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

ANNOUNCEMENT OF POTENTIAL LITIGATION

The Board of Directors (the "**Board**") of Raffles Education Corporation Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company, Raffles K12 Sdn Bhd ("**Raffles K12**"), a wholly-owned subsidiary of the Company, and Raffles Iskandar Sdn Bhd ("**Raffles Iskandar**"), a subsidiary of the Company, have been served writs and statements of claim filed by Affin Bank Berhad ("**Affin Bank**") on 27 May 2021 in the High Court of Malaysia (collectively, "**Writs**").

This announcement is issued further to discussions between the Company and Singapore Exchange Securities Trading Limited ("**SGX-ST**") and at the request of SGX-ST. This announcement has not been reviewed by the SGX-ST and the SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed given in this announcement.

The Writs relate to certain alleged non-repayments under the facility agreements dated 21 July 2016 ("**K12 Facility Agreement**") and 14 February 2017 ("**Iskandar Facility Agreement**", together with the K12 Facility Agreement, the "**Relevant Facilities**") entered into by Raffles K12 and Raffles Iskandar respectively as borrowers, with Affin Bank, as lender. Pursuant to the Writs, Affin Bank has sought an immediate repayment of the entire outstanding amounts under the Relevant Facilities amounting, in aggregate, to approximately RM 410 million.

Raffles K12 and Raffles Iskandar (the "**Borrowers**") have had discussions with Affin Bank prior to and immediately after its receipt of the Writs and had also sought advice from Malaysian legal counsels on the Writs (including its merits). Having regard to the foregoing, the Board is of the view that the actions brought, and claims under, the Writs are unmeritorious. The Board wishes to further update that the Company and the Borrowers have reached a settlement with Affin Bank on the amicable resolution of the matters under the Writs and understand that the Writs will be withdrawn upon the formalisation of such resolution.

The Company will make further announcements as and when there are material developments on the above matter, including if and when there is a formal withdrawal of the Writs by Affin Bank.

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
29 July 2021