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

RESPONSE TO REQUISITION OF EXTRAORDINARY GENERAL MEETING

The Board of Directors (the "**Board**") of Raffles Education Corporation Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 14 December 2018 in relation to the letter dated 13 December 2018 (the "**Letter**") from Mr Oei Hong Leong and Oei Hong Leong Art Museum (the "**Requisitionists**") stating that they hold in excess of 10 per cent of the issued shares of the Company and that they require the Company to convene an extraordinary general meeting pursuant to Section 176 of the Companies Act (Chapter 50) of Singapore (the "**Act**") for the object of putting forward the following resolution for individual voting by the shareholders (the "**Proposed Resolution**"):

> *"That the proposed rights issue of up to 275,858,734 new ordinary shares in the Company with the rights issue proceeds to settle the Company's Chairman and Chief Executive Officer, Mr. Chew Hua Seng's loans to the Company as announced by the Company on the 6 December 2018* [the "**6 December Announcement**"] *be terminated immediately"*.

The Company has obtained legal advice on the contents of the Letter, and is advised that the Proposed Resolution is invalid and/or would be ineffective in light of the share issue mandate approved by the Shareholders at the annual general meeting held on 29 October 2018 (the "**Share Issue Mandate**"). In particular:

a. the Share Issue Mandate (referred to in the 6 December Announcement) specifically authorised the Board to issue and allot Shares, whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Shares, of not more than 50.0% of the total number of issued Shares (excluding treasury shares) as at the date the Share Issue Mandate was passed.

b. the Requisitionists may not seek to circumvent the Share Issue Mandate (which was carried with 94.81% votes at the annual general meeting held on 29 October 2018 and remains in force) by way of the Proposed Resolution.

In the circumstances, the Board is not required to, and will not be convening an extraordinary general meeting for purposes of voting on the Proposed Resolution.

The Board would further highlight that the Proposed Resolution inaccurately states that the purpose of the Rights Issue is "*to settle the Company's Chairman and Chief Executive Officer, Mr. Chew Hua Seng's loans to the Company*". The Company is undertaking the Rights Issue to partially repay certain indebtedness of the Group (namely, part of the interest-free shareholder's loans previously provided by Mr Chew Hua Seng for working capital purposes**,** and bank borrowings) and to raise capital for general corporate and working capital purposes. Full details of the rationale for the Rights Issue and the intended use of the proceeds were set out in Section 3 of the 6 December Announcement.

Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their investments which may be prejudicial to their interests. In the event that shareholders wish to deal in the shares of the Company, they should seek their own professional advice and consult with their own stockbrokers.

By Order of the Board
RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng
Chairman

31 December 2018