

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199400712N)

PROPOSED PLACEMENT OF UP TO 95 MILLION NEW ORDINARY SHARES IN THE SHARE CAPITAL OF RAFFLES EDUCATION CORPORATION LIMITED

1. INTRODUCTION

The Board of Directors of Raffles Education Corporation Limited (“**REC**”) wishes to announce that REC has on 27 September 2017 entered into a placement agreement (the “**Placement Agreement**”) with RHB Securities Singapore Pte. Ltd. (the “**Placement Agent**”), pursuant to which REC has agreed to issue, and the Placement Agent has agreed to procure subscriptions and payment for, up to 95 million new ordinary shares (the “**Shares**”) in the capital of REC (collectively, the “**Placement Shares**”) at an issue price of S\$0.30 (the “**Placement Price**”) for each Placement Share (the “**Placement**”).

2. PLACEMENT PRICE

The Placement Price represents a discount of approximately 9.04 per cent. to the volume weighted average price of S\$0.3298 for trades done on the Shares on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 27 September 2017, being the trading day on which the Placement Agreement was signed.

3. LISTING

REC will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Main Board of the SGX-ST, and will make the necessary announcement once the approval-in-principle for the listing and quotation of the Placement Shares on the Main Board of the SGX-ST has been obtained from the SGX-ST.

4. PLACEMENT SHARES

As at the date of this announcement, REC has in aggregate 965,505,133 issued Shares, excluding 79,790,100 treasury shares. The allotment and issue of the Placement Shares will increase the total number of REC’s issued Shares to up to 1,060,505,133 Shares (excluding treasury shares). Assuming an aggregate of 95 million Placement Shares will be issued, such Placement Shares represent approximately 9.84 per cent. of the existing issued and paid-up share capital of REC (excluding treasury shares) as at the date of this announcement, and will represent approximately 8.96 per cent. of the enlarged issued and paid-up share capital of REC (excluding treasury shares) on completion of the Placement. The Placement Shares shall on issue rank *pari passu* in all respects with all other Shares existing at the time of the allotment and issuance of the Placement Shares.

5. CONDITION PRECEDENT

Under the Placement Agreement, completion of the Placement is subject to, *inter alia*, the approval-in-principle of the SGX-ST for the listing and quotation of the Placement Shares on the Main Board of the SGX-ST.

6. AUTHORITY TO ISSUE NEW SHARES

The Placement Shares will be issued pursuant to the general mandate (the “**Mandate**”) granted by the shareholders of REC (the “**Shareholders**”) by way of an ordinary resolution passed at the annual general meeting of REC held on 24 October 2016. The Mandate authorises the directors of REC (the “**Directors**”) to, *inter alia*, allot and issue new Shares in the capital of REC whether by way of rights, bonus or otherwise and/or enter into agreements that would require new Shares to be issued, at any time and upon such terms and conditions and with such rights and restrictions as they may think fit to impose and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that, *inter alia*, the aggregate number of new Shares to be issued other than on a pro-rata basis to Shareholders shall not exceed 20 per cent. of the total number of issued Shares (excluding treasury shares) (subject to such other manner of calculation as may be prescribed by the SGX-ST) as at 24 October 2016, after adjusting for (a) any new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting as at 24 October 2016 and (b) any subsequent bonus issue, consolidation or subdivision of Shares.

7. USE OF PROCEEDS

The gross proceeds of the Placement are estimated to be up to S\$28.5 million. REC intends to use the net proceeds from the Placement of up to S\$28.2 million (after deducting estimated expenses relating to the Placement) for repayment of loans and borrowings (70% to 80%) and general working capital purposes (20% to 30%).

Pending the deployment of net proceeds from the Placement, the net proceeds may be deposited with banks and/or financial institutions as the Directors may deem appropriate in the interests of REC and its subsidiaries.

8. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Placement will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Placement.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The Placement Shares will not be placed to any of the persons set out as restricted persons under Rule 812(1) of the listing manual of the SGX-ST. Save as disclosed above and except for their interests in REC (if any), none of the Directors or substantial shareholders of REC has any interest, direct or indirect, in the Placement.

By Order of the Board

RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng
Chairman

28 September 2017