CIRCULAR DATED 1 NOVEMBER 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 any doubt in relation to this Circular to shareholders of the Company or 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, you need not forward this Circular to the purchaser or transferee as arrangements will be made by the Central Depository (Pte) Limited 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 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

THE PROPOSED DISPOSAL OF THE PLOT OF LAND KNOWN AS 1-3 FITZWILLIAM STREET, INCLUDING THE COMMERCIAL BUILDING SITUATED THEREON, LOCATED IN PARRAMATTA, NEW SOUTH WALES, AUSTRALIA, AS A MAJOR TRANSACTION

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	14 November 2019, Thursday at 10a.m.
Date and time of Extraordinary General Meeting	:	16 November 2019, Saturday at 10a.m.
Place of Extraordinary General Meeting	:	51 Merchant Road, Singapore 058283 Raffles Education Square (at the foyer of the main building, ground level).

TABLE OF CONTENTS

DEFINITIONS		**3**
1	**INTRODUCTION**	**7**
2	**INFORMATION ON THE VENDOR, THE PURCHASER AND THE SALE PROPERTY**	**7**
3	**MATERIAL TERMS AND CONDITIONS OF THE PROPOSED DISPOSAL**	**8**
4	**RATIONALE FOR THE PROPOSED DISPOSAL**	**10**
5	**USE OF PROCEEDS FROM THE PROPOSED DISPOSAL**	**11**
6	**FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**	**11**
7	**RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL**	**12**
8	**INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**	**13**
9	**DETAILS OF ANY SERVICE CONTRACTS**	**13**
10	**DIRECTORS' RECOMMENDATIONS**	**13**
11	**EXTRAORDINARY GENERAL MEETING**	**14**
12	**ACTION TO BE TAKEN BY SHAREHOLDERS**	**14**
13	**DIRECTORS' RESPONSIBILITY STATEMENT**	**14**
14	**DOCUMENTS AVAILABLE FOR INSPECTION**	**14**
NOTICE OF EXTRAORDINARY GENERAL MEETING		**N-1**
PROXY FORM		

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

"**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; 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 public holiday) on which banks in the New South Wales, Australia 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 to Shareholders dated 1 November 2019
"**Companies Act**"	:	The Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time
"**Consideration**"	:	The sum of AUD80,000,000 (equivalent to approximately S$74,740,000) being the aggregate consideration for the Proposed Disposal, details of which are set out in Section 3 of this Circular
"**Company**"	:	Raffles Education Corporation Limited
"**Completion**"	:	The completion of the Proposed Disposal pursuant to the SPA
"**Completion Date**"	:	The date on which Completion of the Proposed Disposal will take place

"**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
"**Deposit**"	:	A deposit of AUD8,000,000 (equivalent to approximately S$7,474,400) in relation to the Proposed Disposal
"**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 resolution set out in the Notice of EGM
"**EPS**"	:	Earnings per Share
"**FY2019**"	:	The financial year ended 30 June 2019
"**Group**"	:	The Company, together with its Subsidiaries
"**Latest Practicable Date**"	:	31 October 2019, being the latest practicable date prior to the printing of this Circular
"**Leases**"	:	The existing leases and licences in relation to the Sale Property which have been disclosed by the Vendor to the Purchaser
"**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%
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Notice of EGM**"	:	The notice of the EGM, as set out on page N-1 of this Circular
"**NTA**"	:	Net tangible assets
"**Proposed Disposal**"	:	The proposed sale by the Vendor to the Purchaser of the Sale Property pursuant to the SPA
"**Proposed Resolution**"	:	The ordinary resolution for the Proposed Disposal, Shareholders' approval for which will be sought at the EGM
"**Proxy Form**"	:	The proxy form in respect of the EGM as set out in this Circular
"**Purchaser**"	:	Wentruth Pty Ltd (acting as trustee for The Wentruth Unit Trust)

"**Register**"	:	The register maintained by the Company setting out details of the Shareholders and their respective shareholdings
"**Register of Directors**"	:	The register of Directors of the Company
"**Register of Substantial Shareholders**"	:	The register of Substantial Shareholders of the Company
"**Sale Property**"	:	The plot of land known as 1-3 Fitzwilliam Street, including the commercial building situated thereon, located in Parramatta, Sydney, New South Wales, Australia
"**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 (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SPA**"	:	The sale and purchase agreement in respect of the Proposed Disposal entered into between the Vendor and the Purchaser on 26 September 2019
"**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
"**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 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
"**Vendor**"	:	Raffles Assets Australia Pty Ltd

Currencies, units and others

"**AUD**"	:	Australian dollars, being the lawful currency of Australia
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"**sq. m.**"	:	Square metres
"**%**" 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.

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 reference in this Circular to any statute or enactment is a reference to such statute or 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. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

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.

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

1 November 2019

To: The Shareholders of the Company

Dear Sir/Madam,

THE PROPOSED DISPOSAL OF THE PLOT OF LAND KNOWN AS 1-3 FITZWILLIAM STREET, INCLUDING THE COMMERCIAL BUILDING SITUATED THEREON, LOCATED IN PARRAMATTA, NEW SOUTH WALES, AUSTRALIA, AS A MAJOR TRANSACTION

1 INTRODUCTION

On 26 September 2019, the Company announced that its wholly-owned subsidiary, Raffles Assets Australia Pty Ltd, being the Vendor, had on 26 September 2019 entered into a sale and purchase agreement with Wentruth Pty Ltd (acting as trustee for The Wentruth Unit Trust), being the Purchaser, for the disposal of the plot of land known as 1-3 Fitzwilliam Street, including the commercial building situated thereon, located in Parramatta, Sydney, New South Wales, Australia.

As the Proposed Disposal would constitute a Major Transaction as defined under Chapter 10 of the Listing Manual, the approval of Shareholders is required for the Proposed Disposal and the Directors propose to convene an EGM to seek Shareholders' approval for the same.

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 Disposal, at the EGM to be held on Saturday, 16 November 2019 at 10 a.m. at 51 Merchant Road Singapore 058283, Raffles Education Square (at the foyer of the main building, on the ground level) 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 INFORMATION ON THE VENDOR, THE PURCHASER AND THE SALE PROPERTY

The Vendor is a wholly-owned subsidiary of the Company incorporated in Australia that is primarily engaged in the business of property investments. The Purchaser is an independent third party incorporated in Australia that was introduced by the joint marketing agents of the Vendor, Colliers International (NSW) Pty Ltd and Cushman & Wakefield (NSW) Pty Ltd. The sole director and sole member of the Purchaser is one Jen-Hsiang Hu. The Directors, Controlling Shareholders and their respective Associates do not have any connection (including business dealings) with the Purchaser.

The Vendor has a 100% freehold interest in the Sale Property. The Sale Property is a six-storey commercial property constructed in 1988, located within the central business district of Parramatta, Sydney, New South Wales, Australia, which has a total land area of 2,049 sq. m. There are an aggregate of 11 units in the Sale Property, of a net leasable floor area of approximately 9619 sq. m.

As at the Latest Practicable Date, 10 of the 11 units in the commercial property comprising 99.22% of the aggregate leasable floor area are leased out to various tenants who are in the business of providing education services, retail services and operating a public library. The rental income arising from the Leases for FY2019 amounted to an aggregate of S$2,793,000, which represents 2.85% of the Group's total revenue and 9.96% of the Group's net profits before tax respectively, as illustrated in the table below:

	(S$'000)
Rental income received from third parties for FY2019	2,793
Group revenue	97,854
Group profit before tax	28,056
Rental income for FY2019 as a % of Group revenue	**2.85%**
Rental income for FY2019 as a % of Group profit before tax	**9.96%**

No valuation on the Sale Property has been undertaken for the purposes of this transaction. The latest valuation conducted by an independent valuer on the property was commissioned by the Vendor on 30 June 2019 for the purposes of financial reporting and not for purposes of the Proposed Disposal. Pursuant to the valuation conducted on 30 June 2019, the Sale Property was valued at AUD75,000,000 (equivalent to approximately S$71,057,000), excluding applicable goods and services tax, by m3property, a property valuation and consulting firm in Australia which services the institutional and funds management sector (both local and off shore), financiers, corporations, private investors and government sectors. M3property is accredited by the Australian Property Institute, a recognised professional body in Australia. The said valuation was arrived at by m3property based on a rationalisation of the outcomes of the discounted cash flow approach and the capitalization approach.

The Sale Property was purchased by the Vendor in 2014 with the intention of developing the Sale Property into a permanent campus for the Vendor's college in Sydney, known as the Raffles College of Design and Commerce, which has since closed in late 2018.

3 MATERIAL TERMS AND CONDITIONS OF THE PROPOSED DISPOSAL

A summary of the material terms and conditions of the Proposed Disposal as set out in the SPA include, *inter alia*, the following:

3.1 Consideration and Deposit

The aggregate sale consideration of the Sale Property is AUD80,000,000 (equivalent to approximately S$74,740,000) which was negotiated on an arm's length basis and was arrived at on a willing-buyer willing-seller basis, taking into consideration the valuation of the Sale Property on 30 June 2019 at AUD75,000,000 (equivalent to approximately S$71,057,000) and the highest indicative price stated in the expressions of interest received from third parties during the expression of interest exercise conducted by the joint marketing agents of the Vendor, Colliers International (NSW) Pty Ltd and Cushman & Wakefield (NSW) Pty Ltd, during the period from August 2018 to 12 September 2018. The Consideration is to be satisfied fully in cash.

A deposit of an amount equivalent to 10% of the Consideration, being AUD8,000,000 (equivalent to approximately S$7,474,400), was paid by the Purchaser to the Vendor's agent (to be held on behalf of the Vendor until Completion) on 26 September 2019 pursuant to the SPA. In the event that the approval of the Shareholders in respect of the Proposed Disposal is not obtained on or before

6 December 2019, the Deposit shall be fully refunded to the Purchaser. Pursuant to the SPA, the Deposit shall be a charge on the Sale Property in favour of the Purchaser until termination by the Vendor or Completion, subject to any existing rights in connection with the Sale Property.

3.2 Value of the Sale Property

Based on the latest announced consolidated accounts of the Group being the audited accounts for FY2019:

(i) the book value, NTA value, and the latest available open market value of the Sale Property are approximately S$71,057,000, S$71,057,000 and S$71,057,000 respectively[(1)];

(ii) the net profits before tax attributable to the Sale Property is approximately S$8,240,000;

(iii) the excess of the proceeds over the book value of the Sale Property is approximately S$3,683,000; and

(iv) the net gain after transaction cost and tax on the Proposed Disposal is expected to be approximately S$4,778,000[(2)].

Notes:

(1) The NTA value is based on the valuation conducted on 30 June 2019.

(2) The value for the net gain after transaction cost and tax (which includes, *inter alia*, S$1,345,000 in commission to the Vendor's marketing agents, S$28,000 in legal costs, and approximately S$9,540,000 in income tax) on the Proposed Disposal also includes the profit and loss effect from a reversal of the deferred tax provision (non-cash) of S$12,008,000 on the prior years' fair value gain of the Sale Property which would not be required once the Sale Property is sold, as illustrated in the table below:

	(S$'000)
Consideration	74,740
Less book value of the Sale Property disposed	(71,057)
Excess of the proceeds over the book value of the Sale Property	**3,683**
Add deferred tax liability reversed	12,008
Less income tax to be paid	(9,540)
Less transaction cost of the Proposed Disposal (commission and legal costs)	(1,373)
Net gain on the Proposed Disposal after transaction cost and tax	**4,778**

3.3 Conditions Precedent

Completion of the SPA is conditional on the approval of Shareholders for the Proposed Disposal being obtained on or before 6 December 2019. In the event that the approval of Shareholders is not obtained on or before 6 December 2019, the SPA will automatically terminate and the Vendor shall fully refund the Deposit to the Purchaser and reimburse the Purchaser for the Purchaser's reasonable costs incurred for its due diligence enquiries in relation to the Sale Property (upon the Purchaser's proof of costs and that such costs were reasonably incurred), up to a maximum amount of AUD100,000 (equivalent to approximately S$93,000). The maximum amount of AUD100,000 was agreed between the Parties after negotiations.

3.4 Completion

Subject to the satisfaction and/or waiver of the condition to obtain the approval of Shareholders for the Proposed Disposal, Completion shall take place at the later of the following dates:

(i) 42 days after the exchange of contracts; or

(ii) 10 Business Days after the Vendor notifies the Purchaser that the Vendor has satisfied or waived the condition to obtain the approval of Shareholders for the Proposed Disposal.

Upon Completion, the Consideration amount, less the Deposit and any adjustments in accordance with the terms of the SPA, shall be payable by the Purchaser to the Vendor in full on the Completion Date.

3.5 Sale subject to Leases

The Sale Property is sold subject to and with the benefit of the Leases. The rental deposits paid by the tenants, which shall pass to the Purchaser upon Completion, comprise bank guarantees (of aggregate S$1,504,568) and rental bonds (of aggregate S$7,911) provided by the tenants to the Vendor.

3.6 Adjustments for Tenancy Payments Received

In relation to the Leases, any monies paid by a tenant to the Vendor as security for the performance of its obligations under the Lease must be adjusted in favour of the Purchaser on Completion.

3.7 Vendor Warranties

The Vendor warrants to the Purchaser that, to the best of its knowledge as at the date of the SPA and except as disclosed by the Vendor to the Purchaser in the manner stipulated under the SPA:

(i) in relation to the Leases, the Vendor has not received any written notice from any tenant alleging a material breach of the leases or licences which has not been remedied;

(ii) in relation to the Leases, the Vendor is not aware of any material and unremedied breach of the leases or licences by any tenant;

(iii) in relation to the service and maintenance contracts disclosed by the Vendor to the Purchaser under the SPA, the Vendor has not received written notice from any service contractor alleging a material breach of the service and maintenance contracts which has not been remedied and which will have continuing effect after settlement; and

(iv) in relation to the service and maintenance contracts disclosed by the Vendor to the Purchaser under the SPA, the Vendor is not aware of any material and unremedied breach of the service and maintenance contracts by a service contractor, which will have continuing effect after settlement.

4 RATIONALE FOR THE PROPOSED DISPOSAL

The Company had, through the Vendor, purchased the Sale Property in July 2014 at a consideration of AUD29,000,000 (equivalent to approximately S$34,234,500, based on then prevailing exchange rate). Pursuant to the Proposal Disposal, the Company is now seeking to dispose of the Sale Property at a consideration of AUD80,000,000 (equivalent to approximately S$74,740,000) which would allow the Group to realise a substantial return on the investment after a period of approximately 5 years. Furthermore, the Proposed Disposal would enable the Company to realise a substantial amount of cash (being the consideration received from the Proposed Disposal, less transaction costs) and unlock the value in its investment in the Sale Property, thereby strengthening the Company's financial position. Accordingly, the Board is of the view that the Proposed Disposal is in the best interest of the Company.

5 USE OF PROCEEDS FROM THE PROPOSED DISPOSAL

The proceeds from the Proposed Disposal is intended to finance the Company's debt repayments and working capital. Out of the aggregate consideration of AUD80,000,000 (equivalent to approximately S$74,740,000), approximately S$10,913,000 would be utilised to pay the transaction costs incurred in connection with the Proposed Disposal (which include *inter alia* S$1,345,000 in commission to the Vendor's marketing agents, S$28,000 in legal costs, and approximately S$9,540,000 in income tax which would arise from the Proposed Disposal), and S$53,028,000 would be utilise to pay down mortgage loans. The balance S$10,799,000 would be available to finance the Company's working capital and other debt repayments.

6 FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The *pro forma* financial effects of the Proposed Disposal on the Group as set out below are purely for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following Completion.

Based on the Group's latest audited consolidated financial statements for FY2019, the *pro forma* financial effects of the Proposed Disposal are as follows:

6.1 Effect on Group's net tangible assets ("NTA") per share

For illustrative purposes only, had the Proposed Disposal been completed on 30 June 2019, based on the latest audited consolidated financial statements of the Group for FY2019, the Proposed Disposal would have had the following impact on the NTA per share of the Company:

	Before the Proposed Disposal	After the Proposed Disposal
NTA[(1)] (S$'000)	528,233	533,011
Number of issued shares (excluding treasury shares) ('000)	1,378,657	1,378,657
NTA per share (cents)	38.32	38.66

Note:

(1) NTA is based on net asset value of the Group less intangible assets and non-controlling interests.

6.2 Effect on earnings per share ("EPS")

For illustrative purposes only, had the Proposed Disposal been completed on 1 July 2018, based on the latest audited consolidated financial statements of the Company for FY2019, the Proposed Disposal would have had the following impact on the EPS of the Company:

	Before the Proposed Disposal	After the Proposed Disposal
Profit/(Loss) after tax attributable to equity holders of the Company (S$'000)	40,213	50,800
Weighted average number of shares ('000)	1,378,657	1,378,657
EPS (cents)	2.92	3.68

7 RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

Based on the latest announced consolidated accounts of the Group being the audited accounts for FY2019, the relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Bases of computation	Relative figures
Rule 1006(a)	Net asset value[(1)] of the Sale Property of S$71,057,000, compared with the Group's NAV of S$696,058,000.	10.2%
Rule 1006(b)	Net profits[(2)] of S$8,240,000 attributable to the Sale Property, compared with the Group's net profits of S$28,056,000.	29.4%
Rule 1006(c)	Aggregate value of the Consideration received for the Proposed Disposal of AUD80,000,000 (equivalent to approximately S$74,740,000), compared with the Company's market capitalisation[(3)] of approximately S$106,157,000.	70.4%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable[(4)]
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 and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable[(5)]

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. The figure of net profits attributable to the Sale Property computed above includes the fair value gain of the Sale Property of S$8,260,000 for FY2019.

(3) Under Rule 1002(5) of the Listing Manual, "market capitalisation" of the Company is determined by multiplying the 1,378,656,672 shares in issue (excluding treasury shares) by the closing price of such shares transacted on the Market Day immediately preceding the date of signing of the SPA.

(4) This basis is not applicable as it is not an acquisition.

(5) This basis is not applicable as it only applies to a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

As the relative figures computed under Rule 1006(b) and Rule 1006(c) of the Listing Manual exceed 20% (but do not exceed 100%), the Proposed Disposal constitutes a Major Transaction under Chapter 10 of the Listing Manual, and is therefore subject to Shareholders' approval in general meeting.

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:

	Direct Interest		Deemed Interest		Total Interest	
	No. of shares	%[1]	No. of shares	%[1]	No. of shares	%[1]
Directors						
Chew Hua Seng[2][3]	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[2][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) Includes 136,949,763 Shares which are jointly held by Mr Chew Hua Seng and 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 interests 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 Controlling Shareholders has any direct or indirect interest in the Proposed Disposal, other than through their respective shareholding interests in the Company (if any).

9 DETAILS OF ANY SERVICE CONTRACTS

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

10 DIRECTORS' RECOMMENDATIONS

Having fully considered, amongst others, the terms and rationale of the Proposed Disposal, the Directors are of the opinion that the Proposed Disposal is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Resolution set out in the Notice of EGM.

11 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held on Saturday, 16 November 2019 at 10a.m. at 51 Merchant Road, Singapore 058283, Raffles Education Square (at the foyer of the main building on the ground level) for the purpose of considering and, if thought fit, passing, with or without modifications, the Proposed Resolution as set out in the Notice of EGM.

12 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.

13 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 Disposal, 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.

14 DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 51 Merchant Road, Raffles Education Square, Singapore 058283 for a period of three (3) months from the date of this Circular.

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

Chew Hua Seng
Chairman and CEO

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 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 Saturday, 16 November 2019 at 10 a.m. in 51 Merchant Road, Singapore 058283, Raffles Education Square (at the foyer of the main building on the ground level) for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution:

*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 1 November 2019 (the "**Circular**").*

AS ORDINARY RESOLUTION: THE PROPOSED DISPOSAL OF THE PLOT OF LAND KNOWN AS 1-3 FITZWILLIAM STREET, INCLUDING THE COMMERCIAL BUILDING SITUATED THEREON, LOCATED IN PARRAMATTA, NEW SOUTH WALES, AUSTRALIA, AS A MAJOR TRANSACTION

That:

(a) for the purposes of Chapter 10 of the Listing Manual, approval be and is hereby given to the Company to effect and complete the Proposed Disposal and all transactions in relation thereto, on the terms and subject to the conditions set out in the SPA; and

(b) 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 Disposal and this resolution, and the transactions contemplated by the Proposed Disposal and/or authorised by this resolution, or for all the foregoing purposes.

BY ORDER OF THE BOARD

Mr. Keloth Raj Kumar
Company Secretary
1 November 2019

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.

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 1 November 2019.

I/We _____ (name) _____ (NRIC/ Passport/ Company Registration No.)

of _____ (address)

being a member/members* of **RAFFLES EDUCATION CORPORATION LIMITED** (the "**Company**", together with its subsidiaries, the "Group"), 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 51 Merchant Road, Singapore 058283, Raffles Education Square (at the foyer of the main building on the ground level) on Saturday, 16 November 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 disposal of the plot of land known as 1-3 Fitzwilliam Street, including the commercial building situated thereon, located in Parramatta, New South Wales, Australia, as a Major Transaction		

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 1 November 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.

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