

CIRCULAR DATED 24 APRIL 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Raffles Education Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

If you are in doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all of your ordinary shares in the capital of the Company held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of EGM and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy or correctness of any of the statements made, opinions expressed or reports contained in this Circular.

RafflesEducation
RAFFLES EDUCATION CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199400712N)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ACQUISITION OF CAMPUS FACILITIES LOCATED WITHIN THE TIANJIN UNIVERSITY OF COMMERCE BOUSTEAD COLLEGE IN THE PRC AS A MAJOR TRANSACTION; AND**
- (2) THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM “RAFFLES EDUCATION CORPORATION LIMITED” TO “RAFFLES EDUCATION LIMITED”.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 15 May 2019 at 10 a.m.

Date and time of Extraordinary General Meeting : 17 May 2019 at 10 a.m.

Place of Extraordinary General Meeting : Cinnamon Room, Level 5, Novotel Clarke Quay, 177A River Valley Road, Singapore 179031

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time
- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Associate”** : (a) In relation to any Director, the CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:—
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”** : The board of Directors of the Company for the time being
- “Business Day”** : Any day (other than a Saturday, Sunday or a gazetted public holiday) on which banks in the PRC and Singapore are open for the transaction of normal business
- “CDP”** : The Central Depository (Pte) Limited
- “CEO”** : The Chief Executive Officer of the Company for the time being
- “Circular”** : This circular dated 24 April 2019
- “College”** : The four year full-time undergraduate independent college located in the PRC operating under the name of Tianjin University of Commerce Boustead College
- “Company”** : Raffles Education Corporation Limited
- “Completion”** : The completion of the Proposed Acquisition pursuant to the SPA
- “Constitution”** : The constitution of the Company, as may be amended, modified or supplemented from time to time

DEFINITIONS

“Controlling Shareholder”	:	A person who:— (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Directors”	:	The directors of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the proposed resolutions set out in the Notice of EGM
“EPS”	:	Earnings per Share
“FY”	:	The financial year ended or ending 30 June, as the case may be
“FY2018”	:	The financial year ended 30 June 2018
“Group”	:	The Company, together with its Subsidiaries
“Latest Practicable Date”	:	15 April 2019, being the latest practicable date prior to the date of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
“Major Transaction”	:	A transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%
“Notice of EGM”	:	The notice of EGM as set out on page N-1 of this Circular
“NTA”	:	Net tangible assets
“PRC”	:	The People’s Republic of China
“Proposed Acquisition”	:	The proposed acquisition by the Purchaser of the Tianjin Assets
“Proposed Change of Name”	:	The proposed change of the Company’s name from “Raffles Education Corporation Limited” to “Raffles Education Limited”, details of which are set out in Section 10 of this Circular
“Proposed Resolutions”	:	The ordinary resolution for the Proposed Acquisition and the special resolution for the Proposed Change of Name, Shareholders’ approval for which will be sought at the EGM
“Purchaser”	:	Tianjin University of Commerce Boustead College, a wholly owned subsidiary of the Company

DEFINITIONS

“Purchase Consideration”	:	The sum of RMB260,000,000, being the aggregate consideration for the Proposed Acquisition
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Register of Directors”	:	The register of Directors of the Company
“Register of Substantial Shareholders”	:	The register of Substantial Shareholders of the Company
“SASAC”	:	The State-owned Assets Supervision and Administration Commission, a special commission of the State Council of the PRC
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act (Cap. 289) of Singapore, as may be amended, modified or supplemented from time to time
“SPA”	:	The sale and purchase agreement in respect of the Proposed Acquisition to be agreed upon and entered into between the Purchaser and the Vendor in accordance with the terms set out in Section 5 of this Circular
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of Shares in the Register of the Company except that where the registered holder is CDP, the term “Shareholders” shall mean the Depositors who have Shares credited to their Securities Accounts
“Shares”	:	Ordinary shares in the capital of the Company
“State Council”	:	The highest executive of state administration of the PRC
“Subsidiary”	:	A company which is for the time being a subsidiary of the Company, as defined under Section 5 of the Companies Act
“Substantial Shareholder”	:	A person who has an interest or interests in one (1) or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than five per cent. (5.0%) of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
“Tianjin Assets”	:	The assets and properties proposed to be acquired under the Proposed Acquisition, details of which are set out in Section 2.1 of this Circular, and “Tianjin Asset” shall be construed accordingly
“Valuation Report”	:	The valuation report dated 21 March 2018 in respect of the valuation conducted by the Valuer on the Tianjin Assets, copies of which are made available to Shareholders for inspection as set out in Section 16 of this Circular

DEFINITIONS

“**Valuer**” : China Tongcheng (Tianjin) Real Estate and Land Assets Appraisal Co.,Ltd (中通诚(天津)房地产土地资产评估有限公司)

“**Vendor**” : Tianjin Agricultural Reclamation Hongda Co., Ltd.

Currencies, units and others

“**RMB**” : Renminbi, being the lawful currency of the PRC

“**S\$**” or “**SGD**” and “**cents**” : Singapore dollars and cents, respectively, being the lawful currency of Singapore

“**sq. m**” : Square metre

“**%**” or “**per cent.**” : Per centum or percentage

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

Except where specifically defined, the terms “**we**”, “**us**” and “**our**” in this Circular refer to the Group.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, the SFA, or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the said Companies Act, Listing Manual, SFA or any statutory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to a time of day or date in this Circular is a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199400712N)

Directors:

Mr Chew Hua Seng (Chairman and CEO)
Mr Lim How Teck (Lead Independent Non-Executive Director)
Mdm Gan Hui Tin (Independent Non-Executive Director)
Mr Teo Cheng Lok John (Independent Non-Executive Director)
Mr Joseph He Jun (Non-Independent, Non- Executive Director)

Registered Office:

51 Merchant Road,
Raffles Education Square,
Singapore 058283

24 April 2019

To: The Shareholders of the Company

Dear Sir/Madam,

- (1) **THE PROPOSED ACQUISITION OF CAMPUS FACILITIES LOCATED WITHIN THE TIANJIN UNIVERSITY OF COMMERCE BOUSTEAD COLLEGE IN THE PRC AS A MAJOR TRANSACTION; AND**
 - (2) **THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM “RAFFLES EDUCATION CORPORATION LIMITED” TO “RAFFLES EDUCATION LIMITED”.**
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1. INTRODUCTION

The Directors propose to convene an EGM to seek Shareholders' approval for the Proposed Acquisition.

The purpose of this Circular is to explain the rationale for, and to provide Shareholders with the relevant information relating to and to seek Shareholders' approval for the Proposed Acquisition and the Proposed Change of Name, at the EGM to be held on 17 May 2019 at 10 a.m. at Cinnamon Room, Level 5, Novotel Clarke Quay, 177A River Valley Road, Singapore 179031, notice of which is set out in the Notice of EGM as set out on page N-1 of this Circular.

Shareholders are advised that the SGX-ST assumes no responsibility for the contents of the Circular, including the accuracy or correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION

2.1 Information on the Tianjin Assets

The Tianjin Assets comprises campus facilities which are located at 28 Jinjing Road, Xiqing District, Tianjin, PRC, and are located within the compound of the Tianjin University of Commerce Boustead College (the “College”). The College which was co-founded by the Purchaser and the Tianjin Morgan Education and Management Consultancy Firm (a company incorporated in the PRC) in 2005 is operated by the Purchaser and offers four year full-time bachelor degree programs and courses.

The campus facilities forming the Tianjin Assets cover a total land area and built-up area of approximately 28,963.90 sq. m and 47,924.05 sq. m respectively and consists of 6 blocks of dormitories. The dormitory blocks accommodates approximately 5,600 dormitory beds, two cafeterias, each having a sitting capacity of 7,500 persons, restaurants and classrooms. The

LETTER TO SHAREHOLDERS

captive market of the campus facilities comprises students and staff members of the College, with the former being the main users, and the occupancy rate of the dormitory beds as at the Latest Practicable Date is approximately 98%. The tenure of the land is leasehold expires on 31 August 2073.

There are no plans for the College to relocate in the foreseeable future. The campus facilities were constructed in 2005 and as at the Latest Practicable Date, the Board does not foresee any major capital expenditure or refurbishments require in the near future.

2.2 Background information on the Purchaser and the Vendor

The Purchaser

Tianjin University of Commerce Boustead College (the “**Purchaser**”) is a wholly-owned subsidiary of the Company incorporated in the PRC on 22 March 2004, which is engaged in the business of providing education services.

The Vendor

Tianjin Agricultural Reclamation Hongda Co., Ltd. (the “**Vendor**”) is incorporated in the PRC on 14 December 1992, and is a state-owned enterprise established under the laws of the PRC which is wholly owned by the government of the PRC. The Vendor is engaged in the business of agriculture, aquaculture and the leasing of real estate.

2.3 Net profit/(loss) attributable to the Tianjin Assets

The net profit attributable to the Tianjin Assets for FY2018 amounted to approximately RMB10,396,000 (equivalent to approximately S\$2,069,000), based on the exchange rate of RMB1:S\$0.198997 being total rental for one year paid to the Vendor by the Purchaser in relation to the Tianjin Assets, less labour costs associated with the operations of the Tianjin Assets.

2.4 Valuation on the Tianjin Assets

In connection with the Proposed Acquisition, the Purchaser and Vendor had jointly commissioned the Valuer to conduct a valuation on the Tianjin Assets. The Valuer is recognised by the SASAC as an agency qualified to provide asset valuations and is a member of the China Appraisal Society.

The aggregate valuation of the Tianjin Assets was determined to be RMB259,924,700 (equivalent to approximately S\$51,724,000 as at 30 June 2017, based on the exchange rate of RMB1:S\$0.198997), as stated in the Valuation Report dated 21 March 2018.

The Valuation Report was prepared in accordance with the Practice Criterion of Asset Assessment – Real Estate published by the China Appraisal Society. The basis of the valuation is the cost approach, which is based on the presumption that the price that a buyer should pay for a piece of property should be equal to the cost of building an equivalent building. Under the cost approach of valuation, the market price for a property is equal to the sum of the cost of land and cost of construction, less depreciation.

A copy of the Valuation Report is made available to Shareholders for inspection as set out in Section 16 of this Circular. Shareholders are advised to read the Valuation Report carefully.

LETTER TO SHAREHOLDERS

Further information on the NTA value and the open market value of the Tianjin Assets is set out in the table below:

Tianjin Assets	
NTA value	RMB50,084,077
	S\$9,967,000 ⁽¹⁾
Open market value	RMB259,924,700 ⁽²⁾
	S\$51,724,000 ⁽¹⁾

Notes:

- (1) Based on the exchange rate of RMB1:S\$0.198997.
(2) As extracted from page 18 of the Valuation Report.

3. RATIONALE FOR THE PROPOSED ACQUISITION

3.1 Rationale for the Proposed Acquisition

The Board is of the view that the Proposed Acquisition will be in the best interests of the Group.

The Purchaser has, since 2005, rented the campus facilities that form the Tianjin Assets from the Vendor. The current yearly rental payable by the Purchaser to the Vendor for the Tianjin Assets is approximately RMB 9,700,000 and the rental rates are subject to revision every three years. The campus facilities are complementary to the educational services provided by the Purchaser at the College. Operations to support the campus facilities, such as upkeep of the dormitories and running of the cafeteria, are managed by the Purchaser.

Due to changes in government policies in the PRC regulating the operations of state-owned enterprises which came into effect at the end of 2018, the Vendor will not be allowed to hold legal or beneficial title in the Tianjin Assets. Given the present circumstances and taking into consideration the risk of increased rental fees or the imposition of onerous rental terms on the Purchaser should the Tianjin Assets be sold to third parties, the Board is of the view that the Proposed Acquisition would be in the best interests of the Group. The Board does not currently foresee any impediments to the Purchaser's ability to sell the Tianjin Assets at the then prevailing open market valuation should the Purchaser decide to no longer operate the College and campus facilities in future.

4. CONSIDERATION FOR PROPOSED ACQUISITION

4.1 Purchase Consideration

The aggregate Purchase Consideration for the Proposed Acquisition of the Tianjin Assets shall be RMB260,000,000.

4.2 Terms of Payment

The Purchase Consideration shall be satisfied in the following manner:

- (i) **First Tranche:** A first payment of RMB80,000,000 to be paid by or on behalf of the Purchaser to the Vendor within three business days from the date of completion of the SPA;
- (ii) **Second Tranche:** A second payment of RMB35,000,000 to be paid by or on behalf of the Purchaser to the Vendor on or before 30 September 2019;
- (iii) **Third Tranche:** A third payment of RMB35,000,000 to be paid by or on behalf of the Purchaser to the Vendor on or before 30 September 2020;

LETTER TO SHAREHOLDERS

- (iv) **Fourth Tranche:** A fourth payment of RMB35,000,000 to be paid by or on behalf of the Purchaser to the Vendor on or before 30 September 2021;
- (v) **Fifth Tranche:** A fifth payment of RMB35,000,000 to be paid by or on behalf of the Purchaser to the Vendor on or before 30 September 2022; and
- (vi) **Final Tranche:** The final payment of RMB40,000,000 to be paid by or on behalf of the Purchaser to the Vendor on 30 September 2023.

4.3 Basis of Purchase Consideration

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis, having reference to the value of the Tianjin Assets. The Tianjin Assets were valued by an independent valuer jointly commissioned by the Purchaser and Vendor, namely Zhongtongcheng (Tianjin) Real Estate Land Assets Evaluation Co., Ltd., to be RMB259,924,700 on the cost approach basis of valuation, further details of which are set out in Section 2.4.

4.4 Source of Funds

The Purchaser's income generated from its operations will be sufficient to fund the tranche payment obligations as set out in Section 4.2 as and when they fall due and the Purchase Consideration will be fully funded by internal resources generated from the operations of the Purchaser.

5. OTHER PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

5.1 Condition Precedent

The Proposed Acquisition shall be subject to Shareholders' approval of the Proposed Acquisition.

5.2 Completion Date

On and subject to the fulfilment of the conditions precedent in the SPA, Completion shall take place on the later of (i) 30 September 2023 and (ii) 10 Business Days after the satisfaction (or waiver, if applicable, in accordance with the SPA) of the conditions precedents.

5.3 Late Payment Interest

In the event of late payment of the Purchase Consideration from the Purchaser to the Vendor, the Vendor shall have the right to make a legal claim against the Purchaser for late payment interest on the portion of overdue payment at such interest rate as determined by the PRC courts.

5.4 Transfer of Employees

The Purchaser shall and the Vendor shall procure that immediately upon Completion, the employees of the Vendor who are currently employed by the Vendor for the purpose of ensuring the smooth operations of the campus facilities that form the Tianjin Assets shall be transferred to the Purchaser, subject that such number of employees shall be not more than 42 persons (the "Transferred Employees").

The Purchaser shall employ the Transferred Employees for a period of not less than three years from Completion and the gross monthly salary payable pursuant to the employment terms to be agreed shall be not less than the gross monthly salary paid by the Vendor to the Transferred Employees as at 31 December 2018.

5.5 Governing Law

The SPA shall be governed by PRC law.

LETTER TO SHAREHOLDERS

6. FINANCIAL EFFECTS

6.1 Financial Effects of the Proposed Acquisition

For illustrative purposes only, the financial effects of the Proposed Acquisition on the NTA and EPS of the Company based on the audited consolidated financial statements of the Company for FY2018 and on the assumptions set out below are as follows:

(i) NTA

Assuming that the Proposed Acquisition had been completed on 30 June 2018, the effect on the NTA of the Company as at 30 June 2018 would have been as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$)	502,630,000	502,630,000
Number of issued Shares (excluding treasury shares)	1,378,756,672	1,378,756,672
NTA per Share (cents)	36.46	36.46

(ii) EPS

Assuming that the Proposed Acquisition had been completed on 1 July 2017, the effect on the EPS of the Company as at 30 June 2018 would have been as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profits/ (Loss) attributable to Shareholders (S\$)	10,667,000	11,343,000
Weighted average number of Shares (excluding treasury shares)	1,181,945,937	1,181,945,937
Earnings/ (Loss) per Share (cents)	0.90	0.96

7. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced consolidated financial statements of the Group, being the statements for the first financial quarter ended 31 December 2018 would have been as follows:

Proposed Acquisition

Rule 1006(a)

- | | | |
|----|--|----------------|
| a) | The net asset value ⁽¹⁾ of the assets to be disposed of | Not applicable |
| b) | The Group's net asset value | |
| c) | Net asset value of the assets to be disposed of, compared with the Group's net asset value | |

LETTER TO SHAREHOLDERS

Proposed Acquisition

Rule 1006(b)

a)	The net profits (or loss) ⁽²⁾ attributable to the assets to be acquired	S\$517,250 ⁽³⁾
b)	The Group's net profits (or loss)	S\$(14,685,000)
c)	The net profits (or loss) attributable to the assets to be acquired, compared with the Group's net profits (or loss)	(3.52)%

Rule 1006(c)

a)	The aggregate value of Purchase Consideration	S\$51,739,000
b)	The Company's market capitalisation ⁽⁴⁾ based on the total number of issued Shares excluding treasury shares (if any)	S\$124,079,000
c)	The aggregate value of Purchase Consideration, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares (if any)	41.70%

Rule 1006(d)

The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	Not applicable
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Rule 1006(e)

The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable
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Notes:

- (1) Under Rule 1002(3)(a) of the Listing Manual, "**net assets**" means total assets less total liabilities.
- (2) Under Rule 1002(3)(b) of the Listing Manual, "**net profits**" means profit or loss before income tax, minority interests and extraordinary items.
- (3) The figure for net profits attributable to the assets to be acquired for FY2018 is S\$2,069,000, as disclosed in Section 2.3. As the figure for the Group's net loss of S\$14,685,000 relates to figures obtained for one quarter, we have divided the figure of S\$2,069,000 by four accordingly so that the figures may be properly compared.
- (4) The market capitalisation of the Company is determined by multiplying the 1,378,656,672 Shares in issue by the closing price of such Shares transacted on 18 March 2019, being the Market Day immediately preceding the Latest Practicable Date.

As the relative figures for the Proposed Acquisition computed under Rule 1006(c) of the Listing Manual exceeds 20%, the Proposed Acquisition is subject to Shareholders' approval at the EGM.

LETTER TO SHAREHOLDERS

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as recorded in the Register of Directors and Register of Substantial Shareholders, respectively, as at the Latest Practicable Date are set out as follows:

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Directors						
Chew Hua Seng ⁽²⁾	428,864,605	31.1%	34,043,159	2.5%	462,907,764	33.6%
Lim How Teck	-	-	-	-	-	-
Gan Hui Tin	-	-	-	-	-	-
Teo Cheng Lok John	361,562	0.03%	-	-	361,562	0.03%
Joseph He Jun	-	-	-	-	-	-
Substantial Shareholders (other than Directors)						
Doris Chung Gim Lian ⁽³⁾	170,992,222	12.4%	291,914,842	21.2%	462,907,064	33.6%
Oei Hong Leong ⁽⁴⁾	134,565,569	9.8%	43,353,440	3.1%	177,919,009	12.9%

Notes:

- (1) Based on the total number of 1,378,656,672 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr Chew Hua Seng's direct interest in the Shares comprises 428,864,605 Shares held in his sole name and 136,949,763 Shares held jointly with his spouse, Ms Doris Chung Gim Lian. Ms Doris Chung Gim Lian also holds 170,992,222 Shares in her sole name. Mr Chew Hua Seng is deemed to be interested in the 170,992,222 Shares held by Ms Doris Chung Gim Lian.
- (3) Ms Doris Chung Gim Lian is the spouse of Mr Chew Hua Seng. In this respect, Ms Doris Chung Gim Lian is deemed to have an interest in the shareholdings of Mr Chew Hua Seng and *vice versa*.
- (4) Mr Oei Hong Leong is deemed to have an interest in the shares held by Oei Hong Leong Art Museum Limited ("**OHLAM**") due to his direct interest of 90% in the ultimate holding company of OHLAM.

Save for their respective interests in the Company, if any, none of the Directors or the Substantial Shareholders has any direct or indirect interest in the Proposed Acquisition.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as director of the Company in connection with the Proposed Acquisition. Accordingly, there is no service contract to be entered into between the Company and any such person.

LETTER TO SHAREHOLDERS

10. THE PROPOSED CHANGE OF NAME

10.1 Background and Rationale

The Directors are proposing to change the Company's name from "Raffles Education Corporation Limited" to "Raffles Education Limited".

The Board is of the view that the Proposed Change of Name which is in line with its current corporate branding strategies to strive for a contemporary corporate image will be beneficial to the Company. Accordingly, the Board recommends that the Company's name be changed to "Raffles Education Limited".

The Proposed Change of Name will not affect the legal status of the Company or any of the rights of Shareholders, and existing Shares will continue to be traded on the SGX-ST.

10.2 Approvals

Approval for the use of the name "Raffles Education Limited" has been obtained from ACRA and the proposed name has been reserved until 20 June 2019.

The Proposed Change of Name is subject to Shareholders' approval and will be tabled as a special resolution at the EGM.

Subject to Shareholders' approval and registration by ACRA, the Company shall change its name to "Raffles Education Limited" with effect from the date of issue of the notice of change of name by ACRA. The Company will make an announcement when the change of its name takes effect.

10.3 No replacement of existing share certificates required

Notwithstanding the Proposed Change of Name, the Company will not be recalling existing share certificates in respect of the Shares. Existing share certificates of the Company bearing the current name, that is "Raffles Education Corporation Limited", issued prior to the date on which the Proposed Change of Name takes effect, will continue to be *prima facie* evidence of legal title and no further action is required to be taken on the part of the Shareholders.

10.4 Change of name of the Company in the Constitution

Upon the change of name of the Company to "Raffles Education Limited", the name "Raffles Education Limited" shall be substituted for "Raffles Education Corporation Limited" whenever the latter name appears in the Company's Constitution.

11. DIRECTORS' RECOMMENDATIONS

Having fully considered, amongst others, the proposed terms of the Proposed Acquisition and the rationale for the Proposed Acquisition and Proposed Change of Name, the Directors are of the opinion that the Proposed Acquisition and Proposed Change of Name are in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Resolutions set out in the Notice of EGM.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, is being convened at Cinnamon Room, Level 5, Novotel Clarke Quay, 177A River Valley Road, Singapore 179031 on 17 May 2019 at 10 a.m. for the purpose of considering and, if thought fit, passing, with or without any modifications, the Proposed Resolutions as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he subsequently wishes to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP as at 72 hours before the EGM.

14. CONSENT

The Valuer has given and has not withdrawn its consent to the issue of this Circular with the inclusion herein of its name, references to and information extracted from the Valuation Report in the form and context in which it appears in this Circular, to act in such capacity in relation to this Circular and the availability of the Valuation Report on the Tianjin Assets as a document for inspection by Shareholders.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 51 Merchant Road, Raffles Education Square, Singapore 058283, for a period of three months commencing from the date of this Circular:

- (i) the Constitution of the Company;
- (ii) the annual report of the Company for FY2018; and
- (iii) the Valuation Report dated 21 March 2018 issued by the Valuer.

Yours faithfully

For and on behalf of the Board of Directors of
RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng
Chairman and CEO

NOTICE OF EXTRAORDINARY GENERAL MEETING

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199400712N)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Raffles Education Corporation Limited (the “**Company**”) will be held on 17 May 2019 at 10 a.m. at Cinnamon Room, Level 5, Novotel Clarke Quay, 177A River Valley Road, Singapore 179031 for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolutions:

*All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular issued by the Company to the Shareholders dated 24 April 2019 (the “**Circular**”).*

AS ORDINARY RESOLUTION: PROPOSED ACQUISITION

IT IS RESOLVED:

- (a) THAT, for the purposes of Chapter 10 of the Listing Manual, approval be and is hereby given to the Company for the proposed acquisition of the Tianjin Assets for the consideration and on the principal terms and conditions more particularly set out in Section 4 and 5 of the Circular);
- (b) THAT the Directors and any one of them be and is/are hereby authorised and empowered to approve, complete and do all such acts and things (including without limitation, to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to the Proposed Acquisition and this resolution, and the transactions contemplated by the Proposed Acquisition and/or authorised by this Resolution, or for all the foregoing purposes.

AS SPECIAL RESOLUTION: PROPOSED CHANGE OF NAME

IT IS RESOLVED:

- (a) THAT the name of the Company be changed from “Raffles Education Corporation Limited” to “Raffles Education Limited” and that the name “Raffles Education Limited” be substituted for “Raffles Education Corporation Limited” whenever the latter name appears in the Constitution of the Company; and
- (b) THAT the Directors and any one of them be and is/are hereby authorised and empowered to approve, complete and do all such acts and things (including without limitation, to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to the this resolution as they or he may deem fit.

BY ORDER OF THE BOARD

Mr. Keloth Raj Kumar
Company Secretary
24 April 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the EGM, and who is not a Relevant Intermediary as defined under Section 181(6) of the Companies Act (Cap. 50 of Singapore), is entitled to appoint one proxy or two proxies to attend and vote in his place. A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote in his place, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. A proxy need not be a member of the Company.
2. If the appointor is a corporation, the Proxy Form must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
3. A Depositor's name must appear in the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the Extraordinary General Meeting in order for the Depositor to be entitled to attend, speak and vote at the Extraordinary General Meeting.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 51 Merchant Road, Raffles Education Square, Singapore 058283 not less than 48 hours before the time appointed for holding the EGM.
5. The completion and return of the proxy form by a member will not prevent him from attending and voting in person at the EGM if he so wishes. In such event, the relevant proxy form will be deemed to be revoked.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/ or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

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

EXTRAORDINARY GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Act"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting
2. For investors who have used their CPF monies and/or the Supplementary Retirement Scheme to buy Raffles Education Corporation Limited's shares (respectively, "CPF Investors" and "SRS Investors"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and SRS Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Extraordinary General Meeting.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 17 May 2019.

*I/We _____ (Name) _____ (NRIC/ Passport/ Company Registration No.)
of _____ (address)

being a member/members* of **RAFFLES EDUCATION CORPORATION LIMITED** (the "Company"), hereby appoint:

Name:	NRIC / Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			

and/or*

Name:	NRIC / Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing him/her/them*, the Chairman of the Extraordinary General Meeting (the "EGM") of the Company as my/our* proxy/ proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held at Cinnamon Room, Level 5, Novotel Clarke Quay, 177A River Valley Road, Singapore 179031 on 17 May 2019 at 10 a.m.*.

I/We* direct my/our* proxy/proxies* to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

No.	As Ordinary Resolution	For	Against
1	To approve the Proposed Acquisition		
No.	As Special Resolution	For	Against
2	To approve the Proposed Change of Name		

Please indicate your vote "For" or "Against" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

* Please delete as appropriate.

Dated this _____ day of _____ 2019.

Total number of Shares held in CDP Register

*Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder*

IMPORTANT: PLEASE READ NOTES OVERLEAF

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular issued by the Company to the Shareholders dated 24 April 2019 (the "Circular"), including supplements and modifications thereto.



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289, of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. Except for a member of the Company who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act (Cap. 50 of Singapore), a member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. Where a member of the Company appoints more than one proxy, the proportion of his shareholding to be represented by each proxy shall be specified in the proxy form.
3. Pursuant to Section 181(1C) of the Companies Act, a member of the Company who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. A proxy need not be a member of the Company.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 51 Merchant Road, Raffles Education Square, Singapore 058283 not less than 48 hours before the time appointed for holding the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act.
9. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for holding the EGM.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.