

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

REQUISITION OF EXTRAORDINARY GENERAL MEETING

Raffles Education Corporation Limited ("**Company**") refers to the Company's announcement dated 17 August 2020 in relation to the notice of requisition dated 17 August 2020 ("**Notice**") from Mr Oei Hong Leong and Oei Hong Leong Art Museum (collectively, "**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 ("**Act**") to table the following resolutions for approval of the shareholders ("**Proposed Resolutions**"):

***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 has obtained legal advice on the contents of the Notice, and is advised that the Requisitionists' request is without merit. In particular:

- a. The Board is advised that, based on the provisions of the Act and the Company's Memorandum and Articles of Association, each of the Proposed Resolutions as currently framed concerns subject-matters (being issues of management for the Board) falling outside the province of the shareholders at the general meeting.
- b. The Board notes that the Notice was issued by the Requisitionists following the decisions of the Court of Appeal and High Court of Singapore to dismiss the lawsuit by the Requisitionists against Mr Chew Hua Seng on the alleged agreement referred to in the Notice for Proposed Resolution 6.

In the circumstances, the Board is not required to, and will not be convening an extraordinary general meeting for purposes of voting on the Proposed Resolutions.

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
26 August 2020