

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199400712N)

**PROPOSED ACQUISITION OF THE REMAINING SHARES NOT CURRENTLY OWNED IN
EDUCOMP-RAFFLES HIGHER EDUCATION LIMITED BY RAFFLESEEDUCATIONCORP
THROUGH ITS SUBSIDIARIES**

The Board of Directors (the "Board") of RafflesEducationCorp (the "Company") refers to the Company's announcement dated 12 March 2015 in respect of its proposed acquisition of 41.82 per cent equity in Educomp-Raffles Higher Education Limited (the "Proposed Acquisition"). The Proposed Acquisition was scheduled for completion on 31 July 2015 and was subsequently extended, by mutual agreement of the parties, to 19 August 2015.

The Board wishes to update shareholders that as on 16 September 2015 the Proposed Acquisition has not been completed despite numerous written reminders and the service of a Notice to Complete dated 2 September 2015 on the vendors, Educomp Asia Pacific Pte Ltd and Educomp Professional Education Limited (collectively the "Vendors") to complete the Proposed Acquisition forthwith.

The Company has commenced arbitration proceedings against the Vendors to complete the Proposed Acquisition forthwith. Allen & Gledhill LLP have been appointed by the Company in the arbitration proceedings.

The Board will make further announcements as and when there are any material developments in the matter.

By Order of the Board

RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng
Chairman

16 September 2015