

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 199400712N)

USE OF PROCEEDS FROM RIGHTS ISSUE

The board of directors (the “**Board**” or the “**Directors**”) of Raffles Education Corporation Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 18 December 2017 (the “**Previous Announcement**”), as well as the offer information statement dated 3 April 2018 in relation to the Rights Issue (the “**Offer Information Statement**”).

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings and construction as ascribed to them in the Offer Information Statement.

Further to the Company’s announcement dated 3 May 2018, the Board wishes to announce that of the balance S\$5.53 million of the Net Proceeds, the Company has utilised S\$2.85 million as follows:

Use of proceeds	Amount utilised (S\$ million)	Percentage of Net Proceeds
<i>For partial repayment of certain indebtedness of the Group including the notes due May 2018 as follows:</i>		
Repayment of loans	1.87	4.3%
<i>For general corporate and working capital purposes as follows:</i>		
Interest expenses on borrowings	0.40	0.9%
Operating expenses in Asia Pacific	0.57	1.3%
Operating expenses in Europe	0.01	0.0%
Total	2.85	6.5%

The above utilisation of the Net Proceeds is in accordance with the intended use of the Net Proceeds as stated in the Previous Announcement and Offer Information Statement.

Taking into account the above utilisation of the Net Proceeds, the total amounts utilised to date for repayment of certain indebtedness including the notes due May 2018 and general corporate and working capital purposes are S\$39.94 million and S\$1.76 million respectively, representing approximately 90.00% and 3.97% of the Net Proceeds respectively.

The Company will continue to make periodic announcements on the utilisation of the remaining S\$2.68 million of the Net Proceeds as and when such proceeds are materially disbursed and will provide a status report on the use of the Net Proceeds in the Company’s annual report.

By Order of the Board

RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng

Chairman & Chief Executive Officer

18 May 2018