

RAFFLES EDUCATION LIMITED

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

RESPONSE TO SHAREHOLDER’S QUESTIONS REGARDING THE PROPOSED REFINANCING

Subject: Proposed Purchase and Cancellation of Existing Listed Convertible Bonds and Proposed Issue of New Bonds with Warrants

The Company has received questions from a shareholder concerning the Proposed Refinancing, in particular the consideration of alternative financing arrangements, the existing Convertible Bonds approaching maturity on 22 September 2027, and the possibility of a pro-rata rights financing available to all Shareholders.

The Company’s responses, with reference to the circular to shareholders dated 14 October 2026 (the “Circular”), are set out below. Unless otherwise defined, capitalised terms used in this announcement have the meanings given to them in the Circular.

Question 1: Was the alternative of allowing the existing Convertible Bonds to run closer to maturity in September 2027 considered? Why must approximately S\$35.0 million be refinanced now?

Company’s Response:

Negotiating and implementing a financing arrangement requires time, including for documentation and the necessary regulatory and shareholder approvals. The Proposed Refinancing was announced on 11 May 2026, and the EGM is scheduled for 30 October 2026, a period of more than five months. Deferring the exercise would leave less time to assess and pursue other practicable arrangements if the Proposed Refinancing does not proceed, without any assurance that alternative funding could be secured before maturity.

The Independent Directors consider that repaying the relevant Convertible Bonds without replacement financing would materially deplete the Group’s available cash resources, and reduce its financial flexibility. Their assessment, set out in Section 9.2 of the Circular, supports seeking to secure the refinancing ahead of maturity while preserving liquidity for the Group’s operations and working capital requirements. More importantly, it is prudent to do so in a timely manner.

Question 2: Were actual approaches made to banks, financial institutions, strategic investors or potential underwriters? If so, when were the approaches made and what indicative terms were received?

Company’s Response:

The Company had considered various alternative financing options and had approached various financing sources.

Question 3: Was a pro-rata rights financing formally examined, including bonds with warrants or convertible securities offered to all Shareholders?

Company's Response:

In assessing the practicability of a further rights issue, the Board considered the Group's past fundraising experience, funding requirements and access to financing, together with the execution risk of securing sufficient subscriptions within the available timeframe.

Question 4: What specific features made the alternative financing options not comparable or materially more favourable? Was the possibility of allowing the existing Convertible Bonds to move closer to maturity compared against the Proposed Refinancing?

Company's Response:

The Company consider the Proposed Refinancing is prudent and is in the best interests of the Company.

Waiting until closer to September 2027 would leave the relevant principal repayment obligation outstanding and expose the Company to uncertainty over the future availability and terms of financing. The timing assessment is explained in the response to Question 1.

Question 5: Why was a pro-rata rights financing not preferred over granting the controlling Shareholder another five years of debt together with five-year Warrants? How does the Proposed Refinancing provide the better economic outcome for the Company?

Company's Response:

The Company has considered various alternative financing options. The Independent Directors have considered the IFA's opinion, the terms of the Proposed Refinancing and the Group's financing constraints. Their assessment weighs the incremental economic cost against preserving approximately S\$35.0 million of liquidity otherwise required for principal repayment, extending the repayment period and the lack of a sufficiently certain alternative financing arrangement. Notwithstanding the IFA's conclusion that the Proposed Refinancing is not on normal commercial terms, the Independent Directors are of the view that the transaction is not prejudicial to the interests of the Company and its minority Shareholders and recommend that Shareholders vote in favour of the Ordinary Resolution.

Conclusion

The Company wishes to emphasise that the Proposed Refinancing has been assessed by the Board and the Independent Directors in the context of the Group's financial position, liquidity requirements, access to alternative financing, and the overall benefits and costs of the transaction, as per answer provided in Question 1.

Shareholders are advised to read the Circular, including the IFA Letter in Appendix B, in its entirety and consider the information and explanation above before deciding how to vote on the Ordinary Resolution at the EGM.

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. Those who are uncertain about the action to take should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

By Order of the Board

Lim How Teck
Independent Director
Audit Committee Chairman

Raffles Education Limited
24 October 2026