

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199400712N)

REQUISITION OF EXTRAORDINARY GENERAL MEETING

Raffles Education Corporation Limited ("Company") wishes to announce that the Company has on 17 August 2020 received a notice of requisition (the "**Notice of Requisition**") from Mr. Oei Hong Leong and Oei Hong Leong Art Museum Limited (collectively, the "**Requisitionists**") stating that they hold in excess of 10 per cent of the issued shares of the Company and that they require the Company to convene an extraordinary general meeting pursuant to Section 176 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").

The Notice of Requisition requests the Company to table six resolutions for the approval of shareholders. These resolutions are:

Resolution 1: To the extent permitted by all applicable laws, rules and regulations, disclose the identities of the placees and the number of shares placed to each of them in connection with the placement of 95 million new shares in the Company (the "Placement Shares") that were issued and allotted on 10 October 2017 at an issue price of S\$0.30 for each Placement Share (the "Placement").

Resolution 2: Removal of Mr. Chew Hua Seng as Chairman and Chief Executive Officer ("CEO") of the Company (including terminating his employment with the Company) with effect from the date of the EGM and to take all steps necessary to remove him from any and all his other appointments (whether as director, corporate representative or otherwise) with the Company, its related and/or associated companies including all of its subsidiaries.

Resolution 3: Appoint one of the independent directors of the Company as a Non-Executive Chairman or if none of the present independent directors are willing or able to accept the appointment, to direct that the Board of Directors of the Company search for and recommend a suitable candidate to assume the role of Non-Executive Chairman.

Resolution 4: To appoint an independent special auditor to conduct a special audit on the circumstances surrounding the Placement and the rights issue pursuant to which 318,151,539 rights shares ("Rights Shares") were issued and allotted on 25 April 2018 at an issue price of S\$0.140 for each Rights Share (the "Rights Issue") and to carry out the following as part of the special audit:

- (a) analyse and review all relevant documentation and conduct interviews with all relevant persons to understand the facts and circumstances surrounding the Placement and the Rights Issue;
- (b) review the facts and circumstances, including the roles of all relevant parties involved, in the Placement and the Rights Issue, and investigate whether there are any

regulatory compliance, corporate governance and disclosure issues arising from the Placement and the Rights Issue;

- (c) understand and review the decision-making process of the directors and executive officers at the relevant time and the business rationale in respect of the Placement and the Rights Issue; and
- (d) review the source of funds utilized by Mr Chew Hua Seng to subscribe for his entitlement of Rights Shares under the Rights Issue.

Resolution 5: To appoint an independent special auditor to review the circumstances surrounding all loans, including any renminbi loans, extended by Mr Chew Hua Seng to the Company or its subsidiaries and the repayment thereof and to investigate whether there are any regulatory compliance, corporate governance and disclosure issues arising therefrom.

Resolution 6: To appoint an independent special auditor to review the circumstances surrounding the handwritten "confidential agreement" dated 16 October 2017 (the "Agreement") which was signed by Mr Oei Hong Leong and Mr Chew Hua Seng, a copy of which is attached at Appendix 1, pursuant to which Mr Chew Hua Seng agreed to procure a buyer for the shares in the Company held by Mr Oei Hong Leong at a price of S\$0.44 cents per share (which represented approximately 45% premium over the then trading price of the Company's shares), and to investigate whether there are any regulatory compliance, corporate governance and disclosure issues arising from the Agreement, including but not limited to whether the Company had failed to announce materially price-sensitive information known to it and concerning the Company at the material time.

The Company notes that the first three resolutions in the Notice of Requisition are substantially similar to the three resolutions in a previous notice of requisition to convene an extraordinary meeting under section 176 of the Companies Act issued by the Requisitionists on 12 October 2017 (as announced by the Company on 12 October 2017) and which requisition notice was withdrawn by the Requisitionists on 15 November 2017 (as announced by the Company on 16 November 2017).

The Company is taking legal advice on the contents of the Notice of Requisition and will make further announcement as and when necessary.

Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their investments which may be prejudicial to their interests. In the event that shareholders wish to deal in the shares of the Company, they should seek their own professional advice and consult with their own stockbrokers.

BY ORDER OF THE BOARD
Raffles Education Corporation Limited
17 August 2020

