

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199400712N)

PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF CONVERTIBLE BONDS AND PLACEMENT OF CONVERTIBLE BONDS – ADVANCE

1. Introduction

- 1.1 The board of directors (the “**Board**”) of Raffles Education Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), refers to the announcements on the proposed renounceable underwritten rights issue of convertible bonds and placement of convertible bonds announcement dated 7 June 2022 and 8 June 2022 (“**Rights Issue and Placement Announcements**”). All capitalised terms used herein shall bear the meaning ascribed to them in the Rights Issue and Placement Announcements.
- 1.2 It was announced that UOBKH has expressed their interest to subscribe for the securities to be offered under the Placement pursuant to a bought deal arrangement. For completeness, the Company and UOBKH has yet to enter into a subscription agreement pursuant to the bought deal arrangement.

2. Advance

- 2.1 In connection with the proposed Placement, the Company, UOBKH and UOB Kay Hian Credit Pte. Ltd. (“**UOBKHC**”) has entered into an advance agreement dated 28 July 2022 (the “**Advance Agreement**”), pursuant to which UOBKHC, for and on behalf of UOBKH, shall advance S\$8,000,000 (the “**Advance**”) to the Company in a lump sum. Each of the Company, UOBKH and UOBKHC agrees that the Advance shall be set off against any subscription monies payable by UOBKH pursuant to the proposed Placement.
- 2.2 Interest is payable on the Advance at the rate of 6% per annum to UOBKHC. The Company shall also pay UOBKHC an administrative fee of S\$20,000.

3. Cautionary Statement

- 3.1 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

Chew Hua Seng
Chairman and Chief Executive Officer
28 July 2022