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

USE OF PROCEEDS FROM RIGHTS ISSUE

The board of directors (the "**Board**" or the **"Directors"**) of Raffles Education Corporation Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 18 December 2017 (the "**Previous Announcement**"), as well as the offer information statement dated 3 April 2018 in relation to the Rights Issue (the "**Offer Information Statement**").

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings and construction as ascribed to them in the Offer Information Statement.

Further to the Company's announcement dated 3 May 2018 and 17 May 2018, the Board wishes to announce that the Company has utilised the remaining balance Net Proceeds of S$2.68 as follows:

Use of proceeds	**Amount utilised (S$ million)**	**Percentage of Net Proceeds**
For general corporate and working capital purposes as follows:		
Interest expenses on borrowings	0.54	1.2%
Operating expenses in Asia Pacific	2.04	4.6%
Operating expenses in Europe	0.10	0.2%
Total	**2.68**	**6.0%**

The above final utilisation of the Net Proceeds is in accordance with the intended use of the Net Proceeds as stated in the Previous Announcement and Offer Information Statement.

Taking into account the above utilisation of the Net Proceeds, the total amounts utilised to date for repayment of certain indebtedness including the notes due May 2018 and general corporate and working capital purposes are S$39.94 million and S$4.44 million respectively, representing approximately 90.00% and 10.00% of the Net Proceeds respectively.

By Order of the Board
RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng
Chairman & Chief Executive Officer

2 July 2018