

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

– RECEIPT OF APPROVAL-IN-PRINCIPLE FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

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 dated 7 June 2022, 8 June 2022 and 28 July 2022 (“**Rights Issue and Placement Announcements**”).
- 1.2. All capitalised terms used herein shall bear the meaning ascribed to them in the Rights Issue and Placement Announcements.

2. RECEIPT OF APPROVAL-IN-PRINCIPLE FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“**SGX-ST**”)

- 2.1. Further to the Rights Issue and Placement Announcements, the Board is pleased to announce that SGX-ST has on 5 August 2022 granted its approval in-principle for the listing and quotation of the Convertible Bonds and the Conversion Shares on the Main Board of SGX-ST, subject to the following conditions:

Compliance with the SGX-ST’s listing requirements:-

- (i) a written undertaking from the Company that it will comply with Rule 877(10) of the listing manual of SGX-ST (the “**Listing Manual**” and its rules the “**Listing Rules**”) with regards to the allotment of any excess Rights Issue Bonds;
- (ii) a written undertaking from the Company that it will comply with Listing Rule 704(30) and Listing Rule 1207(20) in relation to the use of the proceeds from the proposed Rights Issue and Placement of Convertible Bonds and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
- (iii) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the Shareholders who has announced their intention or undertaking to subscribe for their pro rata entitlement to the Rights Issue Bonds under the Right Issue have sufficient financial resources to carry out his intention or fulfil their obligations under the undertaking;
- (iv) announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which the Convertibles Bonds may be redeemed;
- (v) a written confirmation from the Company that the terms of the Convertible Bonds comply with Listing Rule 829(1);
- (vi) a written undertaking from the Company to announce any adjustment made pursuant to Listing Rule 829(1);

- (vii) a written undertaking from the Company to announce the expiry of the Convertible Bonds and for the notice of expiry to be sent to all holders of the Convertible Bonds at least 1 month before the expiration date, pursuant to Listing Rule 829(2);
- (viii) a written undertaking from the Company that any material amendment to the terms of the Convertible Bonds after issue to the advantage of the holders of the Convertible Bonds to be approved by Shareholders, except where the amendment is made pursuant to the terms of the issue, pursuant to Listing Rule 829(3);
- (ix) the submission of a duly signed undertaking in the format set out in Appendix 2.3.1 of the Listing Manual;
- (x) the submission of a copy of the signed subscription agreement, agent bank agreement, fiscal and agency agreement and trust deed in relation to the Convertible Bonds;
- (xi) a written confirmation from the Company that there is a satisfactory spread (normally 100) of registered holders to provide an orderly market for the Convertible Bonds, in compliance with Listing Rule 826;
- (xii) a written confirmation from UOBKH that it is not holding the Placement Bonds in trust or as a nominee for anyone or any persons or entity that is (i) a person who is a director or a substantial shareholder of the Company, (ii) a person in the categories set out in Rule 812(1) of the Listing Manual or (iii) an interested person as defined in Chapter 9 of the Listing Manual or (iv) one or more of the persons specified above (the “**Restricted Persons**”);
- (xiii) a written undertaking by UOBKH that they would not sell any of their Placement Bonds or Conversion Shares to the Restricted Persons through a married deal or off market transaction within one (1) year after the completion of the Placement;
- (xiv) a written confirmation from UOBKH that they will not convert any Placement Bonds in such manner which may result in its shareholding, after conversion, being more than 15% of the enlarged capital of the Company unless Shareholder approval in a general meeting of the Company is obtained as required under Listing Rule 803; and
- (xv) announcement of confirmations submitted by UOBKH, the Company’s directors and its substantial shareholders as to whether there is any arrangement or agreement (verbal or otherwise) between UOBKH and (i) the Company, (ii) directors or substantial shareholders of the Company and their associates, (iii) any person in the categories set out in Rule 812(1) of the Listing Manual, (iv) any interested person as defined in Chapter 9 of the Listing Manual, or (v) any concert parties as defined in the Take-over Code in relation the subscription and subsequent disposal or transfer of Placement Bonds from UOBKH to any persons.

2.2. The approval-in-principle of the SGX-ST is not to be taken as an indication of the merits of the Convertible Bonds, Conversion Shares, Placement, Rights Issue, Company and/or its subsidiaries.

3. Concurrent completion of the Placement and Rights Issue

3.1 Pursuant to the approval-in-principle of the SGX-ST, the Placement of Convertible Bonds must be completed on the same day as the completion of the Rights Issue of Convertible Bonds.

4. Intentions of Mr Chew Hua Seng

4.1 Mr Chew Hua Seng, the Chairman and Chief Executive Officer of the Company, has confirmed that he will subscribe his pro rata entitlement of 9,054,692 Rights Issue Bonds under the Rights Issue, based on his existing direct and indirect shareholding of 476,562,764 Shares in the Company (the “**Confirmation**”), and that he has no intention to convert his Convertible Bonds

in such a manner so as to trigger a mandatory general offer under the Take-over Code. In connection with the aforementioned Confirmation, UOB Kay Hian Credit Pte. Ltd. has provided a written confirmation that Mr Chew Hua Seng has sufficient financial resources to carry out his intention under the Confirmation.

5. Confirmations from UOBKH, the Company's directors and its substantial shareholders

- 5.1 Each of UOBKH, the Company's directors and its substantial shareholders has confirmed that there are no arrangements or agreements (verbal or otherwise) between UOBKH and (i) the Company, (ii) directors or substantial shareholders of the Company and their associates, (iii) any person in the categories set out in Rule 812(1) of the Listing Manual, (iv) any interested person as defined in Chapter 9 of the Listing Manual, or (v) any concert parties as defined in the Take-over Code in relation the subscription and subsequent disposal or transfer of Placement Bonds from UOBKH to any persons.

By Order of the Board

Raffles Education Corporation Limited
6 August 2022