

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 31 August 2020 in relation to the notice of requisition dated 31 August 2020 ("**Notice**") from Mr. Oei Hong Leong, Oei Hong Leong Art Museum Limited and Mr. Shantanu Prakash (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 ("**Act**") to table the following resolutions for approval of the shareholders ("**Proposed Resolutions**"):

Resolution 1: To appoint an independent special auditor to review the circumstances surrounding the joint-venture of the Company with Educomp Solutions Limited and whether there have been any irregularities committed by the Directors giving rise to a complaint with the Singapore Commercial Affairs Department ("CAD") relating to whether Mr. Chew Hua Seng, his spouse, Mrs. Doris Chew, his son, Mr. Chew Han Wei as well as other directors have colluded and conspired to fraudulently fabricate and forge documents towards extortion of Mr. Shantanu Prakash for land grabbing in India. The special auditor to review any compliance failure by the Board regarding disclosure requirements whether the Board is aware of any criminal investigations by CAD or any authorities, whether in Singapore, India or elsewhere in relation to these dealings and whether it has received any notices or queries from CAD or others investigation agencies to assist with their investigations. The special auditor to also review corporate governance failures including allegations of corruption, including the circumstances leading to the appointment of Mr. Chew Hua Seng and his family members to secure membership rights of Jai Radha Raman Education Society, a not-for-profit organization in India for their personal benefit.

Resolution 2: 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 3: 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 4: 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 5: 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 6: 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 7: 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) to be completed by 15 November 2017, 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, the Proposed Resolutions, as currently framed, predominantly concern subject-matters (being issues of management for the Board) falling outside the province of the shareholders at the general meeting;
- b. The Board further notes that:
 - i. The Notice was issued following:
 - A. The decisions of the Court of Appeal and High Court of Singapore to dismiss the lawsuit by two of the Requisitionists (Mr. Oei Hong Leong and Oei Hong Leong Art Museum Limited) against Mr. Chew Hua Seng on the alleged agreement referred to in the Notice for Proposed Resolution 7. The Court of Appeal of Singapore has held that the alleged agreement is not a legally binding contract; and
 - B. The decision of the Company in its announcement dated 26 August 2020 not to convene an extraordinary general meeting in response to the notice of requisition issued by Mr. Oei Hong Leong and Oei Hong Leong Art Museum Limited on 17 August 2020 pursuant to section 176 of the Act, which resolutions are repeated *vide* Proposed Resolutions 2 to 7 of the Notice.

ii. In relation to Proposed Resolution 1 of the Notice:

- A. Mr. Shantanu Prakash is the Chairman and CEO of Educomp Solutions Ltd of India (“**Educomp**”). As mentioned in the Company’s announcement dated 31 August 2020, the Company (through its subsidiaries) commenced arbitration proceedings against Educomp in the Singapore International Arbitration Centre on 15 September 2015. On 17 April 2017, the Arbitration Tribunal passed a comprehensive arbitration award against Educomp, awarding the Company, in addition to costs and other amounts, damages of 16.32 crores (about SGD 3.05 million) plus interest thereon at 5.33% from 19 August 2015 until payment. Educomp has to-date failed to comply with the Arbitral Tribunal’s award and the Company is pursuing enforcement proceedings against it in India;
- B. The Company also commenced a related lawsuit in Singapore against Mr. Shantanu Prakash and another individual in 2019. Mr Shantanu Prakash and the other individual sought to obtain an order staying the lawsuit. The stay applications by Mr. Shantanu Prakash and the other individual were dismissed by the Singapore High Court in April 2020; and
- C. For the avoidance of doubt, the Board is not aware of any alleged investigation commenced by the Singapore Police Force Commercial Affairs Department (“**CAD**”) against any of the Company’s directors as at the date of this Announcement. Particularly, the Board notes that the Mr. Chew Hua Seng has issued a press statement on 2 September 2020 confirming that he is not the subject-matter of any investigations by the CAD.

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
19 September 2020