

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199400712N)

UPDATE ON THE PROPOSED SALE OF A PROPERTY IN AUSTRALIA

The Board of Directors of Raffles Education Corporation Limited ("**REC**") refers to its announcement dated 16 April 2018 on the entry by Raffles Assets Australia Pty Ltd ("**RAAPL**"), a wholly-owned subsidiary of REC, into a non-binding heads of agreement (the "**Heads of Agreement**") with Propertylink (Holdings) Limited ("**PHL**") in relation to the proposed sale (the "**Proposed Sale**") of RAAPL's entire freehold interest in the property at 1-3 Fitzwilliam Street, Parramatta, New South Wales 2150, Australia.

Following negotiations with PHL, parties were unable to reach agreement on the terms of the Proposed Sale. Accordingly, parties have mutually decided not to proceed with the Proposed Sale.

By Order of the Board

RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng
Chairman

6 June 2018