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.

The Board wishes to announce that out of the net proceeds of approximately S$44.38 million from the Rights Issue (the "**Net Proceeds**"), the Company has utilised S$38.85 million, representing approximately 87.5% of the Net Proceeds as follows:

Use of proceeds	**Amount utilised (S$ million)**	**Percentage of Net Proceeds**
For partial repayment of certain indebtedness of the Group including the notes due May 2018 as follows:		
Repayment of loans	0.73	1.6%
Repayment of the May 2018 Notes	37.34	84.1%
	38.07	**85.7%**
For general corporate and working capital purposes as follows:		
Operating expenses in Malaysia	**0.78**	**1.8%**
Total	**38.85**	**87.5%**

The above 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.

The Company will make periodic announcements on the utilisation of the remaining S$5.53 million of the Net Proceeds as and when such proceeds are materially disbursed and will provide a status report on the use of the Net Proceeds in the Company's annual report.

By Order of the Board
RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng
Chairman & Chief Executive Officer

3 May 2018