

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

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- (1) **THE PROPOSED PURCHASE AND CANCELLATION OF EXISTING LISTED CONVERTIBLE BONDS, AND, AS CONSIDERATION FOR SUCH PURCHASE, THE PROPOSED ISSUE OF NEW UNLISTED, NON-CONVERTIBLE UNSECURED BONDS WITH UNLISTED DETACHABLE WARRANTS TO A CONTROLLING SHAREHOLDER AND HIS ASSOCIATE**
- (2) **THE PROPOSED SPECIAL INTERIM DIVIDEND**
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**1. INTRODUCTION**

1.1 The board of directors (the “**Board**” or the “**Directors**”) of Raffles Education Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following:

- (a) the Company proposes to purchase from Mr. Chew Hua Seng (“**Mr. Chew**”) and Ms. Doris Chung Gim Lian (“**Ms. Doris**”), and cancel, an aggregate of S\$35,030,306 in principal amount of convertible bonds (“**Convertible Bonds**”) (together with all accrued and unpaid interest thereon, which shall be satisfied in cash) previously issued by the Company on 23 September 2022 pursuant to a renounceable underwritten rights issue and placement of Convertible Bonds<sup>1</sup> (the “**Proposed CB Purchase**”).

As consideration for the Proposed CB Purchase, the Company proposes to issue to Mr. Chew and Ms. Doris new unlisted, non-convertible, 5-year 5.5% unsecured bonds (“**New Bonds**”) in an aggregate principal amount of S\$35,030,306, with 538,927,784 unlisted detachable warrants (the “**Warrants**”) (the “**Proposed New Bonds and Warrants Issue**”, and together with the Proposed CB Purchase, the “**Proposed Refinancing**”).

The Warrants will be constituted by a deed poll (“**Deed Poll**”) to be executed by the Company, and each Warrant shall carry the right to subscribe for one (1) new ordinary share in the capital of the Company (“**New Share**”) at an exercise price of S\$0.065 for each New Share (the “**Exercise Price**”). The Warrants are not expressed in terms of dollar value.

The Proposed CB Purchase and Proposed New Bonds and Warrants Issue will be subject to the approval of shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) of the Company to be convened. A circular (“**Circular**”) containing further details will be issued by the Company in due course; and

- (b) as the Proposed Refinancing will allow the Company to maintain its cash position that would otherwise be applied towards the redemption of the Convertible Bonds held by Mr. Chew and Ms. Doris, subject to the approval of Shareholders being obtained for the Proposed Refinancing, the Board intends to declare a special interim dividend (“**Special Dividend**”) of S\$0.003 per ordinary share in the share capital of the Company (“**Share**” and, collectively, “**Shares**”),

(collectively, the “**Proposed Transactions**”).

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<sup>1</sup> 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 and 23 September 2022, and the offer information statement dated 30 August 2022 for further information on the Convertible Bonds.

## 2. THE PROPOSED REFINANCING

### 2.1 Information on Mr. Chew and Ms. Doris

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

2.1.2 As at the date of this announcement, their shareholding interests in the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Mr. Chew	607,747,775	33.44	176,692,688 <sup>(2)</sup>	9.72	784,440,463	43.16
Ms. Doris	35,177,931	1.94	749,262,532 <sup>(2)</sup>	41.23		
Jointly held by Mr. Chew and Ms. Doris	141,514,757	7.79	-	-		

#### Notes:

(1) Calculated based on the issued share capital of the Company as at the date of this announcement comprising 1,817,429,613 Shares (excluding treasury shares). Due to rounding, the presented percentage numbers may not add up precisely to the totals.

(2) Mr. Chew is deemed to be interested in the Shares held by his spouse, Ms. Doris, and *vice versa*.

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

### 2.2 Term Sheet

2.2.1 The Company has, on 10 May 2026, entered into a binding term sheet ("**Term Sheet**") with Mr. Chew and Ms. Doris in relation to:

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

2.2.2 The Term Sheet is binding as to the commercial terms set out therein, subject to execution of definitive documentation(s) ("**Definitive Documents**"), to be negotiated and entered into between the parties.

### 2.3 The Proposed CB Purchase

2.3.1 Condition 7(B) of the terms and conditions of the Convertible Bonds provides that, among other things, the Company may at any time purchase Convertible Bonds at any price in the open market or otherwise. Such Convertible Bonds may, at the option of the Company, be held, resold or surrendered for cancellation.

2.3.2 Accordingly, the Company proposes to purchase an aggregate of S\$35,030,306 in principal amount of Convertible Bonds (together with all accrued and unpaid interest thereon, which shall be satisfied in cash) from Mr. Chew and Ms. Doris, and to surrender the purchased Convertible Bonds for cancellation.

2.3.3 As at the date of this announcement, the aggregate accrued and unpaid interest on the Convertible Bonds amounts to approximately S\$287,920, comprising approximately S\$282,604 owing to Mr. Chew and approximately S\$5,316 owing to Ms. Doris. For the avoidance of doubt, interest on the Convertible Bonds will accrue up to and including the date of completion of the Proposed CB Purchase.

2.3.4 The Proposed CB Purchase and Proposed New Bonds and Warrants Issue are inter-conditional and will be effected simultaneously. The consideration payable by the Company to Mr. Chew and Ms. Doris for the Proposed CB Purchase shall be satisfied by way of the issuance of the New Bonds and Warrants to Mr. Chew and Ms. Doris under the Proposed New Bonds and Warrants Issue. Save for the payment of accrued and unpaid interest on the Convertible Bonds which shall be satisfied in cash and expenses incurred in connection with the Proposed Transactions, there will be no cash outlay by the Company in respect of the Proposed CB Purchase.

## 2.4 The Proposed New Bonds and Warrants Issue

2.4.1 Completion of the Proposed New Bonds and Warrants Issue is conditional upon the satisfaction of the conditions precedent set out in the Definitive Documents and the execution by the Company of the Deed Poll, which will be executed after receipt of all necessary approvals, including Shareholders' approval for the Proposed New Bonds and Warrants Issue.

2.4.2 As both Mr. Chew and Ms. Doris fall within the list of persons stated in Rule 812 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Proposed New Bonds and Warrants Issue will be subject to the approval of Shareholders. For the avoidance of doubt, the New Shares to be issued upon exercise of the Warrants will not be issued under any general share issue mandate of the Company, but pursuant to the specific approval of Shareholders to be obtained at the EGM.

### 2.4.3 Salient terms of the New Bonds

<b>Principal Amount</b>	:	Up to S\$35,030,306.
<b>Issue Price</b>	:	100% of the principal amount of New Bonds.
<b>Coupon Rate</b>	:	The New Bonds will bear interest at the rate of 5.5% per annum.
<b>Form and Denomination</b>	:	The New Bonds will be issued in registered form in the denomination of S\$250,000 or integral multiples thereof.
<b>Status of the New Bonds</b>	:	The New Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the New Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and at all times rank at least equally with all of its other present and future direct, unsubordinated and unconditional obligations, other than subordinated obligations and priorities created by law.
<b>Maturity Date</b>	:	The New Bonds will mature on the date falling five (5) years from its issue date (" <b>Maturity Date</b> ").

<b>Redemption at the option of the Company</b>	:	The New Bonds may be redeemed at the option of the Company, in whole or in part, at any time prior to the Maturity Date, by giving at least 30 calendar days' prior notice, at 100.0% of its principal amount (or, in the case of a partial redemption, 100.0% of the principal amount of the Bonds being redeemed), in accordance with the terms and conditions of the New Bonds.
<b>Redemption on maturity</b>	:	Subject to the terms and conditions of the New Bonds, unless previously redeemed, purchased and cancelled or extended as provided for in the terms and conditions of the New Bonds, the Company will redeem the New Bonds at 100.0% of its principal amount on the Maturity Date.
<b>Transferability</b>	:	The New Bonds are transferable, provided that no New Bonds may be transferred except in accordance with the provisions under Sections 275 and 276 of the Securities and Futures Act 2001 of Singapore (the " <b>SFA</b> "), as may be amended or modified from time to time, and any applicable regulations promulgated thereunder.
<b>Listing</b>	:	The New Bonds will not be listed and quoted on the Main Board of the SGX-ST.
<b>Governing Law</b>	:	Singapore law.

#### 2.4.4 Salient terms of the Warrants

<b>Number of Warrants and New Shares</b>	:	Up to 538,927,784 Warrants, and upon exercise of the Warrants, 538,927,784 New Shares to be issued, representing approximately 29.65% of the Company's existing share capital comprising 1,817,429,613 Shares, and 22.87% of the Company's enlarged share capital comprising 2,356,357,397 Shares.
<b>Form</b>	:	The Warrants will be issued in registered form and will be constituted by the Deed Poll to be executed by the Company. The Deed Poll will set out, among others, the terms and conditions of the Warrants and may from time to time be amended, supplemented or modified in accordance with its terms.
<b>Exercise Period</b>	:	The Warrants are exercisable during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding five (5) years from the date of issue of the Warrants, unless such date is not a day on which the SGX-ST is open for trading in securities (" <b>Market Day</b> "), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day (" <b>Exercise Period</b> "). Any Warrant remaining unexercised upon the expiry of the Exercise Period shall lapse and cease to be valid for all purposes.

The Company shall, not later than one (1) month before the expiry of the Exercise Period, announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one (1) month before the expiry of the Exercise Period, take reasonable steps to notify all holders of Warrants ("**Warrantholders**") in writing of the expiry of the

Exercise Period, and such notice shall be delivered by post to the address of the Warranholders.

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

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

The New Shares to be issued upon exercise of the Warrants will, subject to the AIP (as defined in paragraph 2.8) being obtained from the SGX-ST, upon issue be listed and quoted on the Main Board of the SGX-ST.

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

For this purpose, “**record date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

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

- (a) any consolidation or subdivision of the Shares;
- (b) capitalisation of profits or reserves;
- (c) capital distribution;
- (d) rights issues of Shares; and
- (e) an issue of Shares (other than (i) a rights issue requiring an adjustment under sub-paragraph (d) above, and (ii) an issue of Shares to Shareholders who had an option to receive cash or other dividend in lieu of the relevant Shares) if the total effective consideration for each Share is less than 90% of the average of the last dealt prices on the five (5) Market Days immediately preceding the date of this announcement (calculated as provided in the Deed Poll).

Any additional Warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be

announced by the Company on SGXNET in compliance with the Listing Manual. In the event that additional New Shares are issued as a result of the aforementioned circumstances, the Company will make a separate application to the SGX-ST, for the dealing in, listing of and quotation for the additional Shares on the Mainboard of the SGX-ST. The Company will make the necessary announcement upon the receipt of the relevant AIP from the SGX-ST.

**Winding up**

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

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

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

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

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

**Transfer and transmission**

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

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

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

**Governing Law** : Singapore law.

## 2.5 **Completion of the Proposed CB Purchase and Proposed New Bonds and Warrants Issue**

Subject to the terms and conditions of the respective Definitive Documents, completion of the Proposed CB Purchase and Proposed New Bonds and Warrants Issue (“**Completion**”) shall take place at no later than five (5) business days after the last of the conditions precedent under the Definitive Documents are fulfilled (the “**Completion Date**”), but in any event being a date not later than the date falling six (6) months after the date of the Definitive Documents or such other date as the Company and Mr. Chew or Ms. Doris (as the case may be) may mutually agree (the “**Cut-Off Date**”).

## 2.6 **Conditions Precedent for the Proposed CB Purchase and Proposed New Bonds and Warrants Issue**

Completion of the Proposed CB Purchase and Proposed New Bonds and Warrants Issue is conditional upon, *inter alia*, the following conditions:

- (a) trading in Shares on the SGX-ST not being suspended at the time of completion (other than on a temporary basis at the request of the Company);
- (b) approval of independent Shareholders being obtained for the Proposed CB Purchase;
- (c) approval of independent Shareholders being obtained for the Proposed New Bonds and Warrants Issue;
- (d) the completion of the Proposed New Bonds and Warrants Issue occurring simultaneously with the completion of the Proposed CB Purchase, in accordance with the terms of the Definitive Documents;
- (e) the AIP being obtained from the SGX-ST for the listing of and quotation for the New Shares on the Mainboard of the SGX-ST and not having been withdrawn, terminated, revoked or amended and, where the AIP is subject to conditions, to the extent that any conditions are required to be fulfilled on or before Completion, they are so fulfilled;
- (f) as of Completion, the trading of the issued Shares on the Mainboard of the SGX-ST not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the issued Shares not having been delisted from the Mainboard of the SGX-ST;
- (g) the “safe harbour” exemptions under the SFA being applicable to the Proposed New Bonds and Warrants Issue;

- (h) the allotment, issue and subscription of the New Bonds, Warrants and New Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Definitive Documents by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company, Mr. Chew or Ms. Doris (as the case may be);
- (i) on the Completion Date, the representations and warranties of the Company, Mr. Chew or Ms. Doris (as the case may be) contained in the Definitive Documents being true, accurate and correct in all material respects as if made on Completion, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations to be performed on or before Completion.

If any of the conditions contained in the Definitive Documents have not been satisfied on or before the Cut-Off Date, such Definitive Documents shall automatically terminate and shall be of no further effect and no party shall be under any liability to the other save for any antecedent breach thereof and the surviving provisions as specified under the Definitive Documents.

## 2.7 **Confirmations by Mr. Chew and Ms. Doris**

2.7.1 Each of Mr. Chew and Ms. Doris has confirmed to the Company that:

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

2.7.2 As the Proposed New Bonds and Warrants Issue will be made pursuant to “safe harbour” exemptions under the SFA, no prospectus or offer information statement will be issued by the Company in connection with the Proposed New Bonds and Warrants Issue.

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

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

## 2.8 **Additional Listing Application**

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the New Shares on the Mainboard of the SGX-ST. An appropriate announcement

will be made in due course when the Company receives the approval in-principle (“AIP”) for the New Shares from the SGX-ST.

## 2.9 Interested Person Transaction Under Chapter 9 of the Listing Manual

2.9.1 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. In applying the rules in Chapter 9 of the Listing Manual, Rule 902 of the Listing Manual provides that regard must be given to, amongst others, the economic and commercial substance of the IPT, instead of its legal form and technicality. Pursuant to Rule 904(4) of the Listing Manual, a director, chief executive officer, or controlling shareholder of the issuer, and the associates of such director, chief executive officer, or controlling shareholder of the issuer are deemed “interested persons” of the issuer. Accordingly, Mr. Chew, a Director and controlling shareholder of the Company, as well as Ms. Doris, who is an associate of Mr. Chew, are deemed to be interested persons of the Company.

2.9.2 Rule 906(1) of the Listing Manual provides that an issuer must obtain shareholder approval for any IPT of a value equal to, or more than (a) 5% of the group's latest audited net tangible assets (“NTA”), or (b) 5% of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year, however, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

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

- (a) in respect of the New Bonds, the value of the transaction is the aggregate interest payable on the New Bonds from the date of issue to the maturity date, being approximately S\$9,633,334; and
- (b) in respect of the Warrants, the value of the transaction is the aggregate amount payable upon exercise of all Warrants at the Exercise Price, being S\$35,030,306.

The aggregate value of the Proposed Refinancing is therefore approximately S\$44,664,000, representing approximately 9.72% of the Group’s latest audited NTA attributable to the owners of the Company of S\$459,610,000 as of 30 June 2025. As the aggregate value exceeds 5% of the Group’s latest audited NTA, the Proposed Refinancing is subject to the approval of independent Shareholders at the EGM to be convened.

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

- (a) a transaction with Mr. Chew for the proposed conversion of certain outstanding amounts owed to Mr. Chew of approximately S\$15,526,879 (“**Proposed Conversions**”). The Proposed Conversions were approved by independent Shareholders at the EGM of the Company held on 23 January 2026<sup>2</sup>; and

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

- (b) a transaction with Ms. Doris for a consideration of MYR16,810,000 (approximately S\$5,434,676) in relation to the acquisition by Raffles K12 Sdn. Bhd., a subsidiary of the Company, of 100% of the issued shares in Dataran Delapan (M) Sdn. Bhd., together with all of its assets (including fixed and biological assets) and on the basis of a zero-liability financial position. The value of this transaction did not exceed the threshold requiring announcement under the Listing Manual.
- 2.9.5 Save as disclosed in this announcement and in the Company's annual report, as of the date of this announcement, 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.
- 2.9.6 Having reviewed and considered, among other things, the rationale for and the terms of the Proposed CB Purchase and Proposed New Bonds and Warrants Issue, the Audit Committee is currently of the view that the Proposed CB Purchase and Proposed New Bonds and Warrants Issue is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders, and subject to the independent financial adviser ("IFA") not expressing a contradictory opinion, which shall be included in the Circular to be issued by the Company in due course.

### 3. THE SPECIAL DIVIDEND

As the Proposed Refinancing will allow the Company to maintain its cash position that would otherwise be applied towards the redemption of the Convertible Bonds held by Mr. Chew and Ms. Doris, subject to the approval of Shareholders being obtained for the Proposed Refinancing, the Board intends to declare the Special Dividend of S\$0.003 per Share.

### 4. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

- 4.1 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.
- 4.2 The *pro forma* financial effects have been prepared based on the latest audited financial results of the Group for the financial year ended 30 June 2025, on the following bases and assumptions:
- (a) the Proposed Transactions had been completed on 30 June 2025 for the purpose of illustrating the financial effects on the NTA;
  - (b) the Proposed Transactions had been completed on 1 July 2024 for the purpose of illustrating the financial effects on the earnings per Share ("EPS");
  - (c) the Proposed Transactions had been completed on 30 June 2025 for the purpose of illustrating the financial effects on the net gearing;
  - (d) all 538,927,784 Warrants are exercised by Mr. Chew and Ms. Doris in full<sup>3</sup>;
  - (e) no other outstanding share options or convertible securities of the Company (including outstanding share awards under the Raffles Education Corporation Performance Share Plan (Year 2021)) have been converted into Shares;
  - (f) the payment of the special dividend of S\$0.004 per Share declared on 27 February 2026, and the issuance and allotment of 31,833,134 Shares pursuant to the Raffles Education Limited Scrip Dividend Scheme on 28 April 2026 had been completed on 30 June 2025 for the purposes of illustrating the relevant financial effects;

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<sup>3</sup> This assumption is for illustration purposes of the *pro forma* financial effects only. As disclosed in paragraph 2.7.3, Mr. Chew and Ms. Doris have each provided undertakings to the Company that they will not exercise any Warrants issued to them in a manner which would result in a breach of Rule 14 of the Code, or otherwise trigger an obligation to make a mandatory general offer for the Shares of the Company.

- (g) the sale of 16,000,000, 10,000,000 and 44,660,300 treasury shares announced by the Company on 13 November 2025, 16 December 2025 and 16 January 2026 had been completed on 30 June 2025 for the purposes of illustrating the relevant financial effects;
- (h) the transfer of 2,525,000 treasury shares announced by the Company on 16 January 2026 had been completed on 30 June 2025 for the purposes of illustrating the relevant financial effects;
- (i) the issuance and allotment of 241,100,605 Shares pursuant to the debt conversion exercise undertaken by the Company which had completed on 10 March 2026, had been completed on 30 June 2025 for the purposes of illustrating the relevant financial effects;
- (j) the issuance of 23,004,055, 12,449,230, 17,476,922, 155,384, 11,526,105, 600,000, 584,615, 946,321, 338,461, 3,948,876, 2,451,597, 1,501,537, 876,923, 4,835,230 and 153,846 Shares pursuant to 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, 31 December 2025, 8 January 2026, 15 January 2026, 21 January 2026, 30 January 2026, 4 February 2026, 11 February 2026, 20 February 2026, 9 April 2026 and 29 April 2026 respectively had been completed on 30 June 2025 for the purposes of illustrating the relevant financial effects;
- (k) the issuance of S\$3,000,000 in principal amount of unlisted, non-convertible bonds on 22 August 2025, 9 September 2025 and 11 December 2025 had been completed on 30 June 2025 for the purposes of illustrating the relevant financial effects;
- (l) the redemption and cancellation of S\$12,250,000 in aggregate principal amount of unlisted, non-convertible bonds on 27 February 2026 had been completed on 30 June 2025 for the purposes of illustrating the relevant financial effects;
- (m) the disposal of the property located at 51 Merchant Road, Singapore 058283 completed on 27 February 2026 had been completed on 30 June 2025 for the purposes of illustrating the relevant financial effects;
- (n) the issued share capital of the Company as at the date of this announcement comprising 1,817,429,613 Shares (excluding treasury shares);
- (o) the expenses incurred in connection with the Proposed Transactions amounting to approximately S\$320,000; and
- (p) the *pro-forma* financial effects do not take into account the proposed disposal of 100% equity interest in Hefei Yuren Education Management Co., Ltd. announced by the Company on 26 November 2025.

#### 4.3 Share Capital

	Number of Shares
As at the date of this announcement	1,817,429,613
After the Proposed Transactions	2,356,357,397

#### 4.4 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 Proposed Transactions
NTA attributable to the owners of the Company (S\$)	459,610,000	568,369,000
Number of issued ordinary shares in the capital of the Company	1,390,461,472 <sup>(1)</sup>	2,356,357,397
NTA per Share (Singapore cents)	33.05	24.12

**Note:**

(1) Number of issued ordinary shares in the capital of the Company as at 30 June 2025.

#### 4.5 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 Proposed Transactions
Earnings after income tax attributable to the owners of the Company (S\$)	7,696,000	9,285,000
Weighted average number of issued ordinary shares in the capital of the Company	1,389,320,047	2,355,215,972
Earnings per Share (Singapore cents)	0.55	0.39

#### 4.6 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 Proposed Transactions
Net borrowings (S\$) <sup>(1)</sup>	191,880,000	18,508,000
Total equity (S\$) <sup>(2)</sup>	555,826,000	664,585,000
Net gearing (times)	0.35	0.03

**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.

## 5. RATIONALE FOR THE PROPOSED TRANSACTIONS AND USE OF PROCEEDS

- 5.1 The Company is proposing the Proposed CB Purchase and Proposed New Bonds and Warrants Issue in connection with the refinancing of S\$35,030,306 in principal amount of Convertible Bonds held by Mr. Chew and Ms. Doris, which are due to mature on 22 September 2027.
- 5.2 The Proposed New Bonds and Warrants Issue allows the Company to refinance and purchase a large portion of the outstanding Convertible Bonds without utilising the Company's internal cash resources or existing credit facilities, thereby preserving the Company's liquidity and working capital for its operational and business needs. The Proposed New Bonds and Warrants Issue also extends the maturity of the Company's debt obligations by a further five (5) years, providing the Company with greater financial flexibility. In view of the Company's business plans and cash flow projections, the Board is of the view that the Proposed CB Purchase and the Proposed New Bonds and Warrants Issue are in the best interests of the Company.
- 5.3 The terms of the New Bonds and Warrants, including the Coupon Rate and Exercise Price are determined following arm's length negotiations between the Company, Mr. Chew and Ms. Doris, taking into account prevailing market conditions, the Company's financial position and the objective of facilitating a refinancing of the Convertible Bonds. The Coupon Rate of 5.5% per annum is a reduction compared to the 6% per annum payable on the existing Convertible Bonds. The Exercise Price of S\$0.065 per Share, being the same as the conversion price of the existing Convertible Bonds. In the event of full exercise of the Warrants at the Exercise Price, the number of Shares that would have been issued would be the same as upon conversion of the existing Convertible Bonds and the Company would have raised S\$35.03 million of new equity cash proceeds that would strengthen the Company's financial standing.
- The Exercise Price represents approximately 42.8% of the volume weighted average price of S\$0.152 per Share and represents approximately 43.9% of the closing price of S\$0.148 per Share for trades done on the SGX-ST on 8 May 2026, being the last full Market Day on which the Shares were traded prior to the date of this announcement.
- 5.4 In connection with the Proposed Refinancing, the Board intends to declare the Special Dividend as a direct return of value to Shareholders, in recognition of their continued loyalty and support of the Company. As the Proposed Refinancing will allow the Company to maintain its cash position that would otherwise be applied towards the redemption of the Convertible Bonds held by Mr. Chew and Ms. Doris, the Board considers it appropriate that Shareholders share in the benefits of the Proposed Refinancing through the Special Dividend. The Special Dividend is conditional upon Shareholders' approval of the Proposed Refinancing being obtained at the EGM.
- 5.5 As the New Bonds and Warrants are issued as consideration for the Proposed CB Purchase, and not for cash, the Company will not receive any cash proceeds from the Proposed New Bonds and Warrants Issue.
- 5.6 Assuming all the Warrants issued are exercised within the Exercise Period, the Company will receive gross proceeds of up to S\$35,030,306 (the "**Warrants Exercise Proceeds**"). The estimated net exercise proceeds to be received by the Company would be up to approximately S\$34,710,306, after deducting estimated expenses of approximately S\$320,000.
- 5.7 As and when the Warrants are exercised, the Warrants Exercise Proceeds may, at the discretion of the Directors, be utilised for (i) expansion of the Group's business operations, including the establishment and starting of new schools; (ii) repayment of borrowings of the Group; and (iii) general working capital requirements of the Group, including but not limited to, corporate administrative expenses and operating expenses. Pending the deployment of the Warrants Exercise Proceeds, the Warrants Exercise Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the

Directors may, in their absolute discretion but subject to the terms of the definitive documentation to be entered into, deem fit in the interests of the Company.

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

## **6. EXISTING SHARE OPTIONS AND OTHER CONVERTIBLES**

As at the date of this announcement, the Company has outstanding employee share options and Convertible Bonds. Following the completion of the Proposed Transactions, adjustments may be required 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.

## **7. DIRECTORS' OPINION**

The Directors are of the opinion that after taking into consideration the Group's present internal resources, present bank facilities available and the operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Proposed Transactions are being undertaken for the purposes set out in paragraph 5 above.

## **8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- 8.1 Mr. Chew has abstained from and will not be involved in any decision of the Board in relation to the Proposed Transactions.
- 8.2 Save as disclosed in this announcement, none of the Directors or substantial shareholders and their associates has any interest, direct or indirect, in the Proposed Transactions (other than their shareholdings in the Company, if any).

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the matters stated 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 announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

## **10. CIRCULAR TO SHAREHOLDERS**

The Company will be seeking Shareholders' approval for the Proposed Refinancing at the EGM to be convened. The Circular containing, *inter alia*, further details on the Proposed Refinancing, the IFA's opinion, and enclosing a notice of EGM in connection therewith will be issued to Shareholders in due course.

**11. CAUTIONARY STATEMENT AND FURTHER ANNOUNCEMENTS**

Shareholders and potential investors are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Transactions will proceed to completion. Shareholders are advised to read this announcement, and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

The Company will continue to keep Shareholders updated and make further announcement(s) as and when there are material developments in relation to the Proposed Transactions.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Term Sheet will be made available during normal business hours at the registered office of the Company for a period of three (3) months commencing from the date of this announcement.

By Order of the Board  
**RAFFLES EDUCATION LIMITED**

11 May 2026