

## SUMMARY OF PROPOSED INVESTMENT (SPI)

### Disclaimer

This Summary of Proposed Investment is prepared and distributed to the public in advance of the IFC Board of Directors' consideration of the proposed transaction. Its purpose is to enhance the transparency of IFC's activities, and this document should not be construed as presuming the outcome of the Board decision. Board dates are estimates only.

### Project Identification:

<i>Country:</i> East Asia and Pacific Region	<i>Project Name:</i> RafflesEducation	<i>Project No.:</i> 30070
<i>Region:</i> ASIA		<i>Environment Category:</i> B - Limited
<i>Dept./Div.:</i> CM1C1 - Reg Manufact, Agri & Services, Asia/Cons & Social Svcs-ASIA		<i>Company Name:</i> Raffles Education Corporation
<i>Project Business Sector:</i> T-AB - Colleges, Universities, and Professional Schools		<i>Project Status:</i> Active

### Parent Project Identification:

Parent ID:	
Parent Short Name:	
Parent Relationship:	No Relationship

### Document Status:

Date Disclosed	
Date Revised SPI Disclosed (if appropriate)	
Enter Projected Board Date [or internal management date]	
Date of Clearance by client for factual accuracy	

### Description of the Project:

Raffles Education Corporation Limited ("REC", "Raffles" or the "Company"), headquartered in Singapore, is the largest private education group in Asia-Pacific. Since establishing its first college in Singapore in 1990, the group has grown to operate 37 colleges in 34 cities across 14 countries in the Asia-Pacific region: Australia, Bangladesh, Cambodia, China, India, Indonesia, Malaysia, Mongolia, New Zealand, Philippines, Singapore, Sri Lanka, Thailand and Vietnam. There are more than 28,700 students enrolled in Raffles' tertiary programs and the Company employs over 3,000 academic and administrative staff. Raffles also owns the Oriental University City ("OUC"), a self-contained campus in Langfang, China. Within this campus, OUC

	Project ID 30070	
	Summary of Proposed Investment	
	4/14/2011	
	Version 0.8	Confidential

provides education services to 9 colleges with a total student population of over 27,000.

The proposed IFC financing is a corporate finance facility to REC to support its continued expansion over the next four years. The expansion includes entry into new markets, scaling up Raffles’ operations in select existing markets and on-going maintenance capex. The IFC financing is expected to be used to fund (i) the construction of a greenfield university in Greater Noida, India; (ii) the construction of a greenfield university in Iskandar, Malaysia; (iii) the establishment of vocational training schools in Bangladesh, Sri Lanka, the Philippines, India, Indonesia, Vietnam and Thailand; and (iv) the repayment of short-term debt.

**Project Sponsor and Major Shareholders of Project Company:**

REC is listed on the Main Board of the Singapore Stock Exchange (“SGX”) with a current market capitalization of over S\$660 million (US\$525 million) as of April 7, 2011. The main shareholders of Raffles are Mr. Chew Hua Seng, the Company’s founder, Chairman and CEO, and his wife, Ms. Doris Chung Gim Lian, who combined own approximately 35% of the Company.

**Total Project Cost and Amount and Nature of IFC’s Investment:**

IFC has been requested to provide a financing of up to \$75 million to help finance part of Raffles’ expansion.

**Location of Project and Description of Site:**

The project locations for campus construction include Greater Noida, Uttar Pradesh, India and Iskandar, Malaysia. The Project also includes the establishment of schools in Bangladesh, Sri Lanka, the Philippines, India, Indonesia, Vietnam and Thailand. The schools are in predominantly urban locations.

**Expected Development Impact of the Project:**

The proposed investment is expected to increase the provision and access to quality education services. The Company's expansion into new markets is not only expected to increase the supply of highly in-demand education services, but also improve the quality of service in those market given the strength of Raffles' core programs. The establishment of Raffles' schools in markets like India and Bangladesh for example will also offer another option for students seeking international curriculum, but who do not wish to leave their home country. In addition, the project will support the development of private education services in India through partnership with an established market leader.

**IFC’s Expected Additionality:**

	Project ID 30070	
	Summary of Proposed Investment	
	4/14/2011	
	Version 0.8	Confidential

- E&S improvement: IFC will play an important role in helping Raffles formulate a E&S policy for the whole group and improve the E&S standards at its locations across Asia
- Knowledge and network sharing: Raffles will expand into new IDA countries and may encounter uncertainties and challenges. IFC can share knowledge and experience in those countries and help the Company mitigate the regulatory and operational risks
- Long term capital provider: IFC will provide long term financing, which will help to match the stages of the Company's expansion

**Environmental and Social Issues B - Limited :**

The project has been categorized as Category B according to IFC’s Environmental and Social Review Procedure. The nature of REC’s operations, which involve the provision of educational services, is such that adverse environment and social (E&S) impacts are minimal. Key environmental, social, health and safety impacts associated with the Project during construction and operation include: the sponsor’s system to manage E&S issues during construction and operation of schools; land acquisition issues at campus sites; labor and working conditions; community and staff occupational health and safety issues; life and fire safety design and provisions; management and minimization of air, water and solid pollutants during construction and operation; energy and water usage efficiency; and community engagement.

The project may result in a limited number of specific adverse environmental and social impacts that can be avoided or mitigated by adhering to generally recognized performance standards, guidelines or design criteria. REC will manage its environmental and social performance in accordance with applicable local laws and regulations and international standards, including IFC’s Performance Standards on Social and Environmental Sustainability and IFC’s Environmental, Health and Safety General Guidelines.

**For inquiries and comments about the project contact:**

Yap Kim Wah  
 Raffles Education Corp  
 99 Beach Road, Singapore 189701  
 Tel: +65 6338 5288  
 Fax: +65 6337 0094  
<http://www.raffles-education-corporation.com/>

**Local access of project documentation:**

Company will disclose this ESRS and the ESAP at its website: [www.raffles-education-corporation.com](http://www.raffles-education-corporation.com), as well as locally at the following addresses:

**Raffles Education Corporation Ltd, Singapore**  
 99 Beach Road  
 Singapore 189701

**Greater Noida, India**  
 Raffles Millennium University

	Project ID 30070	
	Summary of Proposed Investment	
	4/14/2011	
	Version 0.8	Confidential

Plot 5,6,7,8, Knowledge Park IV,  
Greater Noida  
India

**Kuala Lumpur, Malaysia**

Raffles International College  
62 Jalan Damai, off Jalan Ampang,  
55000 Kuala Lumpur,  
Malaysia

**Dhaka, Bangladesh**

Raffles Design Institute, Dhaka  
Saimon Center, House 4A  
Road 22, Gulshan Commercial Area  
Dhaka 1212,  
Bangladesh

**Colombo, Sri Lanka**

Raffles Design Institute  
481 Galle Road  
Colombo 3  
Sri Lanka

**Manila, Philippines**

Raffles Design Institute  
Units 18-01/19-00 Accralaw Tower 2nd Avenue and 30th Street Crescent Park West Bonifacio Global City, Taguig  
City  
1634 Metro Manila,  
Philippines

**Jakarta, Indonesia**

Raffles Design Institute  
Citywalk Sudirman 6th floor,  
Jl. K.H Mas Mansyur No. 121  
Jakarta 10220  
Indonesia

**Ho Chi Minh City, Vietnam**

Raffles International College  
117 Nguyen Van Troi, Ward 12,Phu Nhuan Dist.,  
Ho Chi Minh City  
Vietnam

**Hanoi, Vietnam**

Raffles International College  
106 Ton Duc Thankg Street Dong Da District  
Hanoi,  
Vietnam

**Bangkok, Thailand**

Raffles Design Institute

	Project ID 30070	
	Summary of Proposed Investment	
	4/14/2011	
	Version 0.8	Confidential

2 Silom Road, 5th Floor Silom Center Suriyawong, Bangrak,  
Bangkok 10500.  
Thailand

**For inquiries and comments about IFC:**

General IFC Inquiries  
IFC Corporate Relations  
2121 Pennsylvania Avenue, NW  
Washington DC 20433  
Telephone: 202-473-3800  
Fax: 202-974-4384

**Comment:**

**Approval Status:**

	Project ID 30070	
	Summary of Proposed Investment	
	4/14/2011	
	Version 0.8	Confidential