

NEWS RELEASE

RAFFLESEEDUCATIONCORP EXPANDS INTO HOSPITALITY MANAGEMENT EDUCATION IN SWITZERLAND

- ***Maiden entry into Europe***
- ***Acquires a hotel and facilities, seven commercial units and a plot of land with teaching building and dormitories for CHF 29.12 million (approximately S\$39.8 million¹)***



² The Hotel Nendaz 4 Vallees and Spa sit on a total land area of 5,910 sq m, have a built-up area of 9,895 sq m as well as a modern well-equipped spa of 2,200 sq m. The seven commercial units are located on the ground floor of the hotel complex, occupying 911 sq m.

¹ Based on an exchange rate of CHF 1.00 = S\$1.3681

² Please see Appendix for other photos

Singapore, September 18, 2014 – Raffles Education Corporation Limited (“RafflesEducationCorp” or “the Group”), the largest private education provider in the Asia Pacific region, today announced a CHF 29.12 million (approximately S\$39.8 million¹) acquisition of a hotel and facilities, seven commercial units and a plot of land with teaching building and dormitories, in Nendaz, Switzerland to establish a hospitality management school, a design school and a Swiss International Baccalaureate school, marking its maiden entry into Europe.

The acquisitions, made through the Group’s subsidiary, 4 Vallee Pte. Ltd., are value-accretive and will have a positive impact on RafflesEducationCorp’s current financial year.

This expansion into Europe is in line with RafflesEducationCorp’s progressive morphing into a Group with three related businesses that will drive its future growth, viz a premier private education provider, management of education assets and facilities and education-related real estate investment and development.

Mr Chew Hua Seng, Chairman and CEO of RafflesEducationCorp, said, “This latest move is very much in line with our growth strategy. Over the years, the Group has built on its primary core business as a premier education provider to grow another two related core businesses – management of education assets and facilities and education-linked real estate investment and development. Today, we are backed by three growth engines, grounded on RafflesEducationCorp’s strong reputation and track record as a premier education provider.”

¹ Based on an exchange rate of CHF 1.00 = S\$1.3681

“We believe that with our three growth engines operating in tandem, we are better positioned to harness value-accretive three-pronged opportunities around the world,” added Mr Chew.

Hospitality Management Education In Nendaz, Switzerland

In line with the Group’s plan to expand its footprint for its hospitality management education, RafflesEducationCorp has agreed to acquire in Nendaz, Switzerland, a 12,000 sq m land with two buildings (“the Colonie”), a brand new four-star-plus hotel, the Hotel Nendaz 4 Vallees and Spa (“the Hotel”) and seven commercial units for a total consideration of CHF 29.12 million (approximately S\$39.8 million¹).

The Colonie comprises two existing buildings with teaching rooms, dormitory facilities and a canteen as well as a basketball court and lawns.

The Hotel and the seven commercial units sit on a total land area of 5,910 sq m with a built-up area of 9,895 sq m. Currently leased to a hotel operator, the hotel houses 62 rooms with a well-equipped 2,200 sq m spa. The hotel operator has an existing option to purchase the Hotel for CHF 27 million (approximately S\$36.9 million¹) before December 31, 2016.

The commercial units are located on the ground floor of the hotel complex, occupying 911 sq m. Currently, four of the units are rented out with the remaining intended for the Group’s use.

¹ Based on an exchange rate of CHF 1.00 = S\$1.3681

The consideration for these acquisitions was arrived at on a “willing-buyer willing-seller basis”. RafflesEducationCorp will fund the purchases through a combination of bank borrowings and internal resources.

The Group plans to establish a hospitality management school using the facilities at the Colonie. RafflesEducationCorp’s college students around the world can intern at the Hotel, providing them with invaluable experience of a hospitality internship. The effect of this pool of newly trained talent will cascade down to meet the human capital needs of the hospitality industry and set in motion the cycle of enhancing student intakes across the Group’s colleges.

The purchase of the commercial units allows for the control of tenant mix to complement the Hotel’s operations, thereby enhancing the value of the overall assets. In addition, these commercial units provide the Group the alternative of using them as college classrooms should the demand for hospitality management education far outstrip supply.

Mr Chew commented, “This is also a significant milestone as it is our maiden entry into Europe. These facilities in Nendaz, Switzerland provide us with opportunities to implement other exciting initiatives such as the establishment of a design school as well as a Swiss International Baccalaureate School.”

“Our strategy is to have students across RafflesEducationCorp’s colleges come for short stays to undertake cultural and language immersion courses complemented by courses such as skiing, tracking and deportment before we implement full hospitality management programmes. In addition, the ownership of these properties generates a stream of stable and recurring rental income for the Group.”

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About Raffles Education Corporation Limited

Raffles Education Corporation Limited (“RafflesEducationCorp”) is a premier private education provider, owner and manager of education assets and facilities, and education-related real estate investor and developer.

Since establishing its first college in Singapore in 1990, the Group, as a Premier Education Provider, has grown to provide a full spectrum of education services provided through a vast network of 30 colleges and universities in 29 cities across 12 countries globally: Australia, Cambodia, China, India, Indonesia, Malaysia, Mongolia, Philippines, Saudi Arabia, Singapore, Sri Lanka and Thailand. More than 20,000 students enrolled in RafflesEducationCorp’s tertiary programmes benefit from a quality education that provides graduates with a well-rounded hands-on experience relevant to the industry.

The Group is also involved in the Management of Education Assets and Facilities. It provides a resilient source of recurring rental and management income.

The Education-Linked Real Estate Investment and Development business equips RafflesEducationCorp with an asset-backed pillar against adverse economic conditions and broadens revenue and income streams with opportunistic property investment and development.

Headquartered in Singapore, RafflesEducationCorp employs more than 2,000 academic and administrative staff, and is listed on the Mainboard of the Singapore Exchange. For more information on the Group, please visit the RafflesEducationCorp's website at www.raffles-education-corporation.com.

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APPENDIX



The acquisitions provide RafflesEducationCorp's college students around the world with the opportunity to intern at the Hotel, providing them with invaluable experience of hospitality internships.



The brand new four-star-plus hotel houses 62 rooms and is currently leased to a hotel operator.