 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 Transactions will alleviate the uncertainties regarding the Group’s going concern or the resolutions to be approved at the EGM other than the Whitewash Resolutions. 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 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 29 December 2025 (the

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“**Latest Practicable Date**”) and therefore does not reflect expected financial performance after the financial year ended 30 June (“**FY**” or “**FYE**”) 2025 (“**FY2025**”) 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. 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 2025 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 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 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).

The auditor of the Company (the “**Auditor**”), which is named in the Company’s annual report for FY2025 (the “**AR2025**”), had highlighted material uncertainty related to going concern in respect of the audited financial statements for the Group for FY2025. Our analysis, comments and opinion in this Letter are subject to confirmation from the Directors that notwithstanding the material uncertainty related to going concern, the values of the assets and liabilities as well as the financial performance or condition of the Group as reflected in the audited financial statements of the Company and the Group for FY2025 are true and fair, and nothing has come to their attention which may render the Group’s audited financial statements for FY2025 to be false or misleading in any material aspect. 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 financial statements for FY2025, and the Company’s announcements on the 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 the light of these developments which, *inter alia*, include general as well as company specific or industry specific conditions or sentiments or factors or levels of acceptances 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) relevant to their consideration of the Proposed Transactions which may be released by the Company after the Latest Practicable Date.

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

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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 Transactions, 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 Whitewash Resolutions, or the Company or the Group or the Shares or the Conversion Shares or the CHSCP Scrip Dividend 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 CONVERSIONS

The background and principal terms and conditions of the Proposed Conversions, 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 29 October 2025, entered into the following:*

- (a) *the Bond Amendment Term Sheet with Mr. Chew, in relation to the Bond Subscription Agreements; and*
- (b) *the Loan Amendment Term Sheet with Tonghui and Mr. Chew, in relation to the Loan Agreement,*

pursuant to which the terms of the existing Bonds and Loan have been amended to provide for the conversion of approximately S\$15,526,879, being the outstanding principal amounts owed to Mr. Chew under the Bonds and the Loan (excluding any accrued or outstanding interest), into Conversion Shares, at the election of the Company. For the avoidance of doubt, any accrued or outstanding interest under the Bonds and Loan will be settled separately in cash.

2.1.2 *The Proposed Conversions will not result in any new cash proceeds for the Company.*

2.1.3 *The Proposed Conversions will be undertaken pursuant to the private placement exemption under Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Conversions.*

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

2.2 The Proposed Bond Conversion

2.2.1 *As announced by the Company on 27 September 2024 and 3 April 2025, Mr. Chew had subscribed for an aggregate of S\$11,750,000 in principal amount of Bonds.*

2.2.2 *The salient terms of the Bonds, as announced by the Company on 24 July 2024, are as follows:*

Principal Amount : *Up to S\$20,000,000, of which Mr. Chew had subscribed for an aggregate of S\$10,000,000 in principal amount of Bonds on 27 September 2024 and S\$1,750,000 in principal amount of Bonds on 3 April 2025.*

Issue Price : *100.0% of the principal amount of Bonds.*

Interest : *The Bonds will bear interest at the rate of 10.5% per annum.*

As at the Latest Practicable Date, approximately S\$1,456,839 in interest has accrued under the Bonds subscribed by Mr. Chew, of which S\$1,450,223 has been paid to Mr. Chew, with the balance remaining payable in accordance with the terms and conditions of the Bonds.

Form and Denomination : *The Bonds will be issued in registered form in denomination of S\$250,000 or integral multiples thereof.*

Status of the Bonds : *The 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*

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obligations of the Company under the 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 Bonds will mature on the date falling five (5) years from its issue date ("**Maturity Date**").

Of the Bonds subscribed by Mr. Chew, S\$10,000,000 in principal amount of Bonds subscribed on 27 September 2024 will mature on 26 September 2029, and S\$1,750,000 in principal amount of Bonds subscribed on 3 April 2025 will mature on 2 April 2030.

Redemption at the option of the Company : The Bonds may be redeemed at the option of the Company, in whole (and not in part), prior to the Maturity Date, by giving at least 30 calendar days' prior notice, at 100.0% of its principal amount, in accordance with the terms and conditions of the Bonds.

Redemption on maturity : Subject to the terms and conditions of the Bonds, unless previously redeemed, purchased and cancelled or extended as provided for in the terms and conditions of the Bonds, the Company will redeem each Bond at 100.0% of its principal amount on the Maturity Date.

Listing : The Bonds will not be listed on any stock exchange.

Governing Law : Singapore law.

Please refer to the Company's announcements dated 24 July 2024, 27 September 2024, 2 April 2025, and 3 April 2025 for further information on the Bonds.

2.2.3 The net proceeds from the issuance of the Bonds have been fully applied to refinance some of the Group's borrowings and for working capital purposes. The use of the net proceeds is in accordance with the intended use of proceeds as disclosed in the Company's announcement dated 24 July 2024.

2.2.4 Under the Bond Amendment Term Sheet, the Company shall have a right to convert the outstanding principal amount of Bonds held by Mr. Chew into new Shares, exercisable at the Company's discretion, in whole or in part, and in one or more tranches. The Bonds (as amended by the Bond Amendment Term Sheet) may not be transferred to any third party.

2.2.5 The Company had approached the other holders of the Bonds to propose amendments to the terms of their Bonds to provide for convertibility, however, only Mr. Chew agreed to proceed with the proposal.

2.3 The Proposed Loan Conversion

2.3.1 Pursuant to the Loan Agreement dated 29 July 2024, Mr. Chew had extended an unsecured loan of RMB50,000,000 to Tonghui. As at the Latest Practicable Date, approximately RMB21,218,183 (approximately S\$3,776,879³) of the principal amount of the Loan remains outstanding.

2.3.2 The salient terms of the Loan are as follows:

Purpose : The purpose of the Loan is to support Tonghui's business development needs.

³ The Loan is denominated in RMB, with the figure based on an exchange rate of RMB1.00: SGD0.178002, as at 30 June 2025.

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Loan Period : The Loan is for an initial period of one (1) month. Should there be any outstanding balance, the Loan will be automatically extended on a monthly basis until the full principal amount is repaid.

Interest : The Loan bears interest at the rate of 6.0% per annum.

As at the Latest Practicable Date, approximately RMB2,268,902 (approximately S\$403,869⁽³⁾) in interest has accrued under the Loan, of which approximately RMB1,208,574 has been paid to Mr. Chew, with the balance remaining payable in accordance with the Loan Agreement.

Repayment : Payment of the Loan shall first be applied towards the payment of interest, with any remaining balance applied towards the repayment of the principal amount of the Loan.

Governing Law : Laws of the People's Republic of China.

2.3.3 The Loan has been fully applied by Tonghui to support its working capital requirements. The application of the Loan is in accordance with the stated purpose of the Loan in the Loan Agreement.

2.3.4 Under the Loan Amendment Term Sheet, the Company and Tonghui have a joint right to convert the outstanding principal amount of the Loan into new Shares, such right to be exercisable at the discretion of the Company and Tonghui, in whole and in part, and in one or more tranches. The Loan (as amended by the Loan Amendment Term Sheet) may not be assigned or transferred to any third party.

2.3.5 As Tonghui is a subsidiary of the Company, the Proposed Loan Conversion forms part of a broader restructuring of the Group's debt obligations. By facilitating the conversion at the Company level, the Group effectively reduces liabilities at the subsidiary level while raising a corresponding amount of equity, thereby strengthening its consolidated balance sheet. The Proposed Loan Conversion is in the best interests of the Group as it improves the Group's overall financial position. As at 30 June 2025, Tonghui owes the Company intercompany balances of S\$28,161,871, which will increase following the Loan Conversion. These intercompany balances, however, will be eliminated upon consolidation at the Group level and therefore will not affect the Group's consolidated financial position.

2.4 Information and disclosures relating to Mr. Chew

2.4.1 Mr. Chew is the Chairman and Chief Executive Officer of the Company.

2.4.2 Mr. Chew is also a Controlling Shareholder of the Company. As at the Latest Practicable Date, the CHS Concert Party Group collectively holds 525,812,764 Shares, representing approximately 35.49% of the Existing Share Capital. Please refer to **Appendix A** of this Circular for details of the shareholdings of the CHS Concert Party Group.

2.4.3 Mr. Chew will not be holding the Conversion Shares on trust or as a nominee.

2.4.4 Convertible Bonds

For completeness, Mr. Chew also holds an aggregate of S\$35,030,306⁴ in principal amount of Convertible Bonds in addition to the Bonds which are the subject of the Proposed Bond Conversion. For the avoidance of doubt, the Convertible Bonds held by Mr. Chew are not subject to the Proposed Conversions, and conversions pursuant to the terms of the Convertible Bonds will not result in adjustments to terms of the Proposed Conversions.

⁴ Of this amount, Mr. Chew is deemed interested in an aggregate principal amount of S\$646,819 Convertible Bonds held by his spouse, Ms. Doris Chung Gim Lian.

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2.4.5 The salient terms of the Convertible Bonds, as announced by the Company on 7 June 2022, are as follows:

- Maturity Date** : 5 years from the issue date of the Convertible Bonds.
- Coupon** : 6.0% per annum, payable on a semi-annual basis.
- Form and Denomination** : The Convertible Bonds will be issued in registered form and in denomination of S\$1.00 each and integral multiples thereof and will initially be represented by a global certificate registered in the name of, and deposited with, CDP. Except in the limited circumstances described in the provisions of the global certificate representing the Convertible Bonds, owners of interests in the Convertible Bonds represented by such global certificate will not be entitled to receive definitive security certificates in respect of their individual holdings of Convertible Bonds. The Convertible Bonds which are represented by such global certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.
- Conversion Right** : Holders of the Convertible Bonds will have the right to convert their Convertible Bonds into Shares ("**CB Shares**"), credited as fully paid, in accordance with the terms and conditions of the Convertible Bonds.
- Conversion Price** : Subject to adjustments as set out in the terms and conditions of the Convertible Bonds, the initial conversion price shall be S\$0.065.
- Conversion Period** : Subject to and in compliance with the terms and conditions of the Convertible Bonds and any applicable fiscal or other laws or regulations, holders of Convertible Bonds may exercise the right to convert their Convertible Bonds, in whole or in part, into CB Shares at any time on or after the date falling 60 days after the issue date of the Convertible Bonds up to the date falling 10 days prior to the maturity date of the Convertible Bonds, excluding closed periods (as described in the terms and conditions of the Convertible Bonds), provided that, in each case, if such final date for the exercise of the right to convert is not a business day, then the period for exercise of conversion by holders of Convertible Bonds shall end on the immediately preceding business day.
- Adjustments to Conversion Price** : The conversion price will be subject to adjustment in certain events, including:
- (a) consolidation or subdivision or reclassification of Shares;
 - (b) the Company issuing any Shares credited as fully paid to shareholders by way of capitalisation of profits or reserves;
 - (c) capital distributions;
 - (d) rights issues of Shares or options over Shares;
 - (e) rights issues of other securities;
 - (f) other issues at less than current market price;
 - (g) modification of rights of conversion, other offers to shareholders and other events; and
 - (h) if the Company determines that an adjustment should be made or should not be made or that the effective date for the relevant adjustments should be another date, the use by the Company of a leading independent investment bank of international repute (acting as expert) to determine if the adjustment is fair and reasonable, so as to restore the economic position of the bondholders after the occurrence of such events or circumstances, to the same position as if the diluting of such events or circumstances had not occurred.

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The adjustments are determined in accordance with the specified formulas set out in the terms and conditions of the Convertible Bonds.

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.*

Status of the CB Shares : *The CB Shares will, upon allotment and issue, rank pari passu in all respects with the existing issued Shares as of the date the relevant Shares are credited to the relevant holder of Convertible Bonds' account with CDP or the date he is registered as such in the Company's register of members, save for any dividends, rights, allotments or other distributions for which the record date precedes the relevant registration date of the Convertible Bonds, subject to the terms and conditions of the Convertible Bonds.*

Final Redemption : *Unless previously redeemed, converted or purchased and cancelled as provided in the terms and conditions of the Convertible Bonds, the Company will redeem each Convertible Bond at 100.0% of its principal amount together with accrued interest up to (but excluding) the maturity date of the Convertible Bonds. The Company shall at least thirty (30) days before the maturity date of the Convertible Bonds give notice to the holders of the maturity date and shall make such announcement.*

Tax Redemption : *The Company may, at any time, having given not less than 30 or more than 60 days' irrevocable notice to the holders of Convertible Bonds, redeem all (and not some only) of the Convertible Bonds at 100.0% of their principal amount, together with unpaid interest accrued to (but excluding) the date fixed for redemption for taxation reasons (i.e. the Company has or will become obliged to pay additional amount due to change of tax rules in Singapore or other Jurisdiction), and in the manner, set out in the terms and conditions of the Convertible Bonds.*

Clearing and Settlement : *The Convertible Bonds will be cleared through CDP and represented by a global certificate registered in the name of, and deposited with, CDP as authorised depository.*

Listing of the Convertible Bonds and the CB Shares : *The Convertible Bonds are listed on the SGX-ST, and the CB Shares to be issued upon conversion of the Convertible Bonds will be listed on the SGX-ST.*

Governing Law : *Singapore law.*

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, 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025, and 31 December 2025, and the offer information statement dated 30 August 2022 for further information on the Convertible Bonds.

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2.5 Key Terms of the Proposed Conversions

2.5.1 Conversion Price

Subject to the adjustments set out in the respective Binding Term Sheets, the Conversion Price is S\$0.0644 per Conversion Share, being the VWAP of S\$0.0684 per Share for trades done on the SGX-ST on 29 October 2025, being the last full market day on which the Shares were traded prior to the Announcement Date, less the amount of the Proposed Special Dividend of S\$0.004 per Share. Please refer to Section 3 below for further details on the Proposed Special Dividend.

The Conversion Price was determined with reference to the prevailing market price of the Shares, and is equivalent to the theoretical ex-dividend share price, with no discount or premium applied. However, the Conversion Price represents a discount of approximately 5.8% to the VWAP of S\$0.0684 per Share for trades done on the SGX-ST on 29 October 2025, being the last full market day on which the Shares were traded prior to the entry into the Binding Term Sheets.

The Conversion Price will be subject to adjustments in circumstances such as, among other things, in the event of a rights issue, bonus issue, reclassification, subdivision or consolidation of Shares and/or issues below market price, as set out in the respective Binding Term Sheets.

2.5.2 The Conversion Shares

*Based on the Conversion Price, an aggregate of 241,100,605 Conversion Shares may be issued to Mr. Chew under the Proposed Conversions. The Conversion Shares represent approximately 16.3% of the Existing Share Capital and will represent approximately 13.7% of the Consolidated Enlarged Share Capital. On a fully diluted basis, the Conversion Shares will represent approximately 10.2% of the Company's Fully Diluted Share Capital. Please refer to **Appendix C** of this Circular for the pro forma illustration of the shareholding interests of the CHS Concert Party Group before and after the completion of the Proposed Transactions, and for illustration purposes only, on a fully diluted basis.*

The Conversion Shares 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 Conversion Shares.

Mr. Chew has undertaken not to, directly or indirectly, sell, contract to sell, offer, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of the Conversion Shares allotted and issued to him for a period of six (6) months from the date of allotment and issuance of the Conversion Shares.

2.5.3 Conversion Period

Subject to the satisfaction of the Conditions, the Company will exercise its rights to convert all of the Bonds and the Loan into Conversion Shares within one (1) week of the Record Date for the Proposed Special Dividend.

2.5.4 Shareholders' approval for the Proposed Conversions

Pursuant to Section 161 of the Companies Act and Rule 805 of the Listing Manual, the Proposed Conversions will be made pursuant to the specific approval of Shareholders to be obtained at the EGM. For the avoidance of doubt, the Company will not be relying on its existing general share issue mandate approved by Shareholders at the annual general meeting held on 31 October 2025, for the allotment and issuance of the Conversion Shares.

In addition, Rule 812(1) and Rule 812(2) of the Listing Manual provide that, inter alia, an issue of shares must not be placed to the issuer's directors and substantial shareholders unless

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specific shareholders' approval has been obtained for such placement, and the person, and its associates, must abstain from voting on the resolution approving the placement. Accordingly, Mr. Chew and his associates will abstain from voting on the resolution(s) approving the Proposed Conversions.

2.5.5 Conditions

The Proposed Conversions is subject to, inter alia, the following Conditions:

- (a) *the approval of Shareholders (excluding Mr. Chew and his associates) being obtained at the EGM for the Proposed Conversions;*
- (b) *the approval of Independent Shareholders being obtained at the EGM for the Proposed Conversions Whitewash Resolution; and*
- (c) *the approval in-principle of the SGX-ST being obtained for the listing of and quotation for the Conversion Shares on the SGX-ST and such approval not having been revoked or amended and, to the extent that any conditions for such approval are required to be fulfilled on or before the allotment and issuance of the Conversion Shares, they are so fulfilled."*

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 Company's 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 Proposed Conversions are expected to result in substantial cash savings for the Company from the principal repayment of the Bonds and the Loan. Subject to Shareholders' approval of the Proposed Conversions and the Whitewash Resolutions 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\$0.004 per Share in view of the expected cash savings arising from the Proposed Conversions.*
- 3.2 *It is proposed that the Record Date for the Proposed Special Dividend will fall prior to the issuance of the Conversion Shares. Accordingly, the Conversion Shares will not be entitled to the Proposed Special Dividend. Notwithstanding the foregoing, as stated in Section 2.5.1 above, for the purposes of calculating the Conversion Price, the Company has taken into account the undisturbed share price of the Company on 29 October 2025, being the VWAP for last full market day on which the Shares were traded on the SGX-ST prior to the announcement of the Proposed Conversions, as well as the Proposed Special Dividend. Accordingly, the Conversion Price is the theoretical ex-dividend share price, which is at a discount equivalent to the Proposed Special Dividend.*
- 3.3 *To support the Company's cash conservation efforts, the CHS Concert Party Group, at the request of the Company, has preliminarily agreed to elect to receive their entire entitlement to the Proposed Special Dividend in the form of the CHSCP Scrip Dividend in lieu of cash. Based on the CHS Concert Party Group's current shareholding of 525,812,764 Shares, they would be entitled to a Proposed Special Dividend of approximately S\$2,103,251. This is expected to reduce the immediate cash outlay required for the Proposed Special Dividend and further support the Company's liquidity position.*

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- 3.4 *The number of new Shares to be issued pursuant to the CHSCP Scrip Dividend will be calculated based on the closing price as at the Record Date to be announced. The issue price of the Scrip Dividend Shares will be determined by the directors in compliance with Rule 862(4) of the Listing Manual, but will not, in any event, be lower than S\$0.0684, being the VWAP of the Shares on 29 October 2025. For the avoidance of doubt, there is no certainty that the CHS Concert Party Group will ultimately elect to receive their entire entitlement to the Proposed Special Dividend in the form of the CHSCP Scrip Dividend in lieu of cash.*

*For illustration purposes only, and to present the maximum potential dilution scenario (“**Maximum Potential Dilution Scenario**”), assuming:*

- (a) Shareholders’ approval is obtained for the Proposed Conversions and each of the Whitewash Resolutions;*
- (b) the Company declares the Proposed Special Dividend of S\$0.004 per Share;*
- (c) the VWAP of S\$0.0684 on 29 October 2025 is applied for the issuance of the Scrip Dividend Shares;*
- (d) save for the CHS Concert Party Group, no other Shareholder elects to receive their Proposed Special Dividend in Scrip Dividend Shares in lieu of cash; and*
- (e) the CHS Concert Party Group’s current shareholding of 525,812,764 Shares remains unchanged,*

*approximately 30,749,284 Shares will be issued pursuant to the CHSCP Scrip Dividend, representing approximately 2.1% of the Existing Share Capital, and 1.8% of the Consolidated Enlarged Share Capital. Please refer to **Appendix C** of this Circular for a pro forma illustration of the shareholding interests of the CHS Concert Party Group before and after the completion of the Proposed Transactions, and for illustration purposes only, on a fully diluted basis.*

- 3.5 *Should the CHSCP Scrip Dividend be issued, Mr. Chew has undertaken that he will not, for a period of six (6) months from the date of allotment and issuance of such CHSCP Scrip Dividend, directly or indirectly, sell, contract to sell, offer, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of any part of the CHSCP Scrip Dividend allotted and issued to him.*
- 3.6 *Please refer to Section 9 of this Circular for details on the authority for the allotment and issuance of the Scrip Dividend Shares pursuant to the Scrip Dividend Scheme. Further details of the Proposed Special Dividend, including the Record Date and payment date, will be announced by the Company in due course. Shareholders are also advised to refer to the Company’s announcement dated 2 January 2026 for further details on the Scrip Dividend Scheme, including its terms and conditions.”*

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5. EVALUATION OF THE WHITEWASH RESOLUTIONS

In our evaluation of the Whitewash Resolutions, we have given due consideration to, *inter alia*, the following key factors:

- (i) rationale for the Proposed Transactions;
- (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 debt conversions;
- (vii) comparison with selected scrip dividend transactions; and
- (viii) 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 Transactions, being the underlying transaction of the Whitewash Resolutions, we have applied certain valuation ratios in assessing the reasonableness of the Whitewash Resolutions. 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

The rationale for the Proposed Transactions, as extracted from Section 8 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:

“8. RATIONALE FOR THE PROPOSED TRANSACTIONS

- 8.1 *The Company is proposing to undertake the Proposed Conversions as part of a broader financial strategy to manage its debt obligations, improve its balance sheet, and support its long-term financial sustainability and growth. As at 30 June 2025, the Group had net current liabilities of approximately S\$85.8 million and the Company’s independent auditor had highlighted a material uncertainty related to going concern in the Company’s annual report for FY2025⁵. The conversion of the outstanding debt into equity is expected to reduce the Group’s overall financial leverage, alleviate its repayment obligations, and significantly improve its cash flow position. This, in turn, will allow the Company to reallocate resources to other strategic initiatives, operational investments, and business expansion opportunities. Alternative funding arrangements for the repayment of the Bonds and the Loan, 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 the Proposed Conversions represent the most effective and sustainable solution currently available.*
- 8.2 *After the Announcement Date, the Company had announced further corporate actions to be undertaken by the Group, including without limitation, the entry into a sale and purchase agreement by certain of its subsidiaries with Hefei Heyi Education Consulting Management Co., Ltd for the disposal of 100.0% equity interest in Hefei Yuren Education Management Co., Ltd., (the “**Proposed Hefei Disposal**”)⁶, and the entry into a sale and purchase agreement by its subsidiary, Raffles Assets (Singapore) Pte. Ltd., in respect of the proposed disposal of the property located at 51 Merchant Road Singapore 058283⁷ (the “**Proposed Property Disposal**”). Discussions with Mr. Chew in respect of the Proposed Conversions had commenced towards the end of 2024, with the preliminary terms of the transaction being substantially formalised around March 2025. The necessary formal application(s) in respect of the Proposed Transactions were subsequently submitted to the relevant regulatory authorities in early April 2025 and approval was obtained on 24 October 2025. On the other hand, negotiations relating to the Proposed Hefei Disposal commenced around November 2025, while negotiations relating to the Proposed Property Disposal commenced around July 2025.*
- 8.3 *At the time when negotiations on the Proposed Hefei Disposal and the Proposed Property Disposal commenced, there was no certainty that any definitive agreements for either the Proposed Hefei Disposal or the Proposed Property Disposal would be entered into. In addition, each of the Proposed Hefei Disposal and the Proposed Property Disposal is subject to the satisfaction (or waiver, where applicable) of various conditions precedent, and there is no certainty or assurance that the Proposed Hefei Disposal or the Proposed Property Disposal will proceed to completion. As set out in the relevant announcements, these corporate actions (including the Proposed Conversions) forms part of the Group’s broader financial strategy to manage its debt obligations, strengthen its balance sheet, and support its long-term financial sustainability and growth.*
- 8.4 *The Conversion Price was determined with reference to the prevailing market price of the Shares for trades done on the SGX-ST on 29 October 2025, being the last full market day on which the Shares were traded prior to the entry into the Binding Term Sheets, and is equivalent to the theoretical ex-dividend share price, with no discount or premium applied. The Shares*

⁵ Please refer to the Company’s announcement dated 14 October 2025 for further information.

⁶ Please refer to the Company’s announcements dated 19 November 2025 and 26 November 2025 for further information on the Proposed Hefei Disposal.

⁷ Please refer to the Company’s announcement dated 1 December 2025 for further information on the Proposed Property Disposal.

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have historically traded at prices significantly below the Group's NAV per Share.

- 8.5 To share the expected cash savings on principal repayment from the Proposed Conversions, the Company intends to declare the Proposed Special Dividend. 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.*
- 8.6 The Proposed CHSCP Scrip Dividend will support the Company's efforts to conserve internal cash reserves and strengthen its capital position. The CHS Concert Party Group's preliminary agreement to receive the CHSCP Scrip Dividend also demonstrates their confidence in and continued commitment to the Company."*

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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 financial year ended 30 June 2023 (“FY2023”), 30 June 2024 (“FY2024”), and FY2025.

Summary of consolidated income statements

Figures in S\$'000 ⁽¹⁾	Audited FY2025	Audited FY2024	Audited FY2023
Revenue	111,710	112,472	110,891
EBITDA ⁽²⁾	43,438	13,327	36,685
Adjusted EBITDA ⁽³⁾	19,406	21,124	22,771
Profit / (loss) after income tax	4,358	(23,994)	(8,997)
Profit / (loss) after income tax attributable to equity holders of the Company	7,696	(19,261)	(5,305)
Adjusted (loss) after income tax ⁽³⁾	(19,835)	(18,617)	(24,344)

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) Adjusted for non-trade and non-recurring items, being, inter alia, government grants, net foreign exchange loss or gain, and property, plant and equipment written off.
- (i) Financial performance for FY2025 and FY2024

The Group recorded lower revenue of approximately S\$111.7 million for FY2025 as compared to approximately S\$112.5 million for FY2024 mainly due to the reduction in course fees received and rental income from investment properties.

The Group recorded profit after income tax of approximately S\$4.4 million for FY2025 as compared to a loss before tax of approximately S\$24.0 million for FY2024. The Group's profit after income tax for FY2025 was due mainly to a significant net foreign exchange gain of approximately S\$24.1 million, which was partially offset by the net fair value loss of approximately S\$5.7 million on revaluation of investment properties mainly under Oriental University Holdings (H.K.) Limited (“**OUCHK**”) and Oriental University City (Cayman) 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. In the event the non-trade and non-recurring items are excluded, the Group would record an adjusted loss after income tax of approximately S\$19.8 million and S\$18.6 million for FY2025 and FY2024 respectively.

The Group recorded a profit after income tax attributable to equity holders of the Company of approximately S\$7.7 million for FY2025 as compared to a loss after income tax attributable to equity holders of the Company of approximately S\$19.3 million for FY2024. In the event the non-trade and non-recurring items are excluded, the Group's profit after income tax attributable to equity holders of the Company would be negative for FY2025.

(ii) Financial performance for FY2024 and FY2023

The Group's revenue increased from approximately S\$110.9 million in FY2023 to approximately S\$112.5 million in FY2024 due to the overall increase in course fees received, which was partially offset by a decline in rental income from investment properties.

The Group recorded a loss after income tax of approximately S\$24.0 million for FY2024 as compared to approximately S\$9.0 million for FY2023, mainly due to the fair value loss of approximately S\$14.5 million on revaluation of investment properties mainly under OUCHK, and an approximately S\$20.6 million decline from a net foreign exchange gain of approximately S\$15.1 million to a net foreign exchange loss of approximately S\$5.5 million, partially offset by one-off losses of approximately S\$3.6 million and S\$1.2 million on disposal of investment properties and impairment loss on property, plant

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and equipment (“PPE”) respectively in FY2023. In the event the non-trade and non-recurring items are excluded, the Group’s adjusted loss after income tax would be approximately S\$18.6 million and S\$24.3 million for FY2024 and FY2023 respectively.

The Group recorded a loss after tax attributable to equity holders of the Company of approximately S\$19.3 million for FY2024 as compared to a loss after tax attributable to equity owners of the Company of approximately S\$5.3 million for FY2023.

Summary of consolidated statements of financial position

Figures in S\$'000 ⁽¹⁾	Audited FY2025	Audited FY2024	Audited FY2023
Non-current assets	894,599	947,404	991,823
Current assets	124,152	152,678	158,216
Non-current liabilities	168,235	248,767	184,417
Current liabilities	209,955	169,459	269,767
Total borrowings ⁽²⁾	208,741	225,271	275,518
Shareholders' equity	555,826	589,979	599,963
Net current liabilities ⁽³⁾	(85,803)	(16,781)	(111,581)
Cash and bank balances ⁽⁴⁾	19,096	31,801	58,499
Total borrowings (net of cash)	189,645	193,470	217,019
Gearing ratio (times) ⁽⁵⁾	0.4	0.4	0.5
Net gearing ratio (times) ⁽⁶⁾	0.3	0.3	0.4
Total liabilities / Shareholders equity (times)	0.7	0.7	0.8

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 is defined as borrowings from banks and financial institutions, overdrafts as well as convertible and non-convertible bonds.
- (3) Net current liabilities is 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 2025, the Group’s total assets amounted to approximately S\$1,018.8 million, comprising non-current assets of approximately S\$894.6 million and current assets of approximately S\$124.2 million.

The Group’s non-current assets as at 30 June 2025 comprised of PPE of approximately S\$465.0 million, investment properties of approximately S\$316.5 million, intangible assets of approximately S\$96.2 million, right-of-use (“ROU”) assets of approximately S\$9.1 million, other receivables of approximately S\$3.2 million, restricted bank balances of approximately S\$2.2 million, investment in associates of approximately S\$1.8 million and deferred tax assets of approximately S\$0.6 million.

Current assets as at 30 June 2025 comprised of non-current assets held for sale of approximately S\$73.1 million, trade and other receivables of approximately S\$34.1 million, cash and bank balances of approximately S\$16.9 million and inventories of approximately S\$0.1 million.

The Group’s total liabilities of approximately S\$378.2 million, comprised borrowings of approximately S\$208.7 million (of which approximately S\$113.4 million is current), deferred tax liabilities of approximately S\$56.9 million, trade and other payables of approximately S\$54.2 million, advances received for course fees as well as rental of educational facilities of approximately S\$27.7 million (of which approximately S\$23.4 million is current), income tax payable of approximately S\$15.6 million,

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lease liabilities of approximately S\$10.2 million (of which approximately S\$3.4 million is current), as well as other payables of approximately S\$4.9 million.

(iv) Capital base and debt burden

The Group's total borrowings as at 30 June 2025 comprised loans and overdrafts of approximately S\$149.3 million, as well as convertible and non-convertible bonds of approximately S\$38.5 million and S\$21.0 million respectively, both of which are unsecured.

Shareholders' equity of the Group had declined from approximately S\$600.0 million as at 30 Jun 2023 to approximately S\$590.0 million and S\$555.8 million as at 30 June 2024 and 30 June 2025 respectively. This was due to, *inter alia*, the losses incurred during FY2023 and FY2024 as well as the wider deficit in foreign exchange translation reserve.

We note that the gearing ratio, net gearing ratio and total liabilities to Shareholders' equity of the Group as at 30 June 2025 has remained relatively constant when compared against the respective ratios as at 30 June 2024.

Subsequent to 30 June 2025, the Company released announcements dated 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025, and 31 December 2025 in connection with allotment and issuance of an aggregate 65,211,696 new Shares at S\$0.065 per new Share to certain bondholders following conversion and cancellation of the Convertible Bonds (defined later) with an aggregate principal amount of approximately S\$4.2 million.

Additionally, the Company had issued an aggregate S\$3.0 million in unlisted, non-convertible bonds to second and third tranche subscribers on 21 August 2025, 8 September 2025 and 10 December 2025.

Taking into account the said conversions and cancellations of Convertible Bonds and issuance of non-convertible bonds, the Group's total borrowing would amount to approximately S\$208.0 million.

The Group's pro forma cash and bank balances after considering events occurred during period subsequent to 30 June 2025 up to the Latest Practicable Date, *inter alia*, the Sale of Treasury Shares, the issuance of non-convertible bonds, the disposal of the Lifestyle Commercial Building, and assuming completion of the Proposed Hefei Disposal (defined later) and the Proposed Property Disposal (defined later) as well as no other Shareholder (save for the CHS Concert Party Group) elect to receive their Proposed Special Dividend in Scrip Dividend Shares in lieu of cash, would be approximately S\$157.3 million.

Thus, the Group's net debt position would improve from approximately S\$189.6 million as at 30 June 2025 to approximately S\$50.7 million.

The Group's Adjusted NAV (define later) would be approximately S\$577.9 million (please refer to Section 5.3 of this Letter for computation). The Group's gross gearing ratio would remain unchanged at approximately 0.4 times, but its net gearing ratio would improve from approximately 0.3 times as at 30 June 2025 to approximately 0.1 times.

The amount of cash that can be conserved pursuant to the Proposed Transactions is approximately S\$17.6 million and this is material given the Group's pro forma net debt position of approximately S\$50.7 million.

(v) Net current liabilities

The Group has been in net current liabilities position for the past three financial years under review, and in particular, it should be noted that the Group's net current liabilities position has deteriorated from approximately S\$16.8 million (or approximately S\$105.9 million if non-current assets held for sale is excluded) as at 30 June 2024 to approximately S\$85.8 million (or approximately S\$158.9 million if non-current assets held for sale is excluded) as at 30 June 2025.

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Summary of consolidated statements of cash flows

Figures in S\$'000 ⁽¹⁾	Audited FY2025	Audited FY2024	Audited FY2023
Net cash generated from operating activities	4,349	19,396	4,262
Net cash generated from investing activities	3,104	11,024	2,407
Net cash used in financing activities	(19,961)	(25,257)	(19,886)
Net (decrease) / increase in cash and cash equivalents	(12,508)	5,163	(13,217)
Cash and cash equivalents at end of the financial year ⁽²⁾	16,861	29,369	24,206

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\$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 net cash inflow from investing activities of approximately S\$3.1 million was attributed from, *inter alia*, proceeds from disposal of investment properties and PPE, deposit received from non-current assets held for sale, refund from advance payment for construction of investment properties, and refund for acquisition of investment properties, partially offset by payments for PPE.

The net cash outflow from financing activities of approximately S\$20.0 million was due to repayment of principal and interest for borrowings and lease liabilities, partially offset by proceeds from issuance of non-convertible bonds, drawdown of bank borrowings and loan from a director.

As a result of the cash movements above, the Group's net cash and cash equivalents decreased by approximately S\$12.5 million (including effect of exchange rate changes) to approximately S\$16.9 million as at 30 June 2025. It should be noted that the Group's cash and cash equivalents declined by approximately S\$7.3 million between FY2023 to FY2025.

It should be noted that the Outstanding Amounts, which are subject to the Proposed Conversions, represent 81.3% of the Group's cash and bank balances as at 30 June 2025. As such, the Proposed Conversions would facilitate the Group in conserving significant amount of cash.

(vii) Material Uncertainty Relating to Going Concern

The Independent Auditor's Report for the Group for FY2025 contained a material uncertainty related to going concern.

The Auditor drew attention to Note 2 in the Group's audited financial statements for FY2025, which indicates that as at 30 June 2025, the Group's and the Company's current liabilities exceeded its current assets by S\$85.8 million and S\$45.7 million for FY2025 respectively. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's and Company's ability to continue as going concerns.

Further details on the material uncertainty related to going concern and the relevant notes to the financial statements for the Group for FY2025 are set out in the Group's AR2025.

As stated in Note 2 to the Group's audited financial statements for FY2025, the Directors are of the view that the Group and the Company are able to continue as going concerns for the following reasons:

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- (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 2025;
- (b) The Group is confident that its lenders will continue to give support to the Group;
- (c) The Group's ability to refinance or extend the maturity date of its existing borrowings when necessary with financial institutions;
- (d) The Group's ability to realise certain of its assets through sale/lease of its properties. The proposed sale process of the Group's property located at 51 Merchant Road is on-going;
- (e) The Company announced a proposed issue of unlisted and non-convertible, 5-year 10.5% unsecured bonds of up to an aggregate principal amount of S\$10.0 million on 13 June 2025. Certain subscribers had subscribed for S\$3.0 million of the bonds till date; and
- (f) The Company has the ability to tap funds from its Shareholders and the capital market.

(viii) Outlook

In the Group's results announcement dated 25 August 2025 for FY2025, 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 12 months:

"The economic and geo-political uncertainty including tariffs imposed by USA and retaliatory tariffs by the respective countries, will influence 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.

Prevailing interest rate environment continue to influence our cost of borrowing and 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 financial statements for the Group for FY2025, and the Company's announcements on the 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 minorities' 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 interest (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 or consideration of 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 Conversion Price and the Minimum Issue Price in relation to the NAV and NTA per Share of the Group as at 30 June 2025, we have reviewed the audited consolidated statement of financial position of the Group as at 30 June 2025 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 2025, the Company's announcements on the 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, that 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 2025 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 2025, save as disclosed in the audited consolidated financial statements of the Group as at 30 June 2025 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 2025 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

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those statements or information, including our references, as well as analysis of such information to be untrue, inaccurate or incomplete or misleading in any respect.

Audited Consolidated Statements of Financial Position for the Group as at 30 June 2025 ⁽¹⁾		S\$'000
<u>Non-current assets</u>		
PPE		464,998
ROU assets		9,113
Investment properties		316,440
Investment in associates		1,780
Intangible assets		96,216
Deferred tax assets		630
Other receivables		3,187
Restricted bank balances		2,235
		894,599
<u>Current assets</u>		
Inventories		60
Trade and other receivables		34,108
Cash and bank balances		16,861
Non-current assets held for sale		73,123
		124,152
<u>Current liabilities</u>		
Trade and other payables		54,169
Course fees received in advance		23,058
Education facilities rental service received in advance		338
Income tax payables		15,578
Borrowings		113,405
Lease liabilities		3,407
		209,955
<u>Non-current liabilities</u>		
Other payables		4,929
Course fees received in advance		4,317
Borrowings		95,336
Lease liabilities		6,739
Deferred tax liabilities		56,914
		168,235
NAV including non-controlling interest		640,561
Less: non-controlling interests		(84,735)
NAV attributable to equity holders of the Company		555,826
Less: Intangible assets		(96,216)
NTA attributable to equity holders of the Company		459,610
NAV per Share (S\$) ⁽²⁾		0.375
NTA per Share (S\$) ⁽²⁾		0.310
Conversion Price (S\$)		0.0644
Discount of the Conversion Price from the Group's NAV per Share as at 30 June 2025		(82.8)%
Discount of the Conversion Price from the Group's NTA per Share as at 30 June 2025		(79.2)%

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Audited Consolidated Statements of Financial Position for the Group as at 30 June 2025 ⁽¹⁾	S\$'000
Minimum Issue Price (S\$)	0.0684
Discount of the Minimum Issue Price from the Group's NAV per Share as at 30 June 2025	(81.8)%
Discount of the Minimum Issue Price from the Group's NTA per Share as at 30 June 2025	(77.9)%

Notes:

- (1) *The figures above are based on the Group's audited consolidated financial statements for FY2025. 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 Share Capital of 1,481,673,168 Shares (excluding treasury Shares) 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 2025 of approximately S\$555.8 million and S\$459.6 million respectively (or approximately S\$0.375 per Share and S\$0.310 per Share respectively based on the Company's Existing Share Capital as at the Latest Practicable Date). The Conversion Price represents discounts of approximately 82.8% and 79.2% respectively from the Group's NAV and NTA per Share as at 30 June 2025. Meanwhile, the Minimum Issue Price represents discounts of approximately 81.8% and 77.9% respectively from the Group's NAV and NTA per Share as at 30 June 2025.

The Directors and 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 financial statements of the Group as at 30 June 2025, 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 financial statements of financial position of the Group since 30 June 2025. In addition, the Directors and Management have confirmed that the amounts as stated in the audited financial statements for FY2025 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 2025 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 statements of financial position as at 30 June 2025, as well as the Group's consolidated financial statements and the Company's statement of changes in equity for the financial year then ended, is appropriate after considering the measures and assumption disclosed in Note 2 in the Group's audited financial statements for FY2025. We note from the audited financial statements for FY2025 that in the event that the Group and the Company are unable to continue as going concerns, adjustments may have to be made to reflect the situation where assets may need to be realised at amounts other than those currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise and reclassify non-current assets and liabilities, where applicable, as current assets and liabilities, respectively.

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Adjusted NAV and NTA

We have considered the following:

- (a) On 7 July 2025, the Company announced that its subsidiary, Tonghui, entered into a sale and purchase agreement with Langfang Sanjiasan Education Technology Co., Ltd. for the disposal of a lifestyle commercial building, which consists of (i) the land use right in relation to a plot of land located in Oriental University City, Langfang Development Zone, Hebei, the People's Republic of China (the "**PRC**") with an estimated aggregate land area of approximately 6,937.20 sq. m.; and (ii) the buildings and ancillary facilities erected thereon with total gross floor area of approximately 6,809.31 sq. m. (the "**Lifestyle Commercial Property**") for a consideration of RMB18.0 million. The Management represented that the disposal of the Lifestyle Commercial Property has been completed in September 2025 and the estimated loss on disposal was approximately RMB6.6 million (or equivalent to approximately S\$1.2 million based on the applicable exchange rate as at the Latest Practicable Date).
- (b) On 13 November 2025 and 16 December 2025, the Company announced the sale of 16.0 million and 10.0 million treasury Shares at selling prices of S\$0.104 and S\$0.133 per treasury Share respectively, with corresponding gross proceeds raised of approximately S\$1.7 million and S\$1.3 million (collectively, the "**Sale of Treasury Shares**").
- (c) On 26 November 2025, the Company announced the entry into a sale and purchase agreement by its certain subsidiaries with Hefei Heyi Education Consulting Management Co., Ltd ("**HHECM**") for the disposal of 100.0% equity interest in Hefei Yuren Education Management Co., Ltd. ("**Hefei Yuren**") for a consideration of approximately RMB426.4 million (or equivalent to approximately S\$76.0 million) (the "**Proposed Hefei Disposal**"). The Proposed Hefei Disposal is subject to, *inter alia*, approval from the Shareholders. The Management represented that assuming completion of the Proposed Hefei Disposal as at 30 June 2025, the estimated loss on disposal is approximately RMB177.9 million (or equivalent to approximately S\$32.6 million based on the applicable exchange rate as at the Latest Practicable Date).
- (d) On 1 December 2025, the Company announced that its subsidiary, Raffles Assets (Singapore) Pte. Ltd. entered into a sale and purchase agreement with 51 Merchant Road Pte. Ltd., an independent third-party purchaser in respect of the proposed disposal of its property located at 51 Merchant Road Singapore 058283 (the "**Merchant Road Property**") for a consideration of approximately S\$121.8 million (the "**Proposed Property Disposal**"). The Proposed Property Disposal is subject to, *inter alia*, approval from the Shareholders. The Management represented that assuming completion of the Proposed Property Disposal as at 30 June 2025, the estimated gain on disposal is approximately S\$53.0 million.
- (e) On 25 November 2025, 3 December 2025, 10 December 2025, 17 December 2025, 24 December 2025, and 31 December 2025, the Company released announcements in connection with allotment and issuance of an aggregate 65,211,696 new Shares at S\$0.065 per new Share to certain bondholders following conversions and cancellations of the Convertible Bonds with an aggregate principal amount of approximately S\$4.2 million.
- (f) Subject to Shareholders' approval of the Proposed Conversions and the Whitewash Resolutions at the EGM, the Company intends to declare the Proposed Special Dividend of S\$0.004 per Share. In addition, we note from the Circular that the CHS Concert Party Group, at the request of the Company, has preliminarily agreed to elect to receive their entire entitlement to the Proposed Special Dividend in the form of the CHSCP Scrip Dividend in lieu of cash. Based on the CHS Concert Party Group's current shareholding of 525,812,764 Shares, they would be entitled to a Proposed Special Dividend of approximately S\$2,103,251. The number of new Shares to be issued pursuant to the CHSCP Scrip Dividend will be calculated based on the closing price as at the Record Date to be announced. The issue price of the Scrip Dividend Shares will be determined by the Directors in compliance with Rule 862(4) of the Listing Manual, but will in any event not be lower than S\$0.0684, being the VWAP of the Shares on 29 October 2025.

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For illustrative purpose only and in connection with the Proposed Special Dividend, we have assumed:

- (a) Shareholders' approval is obtained for the Proposed Conversions and each of the Whitewash Resolutions;
- (b) the Company declares the Proposed Special Dividend of S\$0.004 per Share;
- (c) the VWAP of S\$0.0684 on 29 October 2025 is applied for the issuance of the Scrip Dividend Shares;
- (d) save for the CHS Concert Party Group, no other Shareholder elect to receive their Proposed Special Dividend in Scrip Dividend Shares in lieu of cash; and
- (e) the CHS Concert Party Group's current shareholding of 525,812,764 Shares.

Based on the above assumptions, approximately 30,749,284 Shares will be issued pursuant to the CHSCP Scrip Dividend and the Company will pay out approximately S\$3.8 million in cash pursuant to the Proposed Special Dividend.

The Directors and the Management confirmed that the effects of the disposals mentioned above, the Sale of Treasury Shares, the conversions and cancellations of the Convertible Bonds, and the Proposed Special Dividend (based on the above assumptions) are as follow:

Adjusted NAV and Adjusted NTA ⁽¹⁾	S\$'000
The Group's NAV attributable to equity holders of the Company as at 30 June 2025	555,826
Less: loss on disposal of the Lifestyle Commercial Property	(1,214)
Add: proceeds from the Sale of Treasury Shares	2,994
Less: estimated loss on the Proposed Hefei Disposal	(32,609)
Add: estimated gain on the Proposed Property Disposal	53,033
Add: conversion of the Convertible Bonds ⁽²⁾	3,728
Less: cash payment for the Proposed Special Dividend	(3,823)
Adjusted NAV (the "Adjusted NAV")	577,934
Adjusted NAV per Share (S\$) ⁽³⁾	0.3821
The Group's NTA attributable to equity holders of the Company as at 30 June 2025	459,610
Less: loss on disposal of the Lifestyle Commercial Property	(1,214)
Add: proceeds from the Sale of Treasury Shares	2,994
Less: estimated loss on the Proposed Hefei Disposal	(32,609)
Add: estimated gain on the Proposed Property Disposal	53,033
Add: conversion of the Convertible Bonds ⁽²⁾	3,728
Less: cash payment for the Proposed Special Dividend	(3,823)
Adjusted NTA (the "Adjusted NTA")	481,718
Adjusted NTA per Share ⁽²⁾	0.3185
Discount of Conversion Price from the Group's Adjusted NAV per Share	(83.1)%
Discount of Conversion Price from the Group's Adjusted NTA per Share	(79.8)%

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) Measured at fair value as provided and confirmed by the Management.
- (3) Figures are computed based on the CHSCP Scrip Dividend Enlarged Share Capital of 1,512,422,452 Shares.

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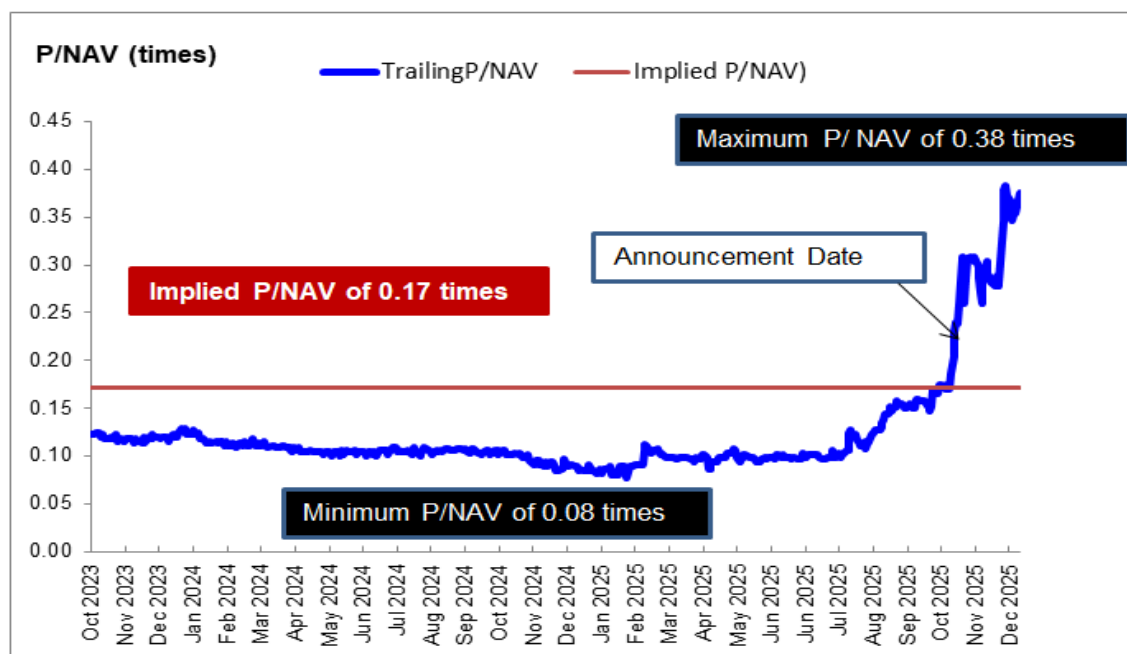
After adjusting with, *inter alia*, the gain and loss from the above-mentioned disposals, the proceeds from the Sale of Treasury Shares, the conversions and cancellations of the Convertible Bonds, and the cash payment pursuant to the Proposed Special Dividend, we note that the Group's Adjusted NAV per Share and Adjusted NTA per Share would be approximately S\$0.3821 and S\$0.3185 respectively. The Conversion Price represents discounts of approximately 83.1% and 79.8% from the Group's Adjusted NAV and Adjusted NTA per Share 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. Independent Shareholders should note that there is no certainty that the Proposed Hefei Disposal or the Proposed Property Disposal will proceed to completion.

It should be noted that the NTA basis of valuation provides an estimate of the value of a hypothetical sale of all its tangible assets over a reasonable period of time and is only relevant in the event that the Company decides to change the nature of its business or to release or convert the use of all its assets. The NTA basis of valuation, however, does not necessarily reflect the value of the Company as a going concern nor can it capture or illustrate any value for the Company's goodwill or branding. In addition, it does not illustrate the values at which the assets may actually be realised or disposed.

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 Conversion 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	0.18	0.08	0.10	0.11
Last 12 months	0.18	0.08	0.10	0.11
Last 6 months	0.18	0.09	0.10	0.12
Last 3 months	0.18	0.10	0.15	0.14
Last 1 month	0.18	0.15	0.16	0.16
Last transacted price on 29 October 2025 (being the Last Trading Day)	0.17	0.17	0.17	0.17

We note the following:

- (a) Shares were traded at P/NAV multiples of between approximately 0.08 times to 0.18 times during the period commencing from 30 October 2023 (being the Market Day 24 months prior to the Last Trading Day) and ending on the Last Trading Day prior to the Announcement Date and the historical trailing P/NAV multiples for the Shares have been mostly lower than the P/NAV (or P/Adjusted NAV) multiple as implied by the Conversion Price and/or the Minimum Issue Price. We note that the Shares had historically traded at significantly below the Group's NAV.
- (b) The P/NAV multiple of 0.17 times implied by the Conversion Price and the Group's NAV as at 30 June 2025 or Adjusted NAV is higher than the median and the simple average of trailing P/NAV multiples for each of the 1-month, 3-month, 6-month, 12-month, and 24-month periods prior to the Last Trading Day.
- (c) The P/NAV multiple of 0.18 times implied by the Minimum Issue Price and the Group's NAV as at 30 June 2025 is higher than the median and the simple average of trailing P/NAV multiples for each of the 1-month, 3-month, 6-month, 12-month, and 24-month periods prior to the Last Trading Day.

In summary, the P/NAV (or P/Adjusted NAV) multiple as implied by the Conversion Price and/or the Minimum Issue Price are relatively more favourable than the historical trailing P/NAV for the Shares as shown in the chart and table above.

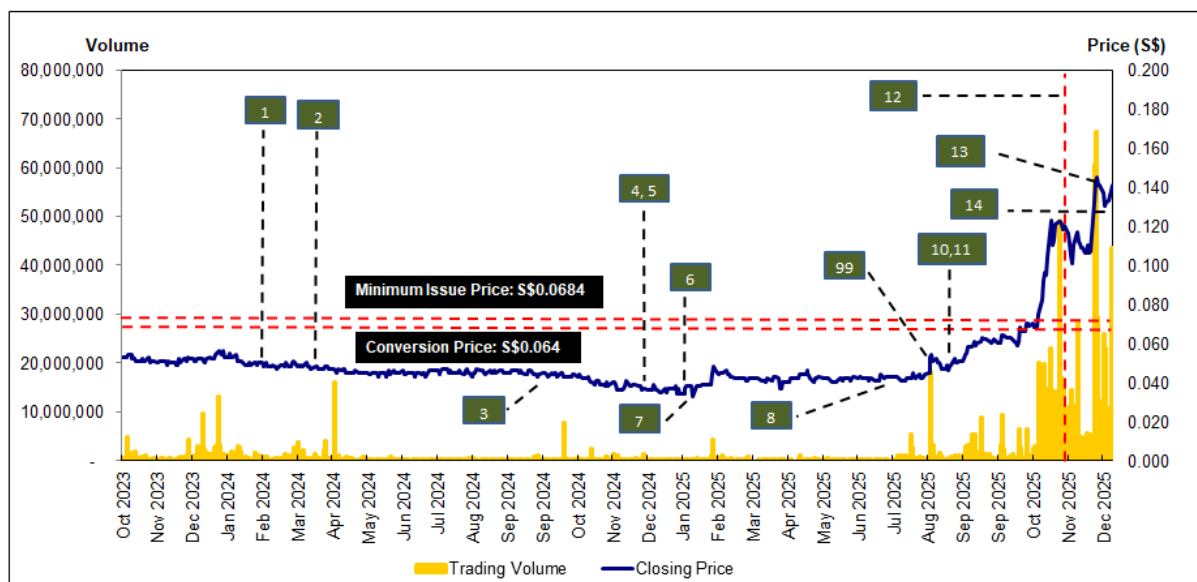
The above comparison should be assessed in conjunction with the fact that the historical trailing P/NAV for the Shares are based on historical transactions which did not result in acquisition of statutory control or super majority control. Likewise for the Proposed Transactions, whilst the CHS Concert Party Group may increase their shareholding from approximately 35.49% to approximately 45.49%, they will neither gain a statutory control nor super majority control over the Company (save for under fully diluted basis as set out in Appendix C to the Circular whereby the CHS Concert Party Group's aggregate shareholding would increase to approximately 56.56% and hence, attain the statutory control over the Company (but not super majority control)).

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5.4 MARKET QUOTATION AND TRADING ACTIVITIES FOR THE SHARES

On 30 October 2025 (being the Announcement Date), the Company called for a trading halt. Hence, the last full trading day immediately prior to the Announcement Date was 29 October 2025 (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 30 October 2023 (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 30 October 2023 and ending on the Latest Practicable Date are as follows:

No.	Date	Announcement
1	7 February 2024	<p>(1) The Group was successful in its claims against Shantanu Prakash and Dennis Lui (collectively, the “Defendants”) for amounts of INR163.2 million and S\$221.1 thousand, both at interest of 5.33% p.a., to be paid to the Group’s subsidiaries, namely Raffles Education Investment (India) Pte Ltd (“REI”) and Raffles Design International India Pvt Ltd (“RDI”) respectively due to breach of contract, as well as additional costs and disbursements of S\$507.7 thousand in previous rulings by the Singapore High Court on 6 April 2023 and 5 May 2023.</p> <p>The Appellate Division of the Singapore High Court dismissed the appeals and the Defendants were ordered to pay S\$80.0 thousand in appeal costs to REI and RDI.</p> <p>(2) Release of financial results for the six-month period ended 31 December 2023.</p>
2	15 March 2024	<p>OUC HK is proposing to dispose its property (located in Hebei) for a consideration of RMB110.0 million (approximately S\$20.6 million), subject to approval of OUC HK’s shareholders.</p>
3	20 September 2024	<p>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</i></p>

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No.	Date	Announcement
		<i>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.
4	5 December 2024	OUCBK is proposing to dispose its office building (located in Hebei) for a consideration of RMB11.0 million (approximately HK\$11.9 million), subject to approval of OUCBK's shareholders.
5	6 December 2024	OUCBK is proposing to dispose its cafeteria building (located in Hebei) for a consideration of RMB11.0 million (approximately HK\$11.9 million), subject to approval of OUCBK's shareholders.
6	31 December 2024	OUCBK announced that a letter of intent was entered into by Tonghui (the legal owner) with an undisclosed purchaser for the proposed disposal of a lifestyle commercial building (located in Hebei) for a consideration of RMB19.0 million (approximately HK\$20.5 million). The letter of intent lapsed on 30 June 2025.
7	6 January 2025	A sale and purchase agreement was entered into with Langfang Fangzhi Education Consulting Co., Ltd (an independent purchaser) to dispose its land and commercial property (aggregate area of 9,141.9m ²) located in Hebei for a consideration of RMB7.5 million. Proceeds will be used for repayment of debts and working capital.
8	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% p.a.) for the purpose of, <i>inter alia</i> , refinancing of borrowings.
9	5 August 2025	The Group (together with Path Education Corporation Pte. Ltd. (" Path ")) received a final arbitration award in favour of the Company and Path from the Singapore International Arbitration Centre for, <i>inter alia</i> , damages amounting to approximately S\$3.8 million (at interest of 5.33% p.a.) and approximately S\$2.5 million in arbitration costs, legal costs and disbursements.
10	22 August 2025	Receipt of letter of demand from Oriental University City Development Co., Ltd. (" OUCDC ") for enterprise income tax and late payment penalties amounting to approximately RMB33.7 million (approximately S\$6.2 million)
11	25 August 2025	Release of financial results for FY2025.
12	30 October 2025	Announcement on the Proposed Transactions.
13	26 November 2025	Announcement on the Proposed Hefei Disposal.
14	1 December 2025	Announcement on the Proposed Property Disposal.

For the period commencing from 30 October 2023 and ending on 29 October 2025, being the Last Trading Day prior to the Announcement Date (both dates inclusive), we note that the Shares were traded for 470 Market Days out of a total 503 Market Days (or approximately 93.4%). During the said period, the closing prices for the Shares were lower than the Conversion Price on 494 Market Days and higher than the Conversion Price on 9 Market Days. It was also noted that the closing prices for the Shares were lower than the Minimum Issue Price on 499 Market Days and higher than the Minimum Issue Price on 4 Market Days.

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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 41 Market Days out of a total 41 Market Days (or 100.0%). During the said period, the closing prices of the Shares were always higher than both the Conversion Price and the Minimum Issue Price.

As a general market comparison and observation, the FTSE Straits Times Index (the “**STI Index**”) increased by approximately 44.9% for the period commencing from 30 October 2023 and ending on 29 October 2025, being the Last Trading Day prior to the Announcement Date. Thereafter, the STI Index recorded an additional increase of approximately 4.4% for the period commencing from the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date.

For the same period commencing from 30 October 2023 and ending on 29 October 2025, being the Last Trading Day Prior to the Announcement Date, the closing price for the Shares increased by approximately 28.3%. Subsequently, the closing price for the Shares further increased by approximately 107.4% 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 underperformed the STI Index for the 24-month period up to and including the Last Trading Day, but significantly outperformed the STI Index for the period commencing immediately after the Announcement Date till the Latest Practicable Date. The upward trend in the prices for the Shares observed subsequent to the Announcement Date may have been underpinned by the Proposed Transactions as well as other corporate developments including, *inter alia*, the Sale of Treasury Shares, the Proposed Hefei Disposal and the Proposed Property Disposal.

The chart on page D-34 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 30 October 2023 to the Latest Practicable Date are set out below:

	VWAP per Share (S\$) ⁽¹⁾	Premium/ (Discount) of the Conversion Price over/(from) the VWAP per Share (%)	Premium/ (Discount) of the Minimum Issue Price over/(from) the VWAP per Share (%)	Lowest transacted price (S\$)	Highest transacted price (S\$)	Average daily trading volume ⁽²⁾	Average daily trading volume as % of free- float ⁽³⁾ (%)
For the period prior to the Last Trading Day							
Last 24 months	0.0520	23.8	31.5	0.032	0.071	696,634	0.075
Last 12 months	0.0542	18.8	26.2	0.032	0.071	684,273	0.073
Last 6 months	0.0568	13.4	20.4	0.039	0.071	1,106,530	0.119
Last 3 months	0.0589	9.3	16.1	0.042	0.071	1,904,903	0.204
Last 1 month	0.0654	(1.5)	4.6	0.057	0.071	2,201,114	0.236
The Last Trading Day	0.0684	(5.8)/0.0 ⁽⁴⁾	0.0	0.068	0.069	453,600	0.049
For the period commencing on the Market Day immediately after the Announcement Date up to the Latest Practicable Date							
Till the Latest Practicable Date	0.1210	(46.8)	(43.5)	0.073	0.151	16,587,095	1.778
The Latest Practicable Date	0.1389	(53.6)	(50.8)	0.134	0.144	43,621,400	4.675

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 933,092,444 Shares (or approximately 62.97% 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.
- (4) The Conversion Price was determined with reference to the prevailing market price of the Shares, and is equivalent to the theoretical ex-dividend share price (the "Theoretical Ex-Dividend Share Price"), with no discount or premium applied.

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 Conversion Price

- (i) represents a discount of approximately 5.8% from the VWAP of S\$0.0684 for the Shares on the SGX-ST on 29 October 2025, being the Last Trading Day. It should be noted that the Conversion Price is in line with the Theoretical Ex-Dividend Share Price;
- (ii) represents premia of approximately 9.3%, 13.4%, 18.8% and 23.8% over the VWAP for the Shares for the 3-month, 6-month, 12-month and 24-month periods prior to the Last Trading Day respectively;

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- (iii) represents a small discount of approximately 1.5% from the VWAP for the Shares for the 1-month period prior to the Last Trading Day;
- (iv) represents a discount of approximately 46.8% 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
- (v) represents a discount of approximately 53.6% from the VWAP for the Shares of S\$0.1389 on the SGX-ST on 29 December 2025, being the Latest Practicable Date.

The Minimum Issue Price

- (i) is in line with the VWAP of S\$0.0684 for the Shares on the SGX-ST on 29 October 2025, being the Last Trading Day;
- (ii) represents premia of approximately 4.6%, 16.1%, 20.4%, 26.2% and 31.5% over 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 43.5% 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 50.8% from the VWAP for the Shares of S\$0.1389 on the SGX-ST on 29 December 2025, being the Latest Practicable Date.

For illustrative purpose only, based on the number of Shares traded on a daily basis during the period commencing from 29 October 2023 and ending on the Latest Practicable Date, we note that:–

- (i) from 30 October 2023 to 29 October 2025, being the Last Trading Day prior to the Announcement Date, Shares were traded on 470 Trading Days out of the total 503 Market Days during the period, with the total number of Shares traded being approximately 350.4 million Shares and an average daily trading volume (based on a total of 503 Market Days) of approximately 0.7 million Shares, which represents approximately 0.05% of the issued Share capital as at the Latest Practicable Date or approximately 0.08% of the Free Float as at the Latest Practicable Date.
- (ii) for the period commencing from 31 October 2025, being the Market Day immediately following the Announcement Date till the Latest Practicable Date, Shares were traded on 41 Trading Days out of the total 41 Market Days during the period, with the total number of Shares traded being approximately 680.1 million Shares and an average daily trading volume of approximately 16.6 million Shares, which represents approximately 1.12% of the issued Share capital as at the Latest Practicable Date; or approximately 1.78% of the Free Float as at the Latest Practicable Date.
- (iii) We observe that the average daily trading volume had generally increased from 0.7 million Shares for the 24-month period prior to the Last Trading Day to 1.1 million Shares, 1.9 million Shares and 2.2 million Shares for the 6-month, 3-month, and 1-month periods prior to the Last Trading Day respectively. The average daily trading volume for the Shares for the periods immediately after the Announcement Date to the Latest Practicable Date are also significantly higher than the average daily trading volume for the Shares for the 24-month period prior to the Last Trading Day.

We note that trading for the Shares appear to be relatively erratic and that the number of Shares traded during the 24-month period analysed prior to and after the Last Trading Day is relatively low as compared to the number of issued Shares as at the Latest Practicable Date. However, it appears that prior to the Announcement Date, the trading for the Shares was relatively active in view of the fact that the Shares were traded for 470 Market Days out of a total 503 Market Days (or approximately 93.4%) during the 24-month period prior to the Last Trading Day. It is generally accepted that the

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more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between 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 higher 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 107.4% for the period commencing from the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date. Subsequent to the Announcement Date, the prices and average daily trading volume for the Shares have increased and these may be a reflection of the positive market perception on the Proposed Transactions (which demonstrate 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 Proposed Hefei Disposal (which enables the Group to eliminate approximately RMB314.4 million of intra-group liabilities through the assumption of liabilities by HHECM, while also securing cash proceeds), and the Proposed Property Disposal.

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 Conversion Price and the Minimum Issue 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, the 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 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% 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 purpose 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 and products/services, branding, geographical spread, 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 the 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 2 and 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	52.1	28.3
China Maple	16.5	26.2	0.2	2.5	0.9
China Education	16.7	31.9	0.2	1.2	0.5
China Science	10.7	31.7	0.2	0.9	0.5
Cyberjaya	7.4	11.7	0.3	0.9	0.5
Mindchamps	1.9	2.0	0.5	0.9	0.2
Overseas Education	1.6	2.5	0.3	0.8	0.6
SEG	8.1	4.1	0.4	3.7	0.5
MAXIMUM	16.7	31.9	0.5	52.1	28.3
MINIMUM	1.6	2.0	0.1	0.8	0.2
MEDIAN (excluding outlier)⁽⁹⁾	8.1	11.7	0.3	0.9	0.5
SIMPLE AVERAGE (excluding outlier)⁽⁹⁾	9.0	15.7	0.3	1.5	0.5
The Group	n.m.⁽¹⁰⁾	n.m.⁽¹⁰⁾	0.1	0.7	0.4
OUCHK	n.m.⁽¹¹⁾	n.m.⁽¹¹⁾	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 interest 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 financial year ended 31 August 2025. Hence, Bojun's LTM ROE and LTM net profit margin were negative and not meaningful.
- (9) Outlier is Bojun (LTM ROE, LTM net profit margin, total liabilities to shareholders' equity, and total borrowings to shareholders' equity),
- (10) As shown in Section 5.2 of this Letter, the Group incurred a loss after tax attributable to equity holders of the Company (after exclusion of non-trade and non-recurring items) for FY2025. Hence, The Group's LTM ROE and LTM net profit margin were negative and not meaningful.
- (11) OUCHK incurred a loss after tax attributable to equity holders of the company for the financial year ended 30 June 2025. Hence, OUCHK'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 a loss after tax attributable to equity holders of the Company (adjusted with non-trade and non-recurring items) for FY2025. Hence, the Group's LTM ROE and LTM net profit margin were negative and not meaningful. For illustrative purpose only, save for Bojun (which was also loss-making), the remaining seven (7) out of eight (8) Selected Comparable Companies were profitable during the period reviewed with LTM ROE ranging from approximately 1.6% to approximately 16.7% and LTM net profit margin ranging from approximately 2.0% to approximately 31.9%. Based on the Group's audited profit after income tax attributable to equity holders of the Company of approximately S\$7.7 million for FY2025, the Group's LTM ROE and LTM net profit margin were 1.4% and 6.9% respectively, and these are substantially lower than the median and the simple average of LTM ROE and LTM net profit margin for the Selected Comparable Companies.
- (ii) The Group's LTM asset turnover ratio of approximately 0.1 times is within the range, but lower than 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, while its ratio of total borrowings to shareholders' equity is within the range, and lower than 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 Conversion Price and the Minimum Issue 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 ⁽⁶⁾ (times)
Bojun	18.5	13.4	n.m. ⁽⁷⁾	1.5	1.5	0.3
China Maple	183.9	2.5	3.2	0.5	n.m. ⁽⁸⁾	0.9
China Education	316.0	2.2	2.1	0.3	0.4	0.7
China Science	124.9	2.1	1.5	0.2	0.2	0.5
Cyberjaya	49.4	4.2	7.4	0.6	1.0	0.9
Mindchamps	29.1	3.0	22.6	0.4	539.7	0.4
Overseas Education	78.5	5.9	35.8	0.6	0.6	0.9
SEG	251.7	15.4	96.2	7.8	11.0	3.9
MAXIMUM	316.0	15.4	96.2	7.8	539.7	3.9
MINIMUM	18.5	2.1	1.5	0.2	0.2	0.3
MEDIAN (excluding outliers)⁽⁹⁾	101.7	3.6	5.3	0.5	0.6	0.7
SIMPLE AVERAGE (excluding outliers)⁽⁹⁾	131.5	6.1	12.1	0.6	0.7	0.6
The Group						
Based on the Conversion Price	95.4	19.1⁽¹⁰⁾	n.m.⁽¹¹⁾	0.2	0.2	0.9
Based on the Minimum Issue Price	101.3	19.4⁽¹⁰⁾	n.m.⁽¹¹⁾	0.2	0.2	0.9
OUCHK	11.0	n.m.⁽¹²⁾	n.m.⁽¹²⁾	0.1	0.1	1.1

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.

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- (2) *The LTM EV/EBITDA ratios are based on the most recent twelve months EBITDA as reported by the respective companies. The EBITDA for the Group, Mindchamps, OUCHK and Overseas Education are based on the financial year or the most recent twelve months ended 30 June 2025. The EBITDA for Bojun, China Maple, China Education and China Science are based on the financial year ended 31 August 2025. The EBITDA for Cyberjaya and SEG are based on the most recent twelve months ended 30 September 2025.*
- (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 the Group, Mindchamps, OUCHK and Overseas Education are based on the financial year or the most recent twelve months ended 30 June 2025. 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 financial year ended 31 August 2025. The earnings after tax attributable to the equity holders of the company for Cyberjaya and SEG are based on the most recent twelve months ended 30 September 2025.*
- (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 the Group, Mindchamps, OUCHK and Overseas Education are based on figures as at 30 June 2025. The NAV for Bojun, China Maple, China Education and China Science are based on figures as at 31 August 2025. The NAV for Cyberjaya and SEG are based on figures as at 30 September 2025.*
- (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 the Group, Mindchamps, OUCHK and Overseas Education are based on figures as at 30 June 2025. The NTA for Bojun, China Maple, China Education and China Science are based on figures as at 31 August 2025. The NTA for Cyberjaya and SEG are based on figures as at 30 September 2025.*
- (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 the Group, Mindchamps, OUCHK and Overseas Education are based on the financial year or the most recent twelve months ended 30 June 2025. The revenue for Bojun, China Maple, China Education and China Science are based on the financial year ended 31 August 2025. The revenue for Cyberjaya and SEG are based on the most recent twelve months ended 30 September 2025.*
- (7) *Bojun incurred a loss after tax attributable to equity holders of the company for the financial year ended 31 August 2025. Hence, Bojun's LTM PER is negative and not meaningful.*
- (8) *China Maple recorded a negative NTA as at 31 August 2025. Hence, China Maple's P/NTA is negative and not meaningful.*
- (9) *Outliers are SEG (LTM PER, P/NAV, P/NTA and LTM P/Revenue), Bojun (LTM PER), China Maple (P/NTA), and Mindchamps (P/NTA).*
- (10) *Based on the Group's Adjusted EBITDA as illustrated in Section 5.2 of this Letter.*
- (11) *The Group incurred a loss after tax attributable to equity holders of the Company (after exclusion of non-trade and non-recurring items) for FY2025. Hence, the Group's LTM PER is negative and not meaningful.*
- (12) *OUCHK incurred a loss after tax attributable to equity holders of the company and negative EBITDA for the financial year ended 30 June 2025. Hence, OUCHK's LTM EV/EBITDA and LTM PER ratios are negative and not meaningful.*

For illustrative purposes only, we note:

- (i) The market capitalisation of the Group (as implied by both the Conversion Price and the Minimum Issue Price) is within the range, but lower than the median and the simple average for the Selected Comparable Companies.
- (ii) The Group incurred a loss after tax attributable to equity holders of the Company (adjusted with non-trade and non-recurring items) for FY2025. Hence, the Group's ratio of LTM PER is negative and not meaningful. For illustrative purpose only, save for Bojun (which was also loss-making), the remaining seven (7) out of eight (8) Selected Comparable Companies were traded at PER of between approximately 1.5 times to approximately 96.2 times. Based on the Group's audited profit after income tax attributable to equity holders of the Company of approximately S\$7.7 million for FY2025 (with no adjustments), the Group's LTM PER as implied by the Conversion Price and the Minimum Issue Price are approximately 12.4 times and 13.2 times respectively, and these are more favourable than the median and the simple average for the Selected Comparable Companies.
- (iii) The Group's valuation in terms of EV/EBITDA (as implied by both the Conversion Price and/or the Minimum Issue Price) is higher than any of the Selected Comparable Companies. Based on the Group's audited EBITDA of approximately S\$43.4 million for FY2025 (with no adjustments),

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the Group's LTM EV/EBITDA as implied by the Conversion Price and the Minimum Issue Price are approximately 8.5 times and 8.6 times respectively, and these are higher than the median and the simple average for the Selected Comparable Companies.

- (iv) The Group's valuation in terms of the P/NAV and P/NTA ratios (as implied by the Conversion Price and/or the Minimum Issue Price, NAV and/or NTA per Share, and Adjusted NAV and/or NTA per Share) are within the range, but lower than both the median and the simple average for the Selected Comparable Companies.
- (v) The Group's valuation in terms of P/Revenue ratio (as implied by the Conversion Price and/or the Minimum Issue Price) is within the range, and higher than the median and the simple average for the Selected Comparable Companies.

In summary, the valuation of the Group (as implied by both the Conversion Price and/or the Minimum Issue Price) in terms of LTM EV/EBITDA, LTM PER, P/NAV, P/NTA, and P/Revenue appear to be favourable or fairly comparable to the Selected Comparable Companies.

Independent Directors are advised to review the Conversion Price and/or the Minimum Issue 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, which was 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. Likewise, for the Proposed Transactions, whilst the CHS Concert Party Group may increase their shareholding from approximately 35.49% to approximately 45.49%, they will not gain a statutory control over the Company (save for under fully diluted basis as set out in Appendix C to the Circular whereby the CHS Concert Party Group's aggregate shareholding would increase to approximately 56.56% and hence, attain the statutory control over the Company (but not super majority control)).
- (iii) The Shares had historically traded at significantly below the Group's NAV at P/NAV multiples of between approximately 0.1 times to 0.2 times during the period commencing from 30 October 2023 (being the Market Day 24 months prior to the Last Trading Day) and ending on the Last Trading Day prior to the Announcement Date. The P/NAV (or P/Adjusted NAV) multiple as implied by the Conversion Price and/or the Minimum Issue Price are relatively more favourable than the historical trailing discount to NAV for the Shares as illustrated in Section 5.3 of this Letter.
- (iv) Majority of the Group's property are in the PRC (with net carrying amount of approximately S\$449.5 million accounted for approximately 44.1% of the Group's total assets as at 30 June 2025 or approximately 54.6% of the Group's total carrying amount of properties as at 30 June 2025; or net carrying amount of approximately S\$446.0 million after considering the disposal of the Lifestyle Commercial Building or approximately 59.4% of the Group's total carrying amount of properties of approximately S\$750.9 million after considering the disposal of the Lifestyle Commercial Building and the proposed disposal of the Merchant Road Property). It should be noted that valuation of real estate players with substantial exposure to the PRC has been low given the sluggish outlook for the PRC's real estate sector with defaults by property developers and continued decline in sales. For illustrative purpose only, the median and the simple average of P/NAV multiples for real estate companies listed on the HKEX are approximately 0.2 times and 0.3 times respectively.

5.6. COMPARISON WITH SELECTED DEBT CONVERSIONS

In our assessment of the reasonableness of the Proposed Conversions and the Conversion Price, we have considered the salient terms of other selected transactions (since 2023) which involve the conversion or capitalisation of debt (which were previously non-convertible) into equity undertaken by companies listed on the SGX-ST (the “**Selected Debt Conversions**”) to provide, *inter alia*, a general comparison of the dilution, premium or discount represented by the conversion price over/from NAV and the VWAP prior to the respective announcements, without having regard to specific industry characteristics or consideration structure or other relevant considerations. We also wish to highlight that the list of the Selected Debt Conversions is by no means exhaustive, and that the premium or discount of the conversion price depends on various factors, including, *inter alia*, debt conversion structure, prevailing market conditions and sentiments, attractiveness and profitability of the business and assets of the issuer as well as relative “bargaining position” of the issuer/subscriber. Accordingly, any comparison made with respect to the Selected Debt Conversions is intended to serve as an illustrative guide only.

We have tabulated the Selected Debt Conversions to illustrate the typical premium/discount represented by the conversion price to NAV and the VWAP for the respective share on the market day immediately preceding the date of the respective announcement, wherein the shares were last traded.

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Company	Announcement date ⁽¹⁾	Outstanding debt amount to be converted (S\$m)	Conversion price (S\$)	Conversion shares as a percentage of share capital (%)	Premium/ (Discount) of the conversion price over/(from) VWAP per share (%)	Conversion Price/NAV ⁽²⁾ (times)	Financial position
Beverly Wilshire Ltd. (f.k.a Beverly JCG Ltd) ("Beverly Wilshire")	17-May-23	2.0	0.001	9.0	10.0	n.m. ⁽³⁾	Loss making, negative net working capital ("NWC"), net liabilities ("NL"), material uncertainty on going concern (disclaimer of opinion)
Asian Micro Holdings Limited ("Asian Micro")	6-Jul-23	0.4	0.004	6.3	0.0	3.0	Loss making, positive NWC, net assets, unqualified audit opinion
ProsperCap Corporation Limited ("ProsperCap")	7-Dec-23	7.2	0.330	71.6	65.0	106.5	Profitable, positive NWC, net assets, unqualified audit opinion
AJJ Meditech Holdings Limited (f.k.a OEL (Holdings) Limited) ("AJJ Meditech")	8-Jan-24	2.2	0.007	33.1	16.7	79.7	Loss making, positive NWC, net assets, material uncertainty on going concern (but unqualified opinion)
Nam Cheong Limited ("Nam Cheong")	7-Feb-24	80.9	0.400	47.8	n.m. ⁽⁴⁾	n.m. ⁽⁴⁾	Profitable, negative NWC, NL, material uncertainty on going concern (disclaimer of opinion)
Annica Holdings Limited ("Annica")	8-Jul-24	2.4	0.001	13.5	5.0	n.m. ⁽⁵⁾	Loss making, negative NWC, NL, material uncertainty on going concern (qualified opinion)
Salt Investments Limited (f.k.a Jasper Investments Limited) ("Salt")	15-Oct-24	0.4	0.001	8.0	10.0	n.m. ⁽⁶⁾	Loss making, negative NWC, NL, material uncertainty on going concern (but unqualified opinion)
Medi Lifestyle Limited ("Medi Lifestyle")	10-Dec-24	3.2	0.015	130.4	66.7	n.m. ⁽⁷⁾	Loss making, negative NWC, NL, material uncertainty on going concern (but unqualified opinion)
Mary Chia Holdings Limited ("Mary Chia")	18-Dec-24	2.0	0.021	41.3	(8.7)	n.m. ⁽⁸⁾	Loss making, negative NWC, NL, material uncertainty on going concern (disclaimer of opinion)

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Company	Announcement date ⁽¹⁾	Outstanding debt amount to be converted (S\$m)	Conversion price (S\$)	Conversion shares as a percentage of share capital (%)	Premium/ (Discount) of the conversion price over/(from) VWAP per share (%)	Conversion Price/ NAV ⁽²⁾ (times)	Financial position
Beverly Wilshire	3-Mar-25	0.8	0.009	10.7	0.0	n.m. ⁽⁹⁾	Loss making, negative NWC, NL, appropriateness of going concern assumption (disclaimer of opinion)
Metech International Limited ("Metech")	30-Jun-25	0.3	0.022	7.2	0.0	n.m. ⁽¹⁰⁾	Loss making, negative NWC, NL, material uncertainty on going concern (but unqualified opinion)
Asian Micro	3-Jul-25	0.9	0.001	55.1	0.0	1.4	Loss making, positive NWC, Net Assets, unqualified opinion
Quantum Healthcare	22-Sep-25	1.8	0.001	19.9	10.0	n.m. ⁽¹¹⁾	Loss making, negative NWC, NL, material uncertainty on going concern (disclaimer of opinion)
Beverly Wilshire	24-Sep-25	0.06	0.012	1.4	0.0	n.m. ⁽¹²⁾	Loss making, negative NWC, NL, appropriateness of going concern assumption (disclaimer of opinion)
MAXIMUM		80.9	0.400	130.4	66.7	106.5	
MINIMUM		0.1	0.001	1.4	(8.7)	1.4	
MEDIAN (excluding outliers) ⁽¹³⁾		1.9	0.008	16.7	0.0	2.2	
SAMPLE AVERAGE (excluding outliers) ⁽¹³⁾		7.5	0.059	32.5	3.9	2.2	
The Group	30-Oct-25	15.5	0.064	16.3	(5.8)/0.0 ⁽¹⁴⁾	0.2	Profitable, negative NWC

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

Notes:

- (1) Where applicable, it is the date of the respective debt conversion announcements or the date of the circular.
- (2) Based on NAV per share, pro forma NAV per share, adjusted NAV per share, revalued NAV per share, as the case may be, as published in the respective circulars of the companies.
- (3) Beverly Wilshire was in net liabilities position as at 31 December 2022, hence its P/NAV ratio is not meaningful.
- (4) Shares in Nam Cheong had been halted and suspended since 28 April 2020 and was still suspended at the time the debt conversion was announced. Since there was no public market for the shares in the company for close to four (4) years, any comparison of the market premia to the historical share prices prior to the suspension will not be meaningful.

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Nam Cheong was in net liabilities position as at 31 December 2022, hence its P/NAV ratio is not meaningful.

(5) Annica was in net liabilities position as at 31 December 2023, hence its P/NAV ratio is not meaningful.

(6) Salt was in net liabilities position as at 31 March 2023, hence its P/NAV ratio is not meaningful.

(7) Medi Lifestyle was in net liabilities position as at 30 September 2024, hence its P/NAV ratio is not meaningful.

(8) Mary Chia was in net liabilities position as at 31 March 2024, hence its P/NAV ratio is not meaningful.

(9) Beverly Wilshire was in net liabilities position as at 31 December 2023, hence its P/NAV ratio is not meaningful.

(10) Metech was in net liabilities position as at 31 December 2024, hence its P/NAV ratio is not meaningful.

(11) Quantum Healthcare was in net liabilities position as at 30 June 2025, hence its P/NAV ratio is not meaningful.

(12) Beverly Wilshire was in net liabilities position as at 31 December 2024, hence its P/NAV ratio is not meaningful.

(13) Outlier for premia/(discount) of the conversion price over/(from) VWAP prior to the debt conversion announcement (as the case maybe) are ProsperCap and Medi Lifestyle, and outliers for conversion price/NAV are ProsperCap and AJJ Medtech.

(14) The Conversion Price represents a discount of 5.8% from the VWAP for the Shares as at the Last Trading Day or in line with the Theoretical Ex-Dividend Share Price.

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

- (i) In terms of the size, the Outstanding Amounts for the Proposed Conversions appears to be within the range, higher than both the median and the simple average for the Selected Debt Conversions.
- (ii) In terms of dilution, the Conversion Shares represents approximately 16.3% of the Existing Share Capital, and this ratio is within the range, lower than both the median and the simple average for the Selected Debt Conversions.
- (iii) Most of the companies under the Selected Debt Conversions were loss-making (save for ProsperCap and Nam Cheong) and their financial positions were weak prior to the announcement of the respective debt conversions with negative net working capital (save for Asian Micro, ProsperCap and AJJ Medtech) and emphasis of matters and/or disclaimer of opinion on going concern (save for Asian Micro and ProsperCap). Likewise, the Group was in loss-making position of approximately S\$19.8 million (after adjusted with non-trade and non-recurring items) for FY2025 and has a negative working capital of approximately S\$85.8 million as at 30 June 2025 and material uncertainty issued by the Independent Auditor on, *inter alia*, going concern assumption for FY2025.
- (iv) Save for Asian Micro, ProsperCap, and AJJ Medtech, most of the companies under the Selected Debt Conversions were in NL position prior to the announcement of the respective debt conversions. The Group was in net assets position of approximately S\$640.6 million as at 30 June 2025.
- (v) The discount of approximately 5.8% as implied by the Conversion Price from the VWAP of the Shares as at the Last Trading Day prior to the Announcement Date is less favourable than the median and the simple average, but still within the range of the Selected Debt Transactions. As set out in the Circular, subject to the adjustments set out in the respective Binding Term Sheets, the Conversion Price is S\$0.0644 per Conversion Share, being the VWAP of S\$0.0684 per Share for trades done on the SGX-ST on 29 October 2025 (being the last full market day on which the Shares were traded prior to the Announcement Date) less the amount of the Proposed Special Dividend of S\$0.004 per Share. The Conversion Price was determined with reference to the prevailing market price of the Shares, and is equivalent to the Theoretical Ex-Dividend Share Price, with no discount or premium applied, and this is in line with the median but less favourable than the average for the Selected Debt Conversions.
- (vi) Among the eleven (11) companies under the Selected Debt Conversions, only three (3) were in net assets positions (namely Asian Micro, ProsperCap, and AJJ Medtech). We deemed ProsperCap and AJJ Medtech as outliers (in terms of conversion price to NAV) given their small shareholders' equity base. The Group's valuation in terms of P/NAV (as implied by the Conversion Price, NAV and/or Adjusted NAV as the case maybe) of approximately 0.2 times is lower than Asian Micro. Independent Shareholders should note that the comparison between the P/NAV multiples for the Group (as implied by the Conversion Price) and for the Selected Debt Conversions is for illustrative purpose only, in view of the difference in the nature and type of businesses for the companies under the Selected Debt Conversions. Independent Shareholders should refer to Section 5.5 of this Letter for more meaningful comparison between the Group's valuation multiples as implied by the Conversion Price and the multiples of the Selected Comparable Companies, which are within the same industry/sector.

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, size of operations, market capitalisation, asset base, risk profile, track record, future prospects and other relevant criteria, the analysis is limited. Further, the list of Selected Debt Conversions is by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison between the Proposed Conversions and the Selected Debt Conversions serves as an illustrative guide only.

5.7 COMPARISON WITH SELECTED SCRIP DIVIDEND TRANSACTIONS

In our assessment of the reasonableness of the proposed allotment and issuance of the CHSCP Scrip Dividend and the Minimum Issue Price, we have considered the salient terms of other selected scrip dividend transactions undertaken by companies listed on the SGX-ST, which were announced during period commencing from 30 October 2024 (being 12-month prior to the Last Trading Day) and ending on the Latest Practicable Date (the “**Selected Scrip Dividend Transactions**”) to provide, *inter alia*, a general comparison of the premiums or discount represented by issue price over/from VWAP as at the respective record date, without having regard to specific industry characteristics or dividend structure or other relevant considerations. We wish to highlight that the list of the Selected Scrip Dividend Transactions is by no means exhaustive, and that the premium or discount of the issue price depends on various factors, including, *inter alia*, compliance with the requirements under the Listing Manual of the SGX-ST, dividend policy, prevailing market conditions and sentiments, and profitability of the business. Accordingly, any comparison made with respect to the Selected Scrip Dividend Transactions is intended to serve as an illustrative guide only.

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Company Name	Record Date	Dividend per share (S\$)	Issue Price (S\$)	Premium/Discount of Issue Price over/from VWAP as at Record Date	Remarks
LHN Limited	10 Apr 2025	0.0100	0.3700	(9.1)%	Issue price was based on 10% discount from 5-day average daily VWAP (from 4 Apr 2025 to 10 Apr 2025) and 8.1% discount to 6-day VWAP (from 3 Apr 2025 to 10 Apr 2025)
CSE Global Limited	28 Apr 2025	0.0115	0.4000	(4.7)%	Issue price was based on 4.5% discount from average daily VWAP on 25 Apr 2025 (ex-dividend date) and 28 Apr 2025 (record date)
Yeo Hiap Seng Ltd	6 May 2025	0.0200	0.5500	(4.0)%	Issue price was based on 0.9% discount from average daily VWAP from 1 Apr 2025 to 22 Apr 2025
UOB-Kay Hian Holdings Limited	8 May 2025	0.1190	1.5548	(7.8)%	Issue price was based on 8% discount from average daily VWAP on 7 May 2025 (ex-dividend date) and 8 May 2025 (record date)
The Straits Trading Company Limited	9 May 2025	0.0800	1.3800	(0.6)%	Issue price was based on 0.3% discount from average daily VWAP on 8 May 2025 (ex-dividend date) and 9 May 2025 (record date)
Tuan Sing Holdings Limited	9 May 2025	0.0070	0.2190	(8.9)%	Issue price was based on 9.7% discount from average daily VWAP on 8 May 2025 (ex-dividend date) and 9 May 2025 (record date)
Beng Kuang Marine Limited	9 May 2025	0.0060	0.1780	(5.2)%	Issue price was based on 4.8% discount from average daily VWAP on 8 May 2025 (ex-dividend date) and 9 May 2025 (record date)
Global Investments Limited	14 May 2025	0.0040	0.1200	(1.3)%	Issue price was based on 2.897% discount from average daily VWAP on 13 May 2025 (ex-dividend date) and 14 May 2025 (record date)

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Company Name	Record Date	Dividend per share (S\$)	Issue Price (S\$)	Premium/Discount of Issue Price over/from VWAP as at Record Date	Remarks
Far East Orchard Limited	20 May 2025	0.0500	1.0030	0.3%	Issue price was based on average daily VWAP on 19 May 2025 (ex-dividend date) and 20 May 2025 (record date)
ISDN Holdings Limited	7 Jul 2025	0.0047	0.2840	(6.5)%	Issue price was based on 8.7% discount from 6-day average daily VWAP (from 30 Jun to 7 Jul 2025) and 6.5% discount from VWAP on 7 Jul 2025 (record date)
Boustead Singapore Limited	11 Aug 2025	0.0600	1.4500	(7.8)%	Issue price was based on 7.9% discount from average daily VWAP on 8 Aug 2025 (ex-dividend date) and 11 Aug 2025 (record date)
CSE Global Limited	21 Aug 2025	0.0114	0.6250	(10.7)%	Issue price was based on 9.2% discount from average daily VWAP on 20 Aug 2025 (ex-dividend date) and 21 Aug 2025 (record date)
Global Investments Limited	26 Aug 2025	0.0040	0.1250	(3.1)%	Issue price was based on 3.1% discount from average daily VWAP on 25 Aug 2025 (ex-dividend date) and 26 Aug 2025 (record date)
MAXIMUM		0.1190	1.5548	0.3%	
MINIMUM		0.0040	0.1200	(10.7)%	
MEDIAN		0.0114	0.4000	(5.2)%	
SIMPLE AVERAGE		0.0298	0.6353	(5.3)%	
The Company		0.004	0.0684	0.0%	The actual Issue Price of the Scrip Dividend Shares will be determined by the Directors in compliance with Rule 862(4) of the Listing Manual, but will in any event not be lower than S\$0.0684, being the VWAP of the Shares on 29 October 2025.

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We note the following:

- (i) For the Selected Scrip Dividend Transactions, the median and the simple average for premium/discount over/from the VWAP as at the respective record date were discount of 5.2% and 5.3% respectively.
- (ii) For the Proposed Special Dividend, we note from the Circular that the actual Issue Price of the Scrip Dividend Shares will be determined by the Directors in compliance with Rule 862(4) of the Listing Manual, but will in any event not be lower than S\$0.0684, being the VWAP of the Shares on 29 October 2025.
- (iii) Pursuant to the Scrip Dividend Scheme which was adopted by the Company on 2 January 2026, Shareholders may elect to receive their respective entitlements of the Proposed Special Dividend in Scrip Dividend Shares in lieu of part only or all of cash.

5.8 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 7 of the Circular. We recommended that Independent Shareholders read those pages of the Circular carefully and in its entirety.

For illustrative purposes only, we note from Section 7 of the Circular that after the completion of the Proposed Transactions:

- (i) The Group's NTA would improve from approximately S\$466.3 million as at 30 June 2025 (adjusted with the Sale of Treasury Shares; and the conversions and cancellations of the Convertible Bonds) to approximately S\$477.7 million. However, the Group's NTA per Share would decline from approximately 31.47 Singapore cents as at 30 June 2025 (adjusted with the Sale of Treasury Shares; and the conversions and cancellations of the Convertible Bonds) to approximately 27.24 Singapore cents.
- (ii) The Group's earnings after tax attributable to the equity holders of the Company would improve from approximately S\$7.7 million for FY2025 to approximately S\$8.5 million. However, on a per Share basis, the Group's earnings per Share ("**EPS**") would decline from approximately 0.52 Singapore cents to approximately 0.48 Singapore cents.
- (iii) The Group's net gearing would improve from approximately 0.33 times as at 30 June 2025 to approximately 0.30 times.

In summary, based on the pro-forma financial effects as set out in Section 7 of the Circular, the Proposed Transactions would have unfavourable effect to the Group's NTA per Share and EPS, but favourable effect on the Group's net gearing.

The Directors represented and confirmed that the Proposed Transactions is in the interest of and beneficial to the Group as:

- (i) The Proposed Conversions are expected to reduce the Group's overall financial leverage, alleviate its 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 Bonds and the Loan, 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 the Proposed Conversions represent the most effective and sustainable solution currently available.
- (iii) The Proposed Special Dividend is to share the expected cash savings on principal repayment from the Proposed Conversions and 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.
- (iv) The proposed CHSCP Scrip Dividend will support the Company's efforts to conserve internal cash reserves and strengthen its capital position. The CHS Concert Party Group's preliminary agreement to receive the CHSCP Scrip Dividend also demonstrates their confidence in and continued commitment to the Company.

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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 TRANSACTIONS FOR THE EXISTING PUBLIC SHAREHOLDERS

It is important to note that upon completion of the Proposed Transactions, the shareholdings of the existing Shareholders (other than the Directors and the substantial Shareholders) (the “**Existing Public Shareholders**”) will be diluted substantially. In evaluating the dilution impact of the Proposed Transactions on the Existing Public Shareholders, we have considered the following:

	As at the Latest Practicable Date		After allotment and issuance of the CHSCP Scrip Dividend		After allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares	
	Total interests	% ⁽¹⁾	Total interests	% ⁽²⁾	Total interests	% ⁽³⁾
CHS Concert Party Group						
Mr. Chew ⁽⁴⁾	525,812,764	35.49	556,562,048	36.80	797,662,653	45.49
Doris Chung Gim Lian ⁽⁴⁾	525,812,764	35.49	556,562,048	36.80	797,662,653	45.49
Directors (other than the CHS Concert Party Group)						
Lim Siew Mun	4,375,300	0.30	4,375,300	0.29	4,375,300	0.25
Lim How Teck ⁽⁵⁾	6,913,760	0.47	6,913,760	0.46	6,913,760	0.39
Chua Chwee Koh	10,103,600	0.68	10,103,600	0.67	10,103,600	0.58
Joseph Ho Yan Jun	1,375,300	0.09	1,375,300	0.09	1,375,300	0.08
Existing Public Shareholders⁽⁶⁾	933,092,444	62.97	933,092,444	61.69	933,092,444	53.21

Notes:

- (1) Based on the Existing Share Capital.
- (2) Based on the CHSCP Scrip Dividend Enlarged Share Capital,
- (3) Based on the Consolidated Enlarged Share Capital.
- (4) Ms Doris Chung Gim Lian 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.
- (5) Mr. Lim How Teck is deemed interested in the Shares held by his spouse, Ms. Tan Cheng Hiang Rosalind.
- (6) 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 35.49% to approximately 36.80% (upon completion of the allotment and issuance of the CHSCP Scrip Dividend) and 45.49% (upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares). While the CHS Concert Party Group would remain as the largest controlling Shareholder of the Company upon completion of the Proposed Transactions, they would neither attain the statutory control nor super majority control over the Company. The CHS Concert Party Group would still be subjected to requirements under Rule 14 of the Code in the event they acquire further Shares.

However, as illustrated in the Appendix C to the Circular, on fully diluted basis and assuming, *inter alia*, (a) conversion and cancellation of all outstanding Convertible Bonds at the conversion price of S\$0.065 per Share (including the Convertible Bonds held by the CHS Concert Party Group); and (b) exercise of all outstanding employee share options, the CHS Concert Party Group’s shareholding interest in the Company would increase to approximately 56.56%. In such a scenario, the CHS Concert Party Group would attain the statutory control

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over the Company (but not super majority control) and would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer.

- (ii) The Existing Public Shareholders' shareholding interest in the Company would be diluted from approximately 62.97% to approximately 61.69% (upon completion of the allotment and issuance of the CHSCP Scrip Dividend) and 53.21% (upon completion of the allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares). However, the Existing Public Shareholders will still control a simple majority to veto any resolution. As set out in Appendix C to the Circular, on fully diluted basis and assuming, *inter alia*, (a) conversion and cancellation of all outstanding Convertible Bonds at the conversion price of S\$0.065 per Share (including the Convertible Bonds held by the CHS Concert Party Group); and (b) exercise of all outstanding employee share options, the Existing Public Shareholders' shareholding interest in the Company would be approximately 42.14%. Thus, under the fully diluted scenario, the Existing Public Shareholders' ability to influence the outcome of resolutions would be reduced substantially after allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares.

Independent Shareholders should note that:

- (a) **the issue of the Conversion Shares to Mr. Chew under the Proposed Conversions could result in Mr. Chew and his concert parties holding Shares carrying over 49.0% of the voting rights of the Company. In such event, Mr. Chew and his concert parties would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer.**
- (b) **by voting in favour of each of the Whitewash Resolutions, Independent Shareholders will be waiving their rights to receive a Mandatory Offer from Mr. Chew at the highest price paid by Mr. Chew and/or his concert parties for the Shares in the past six (6) months preceding the Announcement Date;**
- (c) **by voting in favour of the Proposed Conversions Whitewash Resolution, Independent Shareholders could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Proposed Conversions; and**
- (d) **approval of the Proposed Conversions Whitewash Resolution is a condition precedent to the Proposed Conversions, and Ordinary Resolution 1 in relation to the Proposed Conversions and Ordinary Resolution 2 in relation to the Proposed Conversions Whitewash Resolution are inter-conditional. Accordingly, in the event that the Proposed Conversions Whitewash Resolution is not passed by Independent Shareholders, the Proposed Conversions will not proceed to completion.**

6.2 PAST FUND RAISING EXERCISES FOR PAST FOUR (4) YEARS 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 **"Convertible Bonds"**) have a tenure of 5 years, bear interest of 6% per annum, and have an initial conversion price of S\$0.065 (the **"CB Conversion Price"**). The effective conversion price for the Rights Issue Bonds is S\$0.055 after taking into account the Rights Issue Bonds price of S\$0.85 (the **"Effective CB Conversion Price"**).

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Both the Rights Issue and the Placement were completed on 16 September 2022. The Rights Issue was oversubscribed at the completion date, with an aggregate S\$31.6 million (approximately 120.6%) in Rights Issue Bonds subscribed. Mr. Chew has subscribed for approximately S\$9.1 million (or approximately 34.6% of the total amount of the Rights Issue Bonds) in Rights Issue Bonds as part of his *pro rata* entitlement, as well as additional Excess Rights Issue Bonds amounting to S\$4.8 million (or approximately 18.5% of the total amount of the Rights Issue Bonds).

A comparison between the Conversion Price and the CB Conversion Price for the Rights Issue Bonds and the Placement Bonds are presented in the table below:

	The Proposed Conversions	The Rights Issue Bonds	The Placement Bonds
Conversion Price	S\$0.0644	S\$0.055 (after taking into account the Rights Issue Bonds price of S\$0.85)	S\$0.065
Gross amount raised (S\$m)	S\$15.5 million	S\$22.3 million	S\$17.9 million
Premium/(discount) over/(from) the VWAP for the Shares prior to the respective announcement	(5.8)% /0.0%	(9.8)%	6.6%
Implied P/NAV ⁽¹⁾	0.2 times	0.1 times	0.1 times
Implied P/NTA ⁽¹⁾	0.2 times	0.1 times	0.1 times

Note:

- (1) 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 and the latest announced NAV and/or NTA for the Group as at 30 June 2025 for the Proposed Conversions.

We note the following:

- (i) The Conversion Price is higher than the Effective CB Conversion Price for the Rights Issue Bonds, but lower than the CB Conversion Price for the Placement Bonds.
- (ii) The loans amount under the Proposed Conversions is lower than the amount raised under the Rights Issue and the Placement.
- (iii) The discount of 5.8% implied by the Conversion Price from the VWAP for the Shares as at the Last Trading Day or the fact that the Conversion Price is in line with the Theoretical Ex-Dividend Share Price as at the Last Trading Day is more favourable than the discount implied by the Effective CB Conversion Price for the Rights Issue Bonds from the VWAP for the Shares on 7 June 2022, but less favourable than the premium implied by the CB Conversion Price for the Placement Bonds over the VWAP for the Shares on 7 June 2022.
- (iv) The implied P/NAV and P/NTA ratios based on the Conversion Price pursuant to the Proposed Conversion are higher and more favourable than the implied P/NAV and P/NTA ratios based on the CB Conversion Price for the Rights Issue Bonds and the Placement Bonds. This should be assessed in conjunction with the fact that the Group's NAV and NTA have declined from approximately S\$697.3 million and S\$582.1 million as at 31 March 2022 respectively to approximately S\$555.8 million and S\$459.6 million as at 30 June 2025 respectively.

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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 Conversions or the Whitewash Resolutions. Hence, the comparison between the Proposed Conversions with the Rights Issue Bonds and the Placement Bonds above is necessarily limited and meant for illustration purpose.

The Sale of Treasury Shares

As highlighted earlier, on 13 November 2025 and 16 December 2025, the Company announced the sale of 16.0 million treasury Shares and 10.0 million treasury Shares through KGI Securities (Singapore) Pte. Ltd. to undisclosed third parties via married deals at selling prices of S\$0.104 per Share and S\$0.133 per Share (collectively, the “**Selling Prices**”), which represents a discount of approximately 4.2% and a premium of approximately 6.8% from 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 and 0.4 times respectively (based on the Group’s NAV as at 30 June 2025). The aggregate gross proceeds of approximately S\$3.0 million will be used for working capital.

We note the following:

- (i) The Conversion Price is lower than the Selling Prices.
- (ii) The Outstanding Amounts under the Proposed Conversions is higher than the aggregate proceeds from the Sale of Treasury Shares.
- (iii) The discount of 5.8% implied by the Conversion Price from the VWAP for the Shares as at the Last Trading Day is less favourable than the discount/premium implied by the Selling Prices for the Sale of Treasury Shares from/over the VWAP for the Shares on 12 November 2025 and 15 December 2025 respectively.
- (iv) The implied P/NAV and P/NTA ratios based on the Conversion Price pursuant to the Proposed Conversions are lower than the implied P/NAV and P/NTA ratios for the Sale of Treasury Shares based on the Selling Prices.

The above comparison should be assessed in conjunction with the fact that the Sales of Treasury Shares took place after the Announcement Date and that subsequent to the Announcement Date, the prices for the Shares increased significantly (likely underpinned by the positive market perception on the Proposed Transactions (which demonstrate 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 Proposed Hefei Disposal (which enables the Group to eliminate approximately RMB314.4 million of intra-group liabilities through the assumption of liabilities by HHECM, while also securing cash proceeds), and the Proposed Property Disposal.

6.3 IMPLICATIONS OF CHS CONCERT PARTY GROUP’S CONTROLLING INTEREST IN THE COMPANY

We wish to highlight that as at the Latest Practicable Date, the CHS Concert Party Group has an aggregate interest in 525,812,764 Shares which represents approximately 35.49% of the voting rights of the Company. Depending on the level of other Shareholders’ applications to receive their entitlements under the Proposed Special Dividend in Scrip Dividend Shares in lieu of cash or acceptances, the CHS Concert Party Group’s percentage shareholding interest may increase to approximately 45.49%. In such an event, while the CHS Concert Party Group would remain as the largest controlling Shareholder of the Company, they would neither attain the statutory control status nor super majority control over the Company. The CHS Concert Party Group would still be subjected to requirements under Rule 14 of the Code in the event they acquire further Shares.

As set out in the Appendix C to the Circular, on fully diluted basis and assuming, *inter alia*, (a) conversion and cancellation of all outstanding Convertible Bonds at the conversion price of S\$0.065

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per Share (including the Convertible Bonds held by the CHS Concert Party Group); and (b) exercise of all outstanding employee share options, the CHS Concert Party Group's shareholding interest in the Company would increase to approximately 56.56%. 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.

6.4 INTER-CONDITIONALITY OF THE PROPOSED CONVERSIONS AND THE WHITEWASH RESOLUTIONS

We note from Section 1.1.2 of the Circular that:

- (i) Ordinary Resolution 1 (pertaining to the Proposed Conversions) and Ordinary Resolution 2 (pertaining to the Proposed Conversions Whitewash Resolution) are inter-conditional. This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 2 will not be deemed duly passed, and *vice versa*.
- (ii) Ordinary Resolution 3 (pertaining to the CHSCP Scrip Dividend Whitewash Resolution) is conditional upon the passing of Ordinary Resolution 1 (pertaining to the Proposed Conversions) and Ordinary Resolution 2 (pertaining to the Proposed Conversions Whitewash Resolution). This means that if Ordinary Resolutions 1 and 2 are not duly passed, Ordinary Resolution 3 will not be deemed duly passed.

6.5 UNDERTAKING BY MR. CHEW

As set out in the Circular, Mr. Chew has undertaken not to, directly or indirectly, sell, contract to sell, offer, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of the Conversion Shares allotted and issued to him for a period of six (6) months from the date of allotment and issuance of the Conversion Shares.

Should the CHSCP Scrip Dividend be issued, Mr. Chew has undertaken that he will not, for a period of six (6) months from the date of allotment and issuance of such CHSCP Scrip Dividend, directly or indirectly, sell, contract to sell, offer, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of any part of the CHSCP Scrip Dividend allotted and issued to him.

6.6 DIVIDEND TRACK RECORD

The Directors and the Management have confirmed and represented that (save for 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, no dividends were declared and recommended in the last three financial years as the Group intends 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.

6.7 NO ALTERNATIVE FUNDRAISING

The Directors have confirmed that whilst significant efforts have been made by the Directors and Management to source for alternative offer or financing with better pricing and favourable terms, as at the Latest Practicable Date, they are not aware of any alternative offers or financing, which is comparable in nature, size and scope to the Proposed Conversions. The Proposed Conversions

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would allow the Group to retire the Outstanding Amounts which otherwise the Group is and will not be in position to retire the Outstanding Amounts or any meaningful part of it in the short to medium term given the weak historical financial performance and position of the Group with net current liabilities position and the material uncertainty relating to going concern highlighted by the Independent Auditor for AR2025 as well as the fact that the Outstanding Amounts is approximately 81.3% of the Group's cash and bank balances as at 30 June 2025.

We understand from Directors that they had considered other fund raising 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, before eventually deciding to proceed with the Proposed Conversions. In addition, as set out in the Circular, the Company had approached the other bondholders to propose amendments to the terms of their Bonds to provide for convertibility. However, only Mr. Chew agreed to proceed with the proposal.

The Directors note that the Group's currently weak financial performance and position (in particular, the losses incurred for FY2023 to FY2025 (after adjusting with non-trade and non-recurring items), and the negative net working capital) with the material uncertainties related to going concern makes it difficult to seek any meaningful amount of external borrowing from financial institutions or funds from a placement or a rights issue without a significant discount to the Share price. It should also be noted that under placement or rights issue, the new Shares will typically be issued at a higher discount from the market price than the implied discount of the Conversion Price from the VWAP for the Shares as at the Last Trading Day.

6.8 NO ASSURANCE OF PROFITABILITY OF THE SHARES

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

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 Whitewash Resolutions, including, *inter alia*, the views of and representations by the Directors. Our recommendation or opinion is by no means an indication of the merits, prospects, financial performance and position of the Company or the Group after the completion of the Proposed Transactions, or whether the Company or the Group can improve their financial position, performance and cash flow or whether the Company or the Group can continue to operate as a going concern or the ability to meet its liabilities when due or the adequacy of the Group's working capital or the sufficiency of the Proposed Transactions to address the concerns of the Company or the Group 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 IFA Letter. The following should be read in conjunction with, and in the context of, the full text of this IFA 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 the Directors, we are of the opinion that the terms of the Proposed Transactions, being the subject of the Whitewash Resolutions, is **FAIR and REASONABLE**, and the Whitewash Resolutions, when considered in the context of the Proposed Transactions, are **NOT PREJUDICIAL** to the interest of the Company and the Independent Shareholders.

For the purposes of evaluation of the Proposed Transactions, being the subject of the Whitewash Resolutions, from a financial point of view, we have adopted the approach that the term "fair and reasonable" should be regarded as comprising two distinct concepts:

- (i) Whether issuance of shares is "fair" relates to an opinion on the value of the issue price which is based strictly on the evaluation of the issue price (i.e. by looking at the financial analysis of the Conversion Price and the Minimum Issue Price as set out in Section 5), and based on information known to us which is publicly available.
- (ii) Whether issuance of shares is "reasonable", relates to, after taking into consideration, *inter alia*, the actual and potential financial impact of other circumstances surrounding the issuance of shares as well as the Company or the Group which we consider relevant (being quantitative and qualitative factors available and made known to us).

We are of the view that the terms of the Proposed Transactions, being the subject of the Whitewash Resolutions, is **FAIR, REASONABLE**, and **NOT PREJUDICIAL** to the interest of the Company and the Independent Shareholders after considering, *inter alia*, the following factors:

- (i) The rationale for the Proposed Transactions as outlined in Section 8 of the Circular. In particular, we note that: (a) the Proposed Conversions are expected to reduce the Group's overall financial leverage, alleviate its 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; and (b) the proposed CHSCP Scrip Dividend will support the Company's efforts to conserve internal cash reserves and strengthen its capital position. In addition, we note that the amount of cash that can be conserved pursuant to the Proposed Transactions is approximately S\$17.6 million and this is material given the Group's pro forma net debt position of approximately S\$50.7 million.
- (ii) The material uncertainty relating to going concern highlighted by the Independent Auditor for AR2025.

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- (iii) The historical financial performance, position and condition of the Group, which are weak, after considering, *inter alia*, losses incurred for FY2023 to FY2025 (after adjusting with non-trade and non-recurring items), negative net working capital as at 30 June 2025, and the material uncertainties related to going concern. We note that the Proposed Conversions would allow the Group to retire the Outstanding Amounts which otherwise the Group is and will not be in position to retire the Outstanding Amounts or any meaningful part of it in the short to medium term given the weak historical financial performance and position of the Group with net current liabilities position and the material uncertainty relating to going concern highlighted by the Independent Auditor for AR2025 as well as the fact that the Outstanding Amounts is approximately 81.3% of the Group's cash and bank balances as at 30 June 2025.
- (iv) The Conversion Price is determined based on the VWAP of S\$0.0684 per Share for trades done on the SGX-ST on 29 October 2025 (being the last full market day on which the Shares were traded prior to the Announcement Date), less the amount of the Proposed Special Dividend of S\$0.004 per Share. The Conversion Price was determined with reference to the prevailing market price of the Shares, and is equivalent to the Theoretical Ex-Dividend Share Price as at the Last Trading Day, with no discount or premium applied.
- (v) The actual issue price of the Scrip Dividend Shares will be determined by the Directors in compliance with Rule 862(4) of the Listing Manual, but will in any event not be lower than S\$0.0684, being the VWAP of the Shares on 29 October 2025.
- (vi) The substantial discount to NAV (or Adjusted NAV) implied by the Conversion Price and the Minimum Issue Price may have factored in the fact that: (a) the Shares had historically traded at prices significantly below the Group's NAV (at P/NAV multiples of between approximately 0.1 times to 0.2 times during the 24-month period prior to the Last Trading Day; (b) the Group's properties are majority in the PRC coupled with the sluggish outlook for the PRC real estate sector whereby majorities of the Group's properties are based in; and (c) the Group's weak financial position with net current liabilities as at 30 June 2025 and the material uncertainty related to going concern as highlighted by the Independent Auditor for FY2025.
- (vii) The P/NAV (or P/Adjusted NAV) multiples as implied by the Conversion Price and/or the Minimum Issue Price are relatively higher and more favourable than the median and the simple average of trailing P/NAV multiples for each of the 1-month, 3-month, 6-month, 12-month, and 24-month periods prior to the Last Trading Day.
- (viii) In general, the Conversion Price and the Minimum Issue Price are favourable as compared to the historical prices for the Shares prior to the Last Trading Day considering, *inter alia*: (a) the premia implied by the Conversion Price of approximately 9.3%, 13.4%, 18.8% and 23.8% over the VWAP for the Shares for the 3-month, 6-month, 12-month and 24-month periods prior to the Last Trading Day or the small discount implied by the Conversion Price of approximately 1.5% from the VWAP for the Shares for the 1-month period prior to the Last Trading Day; and (b) the premia implied by the Minimum Issue Price of approximately 4.6%, 16.1%, 20.4%, 26.2% and 31.5% over 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.
- (ix) The valuation of the Group (as implied by both the Conversion Price and/or the Minimum Issue Price) in terms of LTM EV/EBITDA, LTM PER, P/NAV, P/NTA, and P/Revenue appear to be favourable or fairly comparable to the Selected Comparable Companies after considering the factors highlighted in Section 5.5 of this Letter.
- (x) Fair comparison of the Proposed Conversions against the Selected Debt Conversions in terms of size, dilution effect, and implied premium/discount over/from historical prices.
- (xi) The pre-emptive rights accorded to all entitled Shareholders – Pursuant to the Scrip Dividend Scheme which was adopted by the Company on 2 January 2026, Shareholders may elect to receive their respective entitlements of the Proposed Special Dividend in Scrip Dividend Shares in lieu of part only or all of cash.

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- (xii) The potential favourable financial effects of the Proposed Transactions as outlined in Section 7 of the Circular on the Group's net gearing whilst noting the less favourable financial effects of the Proposed Transactions on the Group's EPS and NTA per Share.
- (xiii) The dilution effect of the Proposed Transactions is fairly comparable to the Selected Debt Conversion.
- (xiv) The Directors' confirmation and representation 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 to the Proposed Conversions.
- (xv) The Directors' opinion as set out in Section 12 of the Circular that the Directors, having considered, amongst others, the rationale for the Proposed Transactions, are of the opinion that the Proposed Transactions and the Whitewash Resolutions, when considered in the context of the Proposed Transactions, are in the best interests of the Group and not prejudicial to the interests of the Independent Shareholders.

ACA's recommendation

Based on our assessment of the Proposed Transactions being the subject of the Whitewash Resolutions as set out above, we advise the Independent Directors to recommend that Independent Shareholders vote **in favour** of the Whitewash Resolutions to be proposed at the EGM. We advise the Independent Directors to highlight to the Independent Shareholders the matters as stated in our Letter, including, *inter alia*, our limitation in the analysis, evaluation, comments and opinion in this Letter. In addition, we advise the Independent Directors to recommend to the Independent Shareholders to exercise caution in their decision in voting in favour of or against the Whitewash Resolutions.

In performing our evaluation, we have not been provided with, and have not had access to, any financial projections or future plans or corporate actions (if any) of the Company or the Group. The opinion set forth herein is based solely on publicly available information and information provided by the Directors and the Management and therefore does not reflect any projections or future financial performance of the Company after the completion of the Proposed Transactions and is based on the economic and market conditions prevailing as of the date of this opinion. Our advice is solely confined to our views on the Whitewash Resolutions.

Matters to highlight

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

- (1) **Independent Shareholders should note that:**
 - (a) **the issue of the Conversion Shares to Mr. Chew under the Proposed Conversions could result in Mr. Chew and his concert parties holding Shares carrying over 49.0% of the voting rights of the Company. In such event, Mr. Chew and his concert parties would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;**
 - (b) **by voting in favour of each of the Whitewash Resolutions, Independent Shareholders will be waiving their rights to receive a mandatory general offer from Mr. Chew at the highest price paid by Mr. Chew and/or his concert parties for the Shares in the past six (6) months preceding the Announcement Date;**
 - (c) **by voting in favour of the Proposed Conversions Whitewash Resolution, Independent Shareholders could be forgoing the opportunity to receive a general offer from another**

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person who may be discouraged from making a general offer in view of the potential dilution effect of the Proposed Conversions; and

- (d) **approval of the Proposed Conversions Whitewash Resolution is a condition precedent to the Proposed Conversions, and Ordinary Resolution 1 in relation to the Proposed Conversions and Ordinary Resolution 2 in relation to the Proposed Conversions Whitewash Resolution are inter-conditional. Accordingly, in the event that the Proposed Conversions Whitewash Resolution is not passed by Independent Shareholders, the Proposed Conversions will not proceed to completion.**

- (2) 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 financial statements (audited and unaudited), where applicable for the assessment.

- (3) The Directors and Management have confirmed, *inter alia*, that, to the best of their knowledge and belief, (a) save as disclosed in the audited financial statements of the Group as at 30 June 2025, 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 financial statements of financial position of the Group since 30 June 2025; 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 2025 which would have a material impact on the NAV and NTA of the Group.
- (4) 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 Transactions or the Whitewash Resolutions 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 Transactions or the Whitewash Resolutions or the other transactions or resolutions stipulated in the Circular (where applicable) or voting for or voting against the Proposed Transactions, the Whitewash Resolutions 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.
- (5) Mr. Chew has undertaken not to, directly or indirectly, sell, contract to sell, offer, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of the Conversion Shares and the CHSCP Scrip Dividend allotted and issued to him for a period of six (6) months from the date of allotment and issuance of the Conversion Shares and the CHSCP Scrip Dividend respectively.
- (6) As illustrated in the Appendix C to the Circular, on fully diluted basis and assuming, *inter alia*, (a) conversion and cancellation of all outstanding Convertible Bonds at the conversion price of S\$0.065 per Share (including the Convertible Bonds held by the CHS Concert Party Group); and (b) exercise of all outstanding employee share options, the CHS Concert Party Group's shareholding interest in the Company would increase to approximately 56.56% after allotment and issuance of the CHSCP Scrip Dividend and the Conversion Shares. In such a scenario, the CHS Concert Party Group would attain the statutory control over the Company (but not super majority control) and would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer.

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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, we would advise the Independent Directors to 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 should consult his 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 17 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 Whitewash Resolutions 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. 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. Save as disclosed, nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act 2001 of Singapore and any re-enactment thereof shall not apply.

The recommendations made by the Independent Directors to Shareholders in relation to the Whitewash Resolutions 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 23 January 2026 (Friday) at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions:

*Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as ascribed to them in the circular to shareholders dated 8 January 2026 issued by the Company (“**Circular**”).*

ORDINARY RESOLUTION 1: THE PROPOSED CONVERSIONS

THAT, subject to and contingent upon the passing of Ordinary Resolution 2 as set out in this Notice of EGM:

- (a) approval be and is hereby given for the Proposed Conversions and the transactions contemplated under the respective Binding Term Sheets;
- (b) pursuant to section 161 of the Companies Act and Rules 805 and 812 of the Listing Manual, approval be and is hereby given to the Directors to allot and issue up to 241,100,605 Conversion Shares to Mr. Chew at the Conversion Price of S\$0.0644 per Conversion Share, on and subject to the terms of the respective Binding Term Sheets; and
- (c) 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.

ORDINARY RESOLUTION 2: THE PROPOSED CONVERSIONS WHITEWASH RESOLUTION

THAT subject to and contingent upon the passing of Ordinary Resolution 1 as set out in this Notice of EGM, the Independent Shareholders do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer for the Company’s Shares from Mr. Chew under Rule 14 of the Code in the event that Mr. Chew incurs an obligation to do so as a result of the allotment and issuance of the Conversion Shares to Mr. Chew.

ORDINARY RESOLUTION 3: THE CHSCP SCRIP DIVIDEND WHITEWASH RESOLUTION

THAT subject to and contingent upon the passing of Ordinary Resolutions 1 and 2 as set out in this Notice of EGM, as well as the declaration of the Special Dividend by the Company (subject always to adherence with all applicable laws and the Company’s Constitution), the Independent Shareholders do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer for the Company’s Shares from Mr. Chew under Rule 14 of the Code in the event that Mr. Chew incurs an obligation to do so as a result of the allotment and issuance of the CHSCP Scrip Dividend to the CHS Concert Party Group (including Mr. Chew).

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 4: THE PROPOSED ALLOTMENT AND ISSUANCE OF SCRIP DIVIDEND SHARES

THAT:

- (a) pursuant to section 161 of the Companies Act and Rule 805 of the Listing Manual, approval be and is hereby given to the Directors to allot and issue from time to time such number of Scrip Dividend Shares as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme, in accordance with and subject to the terms of the Scrip Dividend Scheme;
- (b) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held, whichever is earlier;
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions imposed by the SGX-ST from time to time and the provisions of the Listing Manual for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (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 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
8 January 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 8 January 2026.

- (1) The EGM will be held, in a wholly physical format, at 111 Somerset Road, #15-22 111 Somerset, Singapore 238164 on 23 January 2026 (Friday) at 10.00 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 the 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 the Circular by filling out the form to request for a printed copy of the Circular ("**Request Form**") and returning 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 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 15 January 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 15 January 2026 at 5.00 p.m. 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 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 **10.00 a.m. on 20 January 2026, being seventy-two (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 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. 14 January 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 seventy-two (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 seventy-two (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

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

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 23 January 2026 at 10.00 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 8 January 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 CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies.

*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 failing *him/her/them, the Chairman of the extraordinary general meeting of the Company (the "EGM"), 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 23 January 2026 (Friday) at 10.00 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. **If no specific direction as to voting is given, the *proxy/proxies (except where the Chairman of the EGM is appointed as *my/our proxy) will vote or abstain from voting at *his/her/their discretion. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as *my/our proxy for that resolution will be treated as invalid.**

No.	ORDINARY RESOLUTIONS	For**	Against**	Abstain**
1.	The Proposed Conversions			
2.	The Proposed Conversions Whitewash Resolution			
3.	The CHSCP Scrip Dividend Whitewash Resolution			
4.	The Proposed Allotment and Issuance of Scrip Dividend Shares			

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 in the "Abstain" box.

Dated this _____ day of _____

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

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

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 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 **no later than 10.00 a.m. on 20 January 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 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. 14 January 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 seventy-two (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 8 January 2026.