

## Issuer & Securities

### Issuer/ Manager

RAFFLES EDUCATION CORPORATION LIMITED

### Security

RAFFLES EDUCATION CORP LTD - SG2C97968151 - NR7

## Announcement Details

### Announcement Title

Extraordinary/ Special General Meeting

### Date & Time of Broadcast

07-Sep-2020 18:57:25

### Status

New

### Announcement Reference

SG200907XMETS5ZJ

### Submitted By (Co./ Ind. Name)

Chew Hua Seng

### Designation

Chairman & CEO

### Financial Year End

30/06/2021

## Event Narrative

### EXTRAORDINARY/ SPECIAL GENERAL MEETING::VOLUNTARY

Type	Narrative Text
Additional Text	Please see attached Notice of Extraordinary General Meeting, Circular to Shareholders and Proxy Form.

## Event Dates

### Meeting Date and Time

30/09/2020 10:00:00

### Response Deadline Date

28/09/2020 10:00:00

## Event Venue(s)

### Place

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Venue(s)	Venue details
Meeting Venue	The Extraordinary General Meeting will be held by electronic means.

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### Attachments

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[REC Notice of EGM.pdf](#)

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[REC - Circular to Shareholders - 8 September 2020.pdf](#)

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[REC - EGM - Proxy Form.pdf](#)

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Total size =6465K MB

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# RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199400712N)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the "EGM") of Raffles Education Corporation Limited (the "Company") will be held by electronic means on Wednesday, 30 September 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution:

*All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular issued by the Company to the Shareholders dated 8 September 2020 (the "Circular").*

**AS ORDINARY RESOLUTION: THE PROPOSED ACQUISITION OF 35.9% SHAREHOLDING INTERESTS IN LANGFANG HEZHONG REAL ESTATE DEVELOPMENT CO., LTD., AS A MAJOR TRANSACTION**

That:

- for the purposes of Chapter 10 of the Listing Manual, approval be and is hereby given to the Company to effect and complete the Proposed Acquisition and all transactions in relation thereto, on the terms and subject to the conditions set out in the SPA; and
- the Directors and any one of them be and is/are hereby authorised and empowered to approve, complete and do all such acts and things (including without limitation, to approve, modify, ratify, sign, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to the Proposed Acquisition and this resolution, and the transactions contemplated by the Proposed Acquisition and/or authorised by this resolution, or for all the foregoing purposes.

### BY ORDER OF THE BOARD

**Mr. Keloth Raj Kumar**  
Company Secretary  
8 September 2020

### Notes:

- On 3 April 2020, the Singapore Government announced the implementation of "circuit breaker" measures (enhanced safe distancing measures and closure of non-essential work place premises) to curb the further spread of COVID-19. The COVID-19 (Temporary Measures) Act 2020 was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order") was issued by the Minister for Law on 13 April 2020 which provide, among others, legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company's constitution). A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020 and 22 June 2020, by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the period when elevated safe distancing measures are in place. This EGM is being convened pursuant to the Order.
- Printed copies of this notice, the accompanying Circular and the Proxy Form will **NOT** be sent to members. Instead, these documents will be sent to members solely by electronic means on the SGXNET and will also be made available on the Company's website at the URL <https://raffles.education/>.
- In light of the above developments, members will not be able to attend the EGM in person. Instead, alternative arrangements relating to members' participation at the EGM are:
  - observing and/or listening to the EGM proceedings contemporaneously via a "live" audio-visual webcast and a "live" audio-only feed of the EGM proceedings (the "Live EGM Webcast" and "Live EGM Audio Feed", respectively);
  - submitting questions in advance in relation to the resolutions set out in the Notice of EGM; and
  - appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.Please refer to the notes below for further detail on the alternative arrangements.

### Live EGM Webcast and Live EGM Audio Feed:

- Members will not be able to attend the EGM in person. Members will be able to watch and listen to the Live EGM proceedings through the Live EGM Webcast via mobile phone, tablet, computer or any such electronic device or listen to the Live EGM Audio Feed via telephone. In order to do so, members must pre-register online at the URL <http://globalmeeting.bigbangdesign.co/raffles-edu/> by 10.00 a.m. on Monday, 28 September 2020 (the "Registration Deadline") to enable the Company to verify their members' status.
- Following the verification of their status as members and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live EGM Webcast and the Live EGM Audio Feed of the EGM proceedings by 10.00 a.m. on Tuesday, 29 September 2020. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the EGM. Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 10.00 a.m. on Tuesday, 29 September 2020 may contact the Company's Share Registrar by email at [main@zicoholdings.com](mailto:main@zicoholdings.com) for assistance.
- Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who have used their CPF monies and/or the Supplementary Retirement Scheme monies to buy shares ("CPF Investors" and "SRS Investors" respectively), and who wish to participate in the EGM should, in addition to pre-registering online, contact their respective intermediaries (which would include, in the case of CPF Investors and SRS Investors, CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

### Submission of Questions in Advance:

- Members will not be able to raise questions at the EGM during the Live EGM Webcast or the Live EGM Audio Feed. Members who pre-register to watch the Live EGM Webcast or Live EGM Audio Feed may submit questions relating to the Proposed Resolution to be tabled for approval at the EGM in advance of the EGM. To do so, all questions must be submitted by Sunday, 27 September 2020 at 10.00 a.m.:
  - via the pre-registration website at the URL <http://globalmeeting.bigbangdesign.co/raffles-edu/>; or
  - by post to the registered office of the Company at 51 Merchant Road, Raffles Education Square, Singapore 058283.A member who wishes to submit his/her/its questions by post or by email is required to indicate the following details when submitting his/her/its questions to the address or email address stated above, in order to enable the Company to verify his/her/its shareholder status:
  - the member's full name (for individuals)/ company name (for corporations) as it appears on his/her/its CDP/CPF/SRS share records;
  - the member's NRIC/passport number/company registration number;
  - the member's contact number and email address;
  - the manner in which the member holds his/her/its share in the Company (e.g. via CDP, CPF or SRS) and the number of shares held.The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.
- Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF Investors and SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.
- The Company will endeavour to address the substantial and relevant questions relating to the agenda of the EGM before or during the EGM. The responses to questions from members will be posted on the SGXNET and the Company's website before the EGM, or if answered during the EGM, be included in the minutes of the EGM which will be published on the SGXNET and the Company's website within one month after the EGM.

### Submission of Proxy Form to Vote:

- Members will not be able to vote online or through the Live EGM Webcast or the Live EGM Audio Feed on the Proposed Resolution to be tabled for approval at the EGM. Members (whether individual or corporate) who wish to exercise their votes at the EGM must submit a Proxy Form to appoint the Chairman of the EGM to attend the EGM and cast votes on their behalf. Members appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
- The Chairman of the EGM, as proxy, need not be a member of the Company.
- The instrument appointing the Chairman of the EGM as proxy must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
- Where an instrument appointing the Chairman of the EGM as proxy is signed on behalf of the appointor or by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
- The duly executed Proxy Form (together with the power of attorney or other authority, if any, under which the instrument) must be signed or a duly certified copy of that (together with the power of attorney or other authority, failing previous registration with the Company), must be submitted:
  - by post to the office of the Share Registrar of the Company (B.A.C.S. Private Limited) at 8 Robinson Road, #03-00, ASO Building Singapore 048544; or
  - via email to [main@zicoholdings.com](mailto:main@zicoholdings.com).

in each case, not less than 48 hours before the time appointed for holding the EGM, i.e. by 10.00 a.m. on Monday, 28 September 2020, and in default of which the Proxy Form shall not be treated as valid.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting the hardcopy by post to the address provided above, or before scanning and sending it by email to the email address provided above.

- In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.**
- Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF Investors and SRS Investors, who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (which would include, in the case of CPF Investors and SRS Investors, CPF Agent Banks and SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven working days before the EGM (i.e. by 10.00 a.m. on Monday, 21 September 2020).
- The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

**IMPORTANT NOTICE:** Due to the evolving COVID-19 situation in Singapore, the Company may be required to change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the EGM.

The Company would like to thank all Shareholders for their patience and co-operation in enabling the Company to hold its EGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

### Personal data privacy:

By submitting and appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/ or any adjournment thereof, a member of the Company, or (b) submitting details for the registration to observe the proceedings of the EGM via the Live EGM Webcast or the Live EGM Audio Feed, or (c) submitting any question prior to the EGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the EGM and providing them with any technical assistance where necessary;
- addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions; and
- enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

The member's personal data may be disclosed or transferred by the Company to its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

**CIRCULAR DATED 8 SEPTEMBER 2020**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Raffles Education Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

**If you are in any doubt in relation to this Circular or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all of your ordinary shares in the capital of the Company held through the Central Depository (Pte) Limited, you need not forward this Circular to the purchaser or transferee as arrangements will be made by the Central Depository (Pte) Limited for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of EGM and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy or correctness of any of the statements made, opinions expressed or reports contained in this Circular.

**RafflesEducation**  
**RAFFLES EDUCATION CORPORATION LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199400712N)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED ACQUISITION OF 35.9% SHAREHOLDING INTERESTS IN LANGFANG HEZHONG REAL ESTATE DEVELOPMENT CO., LTD., AS A MAJOR TRANSACTION**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	: Monday, 28 September 2020 at 10.00 a.m.
Date and time of Extraordinary General Meeting	: Wednesday, 30 September 2020 at 10.00 a.m.
Place of Extraordinary General Meeting	: The Extraordinary General Meeting will be held by electronic means

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## DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

- “Associate”** : (a) In relation to any Director, the CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:—
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”** : The board of Directors of the Company for the time being
- “Buildings”** : Building structures situated on the Land
- “Business Day”** : Any day (other than a Saturday, Sunday or a public holiday) on which commercial banks in the PRC are open for the transaction of normal business
- “CDP”** : The Central Depository (Pte) Limited
- “CEO”** : The Chief Executive Officer of the Company for the time being
- “Circular”** : This circular to Shareholders dated 8 September 2020
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time
- “Company”** : Raffles Education Corporation Limited
- “Completion”** : The completion of the Proposed Acquisition pursuant to the SPA

<b>“Completion Date”</b>	:	The date on which Completion of the Proposed Acquisition shall take place
<b>“Conditions Precedent”</b>	:	The conditions precedent to Completion, details of which are set out in Section 3.3 of this Circular
<b>“Consideration”</b>	:	The aggregate consideration for the Proposed Acquisition payable by the Purchaser, being the sum of RMB 254,000,000 (equivalent to approximately S\$49,987,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020), details of which are set out in Section 3.1 of this Circular
<b>“Controlling Shareholder”</b>	:	A person who:—  (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over the Company
<b>“Deposit”</b>	:	The cash deposit payable by the Purchaser in relation to the Proposed Acquisition of RMB 25,400,000 (equivalent to approximately S\$4,999,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020)
<b>“Directors”</b>	:	The directors of the Company for the time being
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the Proposed Resolution set out in the Notice of EGM
<b>“EPS”</b>	:	Earnings per Share
<b>“FY2020”</b>	:	The financial year ended 30 June 2020
<b>“Group”</b>	:	The Company, together with its Subsidiaries
<b>“Independent Valuer”</b>	:	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
<b>“Land”</b>	:	Parcels of education land located within the Oriental University City and situated in the Langfang Economic and Technology Development Zone, Langfang City, Hebei Province, the PRC with a total land area of 499 mu (equivalent to 332,833 sq. m.), including the Buildings situated thereon
<b>“Latest Practicable Date”</b>	:	7 September 2020, being the latest practicable date prior

	to the issuance of this Circular
<b>“Listing Manual”</b>	: The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
<b>“Longstop Date”</b>	: 15 October 2020, or such other date as may be mutually agreed by the Parties in writing
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“Notice of EGM”</b>	: The notice of the EGM, as set out on pages N-1 to N-4 of this Circular
<b>“NTA”</b>	: Net tangible assets
<b>“Oriental University City”</b>	: The university campus located in Langfang city, Hebei province, the PRC, which is owned by the Group
<b>“PRC”</b>	: The People’s Republic of China
<b>“Prior Acquisition”</b>	: The Group’s acquisition of Oriental University City Holdings (H.K.) Limited in 2008, for which Shareholders’ approval was sought at an extraordinary general meeting on 5 March 2008
<b>“Prior Disposal”</b>	: The disposal of the Group’s stake in Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd., as announced by the Company on 28 April 2019 and for which Shareholders’ approval was sought at an extraordinary general meeting on 28 June 2019
<b>“Proposed Acquisition”</b>	: The proposed acquisition by the Purchaser of the Sale Shares from the Vendor for the Consideration pursuant to the SPA
<b>“Proposed Resolution”</b>	: The ordinary resolution for the Proposed Acquisition, Shareholders’ approval for which will be sought at the EGM
<b>“Proxy Form”</b>	: The proxy form in respect of the EGM as set out in this Circular
<b>“Purchaser”</b>	: Langfang Tonghui Education Consulting Co., Ltd., a subsidiary of the Company
<b>“Sale Shares”</b>	: The 35.9% equity interest in the Target Company
<b>“Securities Accounts”</b>	: The securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent



<b>“SFA”</b>	: The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	: Persons who are registered as holders of Shares in the register of the Company except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall mean the Depositors who have Shares credited to their Securities Accounts
<b>“Shareholders’ Approval”</b>	: Approval of the shareholders of the Company in respect of the Proposed Acquisition
<b>“Shares”</b>	: Ordinary shares in the capital of the Company
<b>“SPA”</b>	: The sale and purchase agreement dated 16 July 2020 entered into between the Vendor and the Purchaser in respect of the Proposed Acquisition
<b>“Substantial Shareholder”</b>	: A person who has an interest or interests in one or more voting Shares in the Company, and the total votes attached to that Share, or those Shares, represent not less than 5% of the total votes attached to all the voting Shares in the Company
<b>“Target Company”</b>	: Langfang Hezhong Real Estate Development Co., Ltd.
<b>“Tranche 1 Payment”</b>	: The first tranche payment for the Consideration, being an amount of RMB 54,600,000 (equivalent to approximately S\$10,745,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020)
<b>“Tranche 2 Payment”</b>	: The second tranche payment for the Consideration, being an amount of RMB 174,000,000 (equivalent to approximately S\$34,243,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020)
<b>“Valuation Report”</b>	: The valuation report dated 4 August 2020 issued by the Independent Valuer in relation to the Sale Shares
<b>“Vendor”</b>	: Langfang Heying Real Estate Development Co., Ltd.
<b><u>Currencies, units and others</u></b>	
<b>“RMB”</b>	: Renminbi dollars, being the lawful currency of the PRC
<b>“S\$” and “cents”</b>	: Singapore dollars and cents, respectively, being the lawful currency of Singapore
<b>“sq. m.”</b>	: Square metres

“%” or “per cent.” : Per centum or percentage

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to a time of day or date in this Circular is a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

Any reference in this Circular to any statute or enactment is a reference to such statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, the SFA or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the said Companies Act, Listing Manual, SFA or any statutory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

For the purpose of this Circular, Shook Lin & Bok LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the Proposed Acquisition. WongPartnership LLP (Shanghai Representative Office) has been appointed as the legal adviser to the Company in relation to the drafting and execution of the SPA.

# RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199400712N)

## Directors:

Mr. Chew Hua Seng (Chairman and CEO)  
Mr. Lim How Teck (Lead Independent Non-Executive Director)  
Mdm. Gan Hui Tin (Independent Non-Executive Director)  
Mr. Teo Cheng Lok John (Independent Non-Executive Director)  
Mr. Joseph He Jun (Non-Independent, Non- Executive Director)  
Mr. Liu Ying Chun (Non-Independent, Non- Executive Director)

## Registered Office:

51 Merchant Road,  
Raffles Education  
Square, Singapore  
058283

8 September 2020

To: **The Shareholders of the Company**

Dear Sir/Madam,

## **THE PROPOSED ACQUISITION OF 35.9% SHAREHOLDING INTERESTS IN LANGFANG HEZHONG REAL ESTATE DEVELOPMENT CO., LTD., AS A MAJOR TRANSACTION**

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### **1 INTRODUCTION**

On 16 July 2020, the Company announced that its subsidiary, Langfang Tonghui Education Consulting Co., Ltd., the Purchaser, had on 16 July 2020 entered into a sale and purchase agreement with Langfang Heying Real Estate Development Co., Ltd., the Vendor, for the sale and purchase of 35.9% equity interest in the Target Company for an aggregate consideration of RMB 254,000,000, equivalent to approximately S\$49,987,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020.

As the Proposed Acquisition would constitute a “major transaction” for the purposes of Chapter 10 of the Listing Manual, the approval of Shareholders is required for the Proposed Acquisition and the Directors propose to convene an EGM to seek Shareholders’ approval for the same.

The purpose of this Circular is to explain the rationale for, provide Shareholders with the relevant information relating to, and seek Shareholders’ approval for the Proposed Acquisition at the EGM to be held by electronic means on Wednesday, 30 September 2020 at 10.00 a.m. notice of which is set out in the Notice of EGM as set out on pages N-1 to N-4 of this Circular.

Shareholders are advised that the SGX-ST assumes no responsibility for the contents of the Circular, including the accuracy or correctness of any of the statements made, opinions expressed or reports contained in this Circular.

## 2 INFORMATION ON THE TARGET COMPANY, THE SALE SHARES, THE VENDOR AND THE PURCHASER

### 2.1 Information on the Target Company

The Target Company is a limited liability company that was incorporated in the PRC on 11 March 2014. The Target Company is principally engaged in the business of property development and property leasing and has a registered capital of RMB 318,804,700.

#### (a) Incorporation of Target Company as a joint venture vehicle

As announced by the Company on 11 September 2013, 9 December 2013 and 18 June 2019, the Vendor and the Purchaser, a subsidiary of the Company, had on 10 September 2013 entered into a framework agreement in relation to the proposed sale of the Land, including the buildings situated thereon (i.e. the Buildings), to the Vendor (the "**Framework Agreement**").

In connection with and to give effect to the Framework Agreement, the Vendor and the Purchaser entered into a shareholders' agreement on 6 December 2013 in respect of the incorporation and operation of the Target Company as a joint venture company (the "**Shareholders' Agreement**"). It was intended that upon incorporation of the Target Company, the Purchaser and the Vendor would contribute 70% and 30% respectively to the Target Company's registered capital (in the case of the Purchaser, in the form of the Land and the Buildings<sup>1</sup> of RMB 233,330,000 in value and in the case of the Vendor, in the form of cash of RMB 100,000,000), and would hold own 70% and 30% respectively of the aggregate equity in the Target Company. The Vendor's role, as initially agreed pursuant to the Shareholders' Agreement, was to procure the conversion of the Land from educational use to residential and mixed development use. The Vendor and the Purchaser also entered into an Option Agreement on 6 December 2013 (the "**Option Agreement**") which gave the Purchaser the right to require the Vendor to purchase (the "**Put Option**") the Purchaser's 70% equity interest in the Target Company (the "**Option Equity**") for an exercise price of RMB 700,000,000. The price of the Option Equity was determined with reference to the then prevailing fair value of comparable land in Langfang City, Hebei Province, the PRC, of RMB 1.4 million per mu.

On 11 March 2014, the Vendor and the Purchaser entered into supplemental agreements to amend the Shareholders' Agreement (the "**First Supplemental to the Shareholders' Agreement**") and the Option Agreement (the "**Supplemental to the Option Agreement**") to reflect adjustments to the agreed contributions to be made by the Vendor and the Purchaser into the Target Company on or around the date of the incorporation of the Target Company, in the manner as follows:

	<b>Before adjustments (RMB)</b>	<b>After adjustments (RMB)</b>
Vendor's contributions	100,000,000 (30%)	RMB 95,641,400 (30%)
Purchaser's contributions	233,330,000 (70%)	RMB 223,163,300 (70%)

<sup>1</sup> The Land and the Buildings were acquired by the Group during the Prior Acquisition. The Land and the Buildings was subsequently transferred to the Purchaser, a 99% owned subsidiary of the Company, in 2012 due to an internal reorganisation involving the Purchaser and Oriental University City Holdings (H.K.) Limited. The Group's acquisition of the Land and the Buildings in 2008 was in the Group's ordinary course of business, as the Land was intended for the development of education facilities to be used by the Group to provide education services, which is in keeping with the principal activities of the Purchaser and the Group as a provider of education consulting and development services.

Total registered capital of the Target Company	RMB 333,330,000 (100%)	318,804,700 (100%)
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The Target Company was incorporated on 11 March 2014, subsequent to the signing of the abovementioned supplemental agreements. Pursuant to the aforementioned agreements, and on or around the date of the Target Company's incorporation, the Purchaser contributed registered capital of RMB 223,163,300 to the Target Company in the form of the Land and the Buildings which were then registered in the name of the Target Company, while the Vendor contributed registered capital of RMB 95,641,400 to the Target Company in the form of cash.

Pursuant to the asset injections, the net asset value of the Target Company and the respective equity interests of the Vendor and the Purchaser in the Target Company on or around its incorporation was as follows:

<b>NAV of the Target Company on or around its incorporation</b>	<b>RMB</b>
Land contributed by the Purchaser	165,231,139.30
Buildings contributed by the Purchaser	73,188,695.00
	<u>238,419,834.30</u>
Cash contributed by the Vendor	<u>95,641,400.00</u>
<b>NAV of the Target Company</b>	<b><u>334,061,234.30</u></b>

	<b>Purchaser</b>	<b>Vendor</b>
Registered shareholding ownership	70%	30%
Beneficial ownership	70%	30%

*(b) Settlement of the Option Agreement*

Subsequently, the Vendor paid only RMB 460,825,998.88 of the full Put Option exercise price of RMB 700,000,000. None of the Option Equity was registered in the name of the Vendor following the partial payment by the Vendor of the Put Option exercise price.

After commercial negotiations between the Vendor and the Purchaser, the parties agreed that in consideration of the Vendor's partial payment of the Put Option exercise price of RMB 460,825,998.88, the Vendor would be entitled to the beneficial ownership of a portion of the Option Equity comprising 35.9%<sup>2</sup> of the aggregate equity interest in the Target Company, instead of the full Option Equity (i.e. 70% of the aggregate equity interest in the Target

<sup>2</sup> As the agreed value of the Target Company at that time was RMB 700,000,000, the parties commercially agreed that the Vendor would be entitled to 65.9% (derived as RMB 460,825,998.88 divided by RMB 700,000,000) of the aggregate shares in the Target Company. Thus, in order that the Vendor would own 65.9% of the aggregate shares in the Target Company, and given that the Vendor already held 30% of the shares in the Target Company at the time of the Option Settlement Agreement, the parties agreed that the Vendor would be entitled to a further beneficial interest of 35.9% in the Target Company (instead of a further 70% interest, being the Option Equity) under the Option Settlement Agreement in consideration of the partial exercise price of RMB 460,825,998.88 paid by the Vendor and that both parties would waive any claims against each other under the Shareholders' Agreement and the Option Agreement.

Company held by the Purchaser). Accordingly, as announced by the Company on 18 June 2019, the Vendor and the Purchaser entered into a settlement agreement on 18 June 2019 to give effect to the agreed aforementioned arrangements (the “**Option Settlement Agreement**”). Upon the implementation of the Option Settlement Agreement, the Option Agreement and the Supplemental to the Option Agreement were accordingly terminated and the Vendor and Purchaser would each waive any claims against each other under the Shareholders’ Agreement and the Option Agreement. The Vendor and the Purchaser also entered into a second supplemental agreement (the “**Second Supplemental to the Shareholders’ Agreement**”) dated 18 June 2019 to align the terms of the Shareholders’ Agreement and the First Supplemental to the Shareholders’ Agreement with the Option Settlement Agreement.

Consequent thereto, as at the Latest Practicable Date, the present share capital of the Target Company is RMB 318,804,700 and the respective registered and beneficial interest interests of the Vendor and the Purchaser in the shares of the Target Company are as follows:

	<b>Purchaser</b>	<b>Vendor</b>
Registered shareholding ownership	70%	30%
Beneficial ownership	34.1%	65.9%

(c) The Proposed Acquisition

On 16 July 2020, it was announced that the Purchaser had on 16 July 2020 entered into a sale and purchase agreement with the Vendor, for the Proposed Acquisition for a consideration of RMB 254,000,000. Upon Completion of the Proposed Acquisition, the respective equity interest of the Vendor and the Purchaser in the Target Company will be as follows:

	<b>Purchaser</b>	<b>Vendor</b>
Registered shareholding ownership	70%	30%
Beneficial ownership	70%	30%

As at 31 December 2019, the net assets position of the Target Company is RMB 808,455,425, of which RMB 730,320,000 is attributable to the Land and the Buildings initially injected by the Purchaser. The Target Company’s assets comprise mainly the Land.

Since the initial injection of the Land and the Buildings by the Purchaser into the Target Company on or around incorporation, the net asset value of the Land and the Buildings has increased, due to appreciation in the value of the Land, as follows:

<b>Net asset value attributable to the Land and the Buildings</b>	<b>RMB</b>
On or around incorporation	238,419,834.30
As at 31 December 2019	730,320,000.00
<b>Increase in net asset value</b>	<b><u>491,900,165.70</u></b>

The management accounts of the Target Company for the financial year ended 31 December 2019, which is prepared in accordance with International Financial Reporting Standards, is annexed hereto as Appendix A.

To date, no development of the Land has taken place as the Land has not been successfully converted from educational use to residential and mixed development use. The Target Company has not made any distributions to the Vendor or the Purchaser since its incorporation.

## **2.2 Value of the Sale Shares**

Based on the latest management accounts of the Target Company, as at 31 December 2019, the net tangible asset value and book value of the Sale Shares is RMB 290,235,497 (equivalent to approximately S\$56,227,333 based on an exchange rate of S\$0.19373: RMB1 as at 31 December 2019). Please refer to Appendix A of this Circular for more details of the financial information on the Target Company.

A valuation on the Sale Shares, commissioned by the Purchaser, has been carried out by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, for the purpose of the Proposed Acquisition. The Independent Valuer is part of the Jones Lang LaSalle group, a leading professional service firms that specializes in real estate and investment management, with annual revenue of US\$18 billion, operations in over 80 countries and a global workforce of 93,000 as of 31 December 2019 and is accredited with various institutions including, *inter alia*, the Royal Institution of Chartered Surveyors. Pursuant to the Valuation Report, the market value of the Sale Shares as at 30 June 2020 is RMB 295,970,000, based on the market value of the Target Company of RMB 824,430,976.29. Please refer to Sections 4.1 and 5.2 of the Valuation Report for key assumptions made by the Independent Valuer, and Section 4.3 of the Valuation Report for the Independent Valuer's quantifications in deriving the value of the Target Company (of RMB 824,430,976.29) and the Sale Shares (of RMB 295,970,000).

As disclosed in Section 2.4 of the Valuation Report, the valuation was conducted in accordance with the International Valuation Standards 2017 issued by the International Valuation Standards Council and prepared based on a market value basis, assuming an acquirer is obtaining a controlling stake in the Target Company.

A copy of the Valuation Report is annexed hereto as Appendix B and is also made available to the Shareholders for inspection at the registered office of the Company.

## **2.3 Information on the Vendor**

The Vendor is a limited liability company incorporated in the PRC on 28 October 2013 with its principal place of business in Langfang city, Hebei Province, PRC. The Vendor is primarily engaged in the business of real estate development in Langfang city.

The beneficial shareholders of the Vendor are two individuals, Zhao Qinhuo and Liu Guilin, who respectively hold 95% and 5% of shareholding in the Vendor.

The Vendor does not have any shareholding interest, direct or indirect in the Company, nor is the Vendor related to any of the Directors, the CEO, the Controlling Shareholders, or their respective Associates.

## **2.4 Information on the Purchaser**

The Purchaser is a limited liability company incorporated in the PRC on 14 November 2007 and is primarily engaged in the business of providing education consulting and development services. The Purchaser is a subsidiary of the Company. The Company owns 99% effective equity interest in the Purchaser and the balance 1% equity interest in the Purchaser is held by 上海盛馨商务咨询有限公司 (Shanghai Shengxin Business Consultancy Co., Ltd.), a company incorporated in the PRC that is wholly-owned by Zhang Jian Guang, a citizen of the PRC, who is an independent third party.

## **3 MATERIAL TERMS AND CONDITIONS OF THE PROPOSED ACQUISITION**

A summary of the material terms and conditions of the Proposed Acquisition as set out in the SPA is as follows:

### **3.1 Consideration and Deposit**

The aggregate consideration for the Sale Shares is RMB 254,000,000 (equivalent to approximately S\$49,987,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020) and shall be fully satisfied in cash.

The Consideration was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations, taking into consideration the net assets position of the Target Company, the control premium, the market outlook of the education facilities development and the rationale for and benefits of the Proposed Acquisition, details of which are set out in Section 4 of this Circular. While the control premium was a factor taken into account by the Company in arriving at the Consideration, the Company did not conduct any quantification of the control premium and did not take into account any other quantifications other than the net asset value of the Sale Shares in arriving at the Consideration.

A Deposit of RMB 25,400,000 (equivalent to approximately S\$4,999,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020), being an amount equivalent to 10% of the Consideration, was paid by the Purchaser to the Vendor in cash on 17 July 2020, pursuant to the terms of the SPA. Upon Completion, the Deposit shall be automatically applied toward satisfaction of the Consideration. In the event that the Conditions Precedent are not fulfilled on or before the Longstop Date, the Deposit shall be fully refunded by the Vendor to the Purchaser in the manner set out in Section 3.4 of this Circular. The Deposit is not held in an escrow account.

Subject to the satisfaction of the Conditions Precedent, the Consideration, less the amount of the Deposit, shall be paid in cash by the Purchaser to the bank account designated by the Vendor in the manner as follows:

- (a) the Tranche 1 Payment of RMB 54,600,000 (equivalent to approximately S\$10,745,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020) is to be paid in cash within two weeks from the date on which the Shareholders' Approval is obtained; and
- (b) subject to the Tranche 1 Payment being made, the Tranche 2 Payment of RMB 174,000,000 (equivalent to approximately S\$34,243,000 based on an exchange rate of S\$0.1968: RMB1 as at 30 June 2020), being the balance of the Consideration, is to be



paid in cash on 31 December 2020 or such other date as may be mutually agreed and confirmed in writing by the Vendor and the Purchaser.

### **3.2 Source of Funds**

The Consideration will be financed with the internal funds and revenue of the Group.

This includes funds that the Group anticipates it will receive pursuant to:

- (a) the compulsory acquisition of certain land assets held by the Group's subsidiaries by the Hefei City Land Reserve Center of the People's Republic of China, as announced by the Company on 12 June 2020, for which the Group anticipates to receive an aggregate compensation of RMB 432,633,724 and of which the sum of RMB 129,790,000 had been received on 3 July 2020; and
- (b) the Prior Disposal. As set out in the Company's circular to Shareholders dated 13 June 2019 in relation to the Prior Disposal, the second tranche payment of the consideration for the Prior Disposal in the amount of RMB 294,000,000 is to be paid to the Group before 30 September 2020.

As at 30 June 2020, the cash balance of the Company and the Group were respectively S\$211,000 and S\$38,352,000.

The Proposed Acquisition will not adversely affect the Group's operations.

### **3.3 Conditions Precedent**

The Completion is conditional upon the following Conditions Precedent being satisfied on or before the Longstop Date of 15 October 2020:

- (a) all necessary consents and approvals required under applicable laws in respect of the Proposed Acquisition<sup>3</sup>, and resolutions of the board of directors and/or the shareholders of each of the Vendor and the Purchaser to approve the Proposed Acquisition, being obtained;
- (b) approval of the Board in respect of the Proposed Acquisition and the Shareholders' Approval being obtained; and
- (c) none of the following occurring during the period commencing on and from 16 July 2020, being the date on which the SPA was signed, and ending on the Completion Date:
  - (i) any new laws, regulations or policies and any changes in existing laws, regulations or policies in the PRC or any other country or region coming into force and any orders, instructions, decisions or written instructions by the Trade and Industry Bureau of the PRC or other equivalent or similar regulatory bodies being issued that prevents or prohibits the Completion; and
  - (ii) the business license of the Target Company being cancelled.

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<sup>3</sup> Notwithstanding the Condition Precedent set out in Section 3.3(a) of this Circular, no approvals or consents are required from PRC authorities under applicable laws in connection with the Completion.

Each of the Vendor and the Purchaser undertakes to each other that it will take reasonable steps to procure the fulfilment of the Conditions Precedent and to present to each other proof of the fulfilment of each Condition Precedent to the reasonable satisfaction of the other party.

### **3.4 Longstop Date**

If the Conditions Precedent are not satisfied before the Longstop Date of 15 October 2020, the SPA will terminate and neither the Vendor nor the Purchaser will have any claim against each other thereafter, save that:

- (a) all rights and obligations which accrued before the termination of the SPA will remain valid and unaffected by termination of the SPA; and
- (b) the Vendor shall, as soon as possible but in any event within five calendar days from the termination of the SPA, fully refund the Deposit to the Purchaser.

In the event that the Vendor fails to return the Deposit within the time period set out in this Section 3.4 of this Circular, without prejudice to the right of the Purchaser to claim against the Vendor for damages resulting from the breach of the terms of the SPA, the Vendor agrees to pay to the Purchaser, as liquidated damages, an amount equivalent to 0.05% of the total Deposit, for each day that the Deposit remains unpaid, until full repayment has been made of the Deposit.

### **3.5 Completion Date**

Subject to the satisfaction of the Conditions Precedent, the Completion shall take place on the date as notified by the Purchaser to the Vendor in writing, such date being no later than the fifth calendar day immediately following the date on which all of the Conditions Precedent have been satisfied.

## **4 RATIONALE FOR THE PROPOSED ACQUISITION**

The Land, which is located within the Oriental University City, had previously been injected into the Target Company with the original intention of developing the Land into a commercial and residential development that would increase the vibrancy of the Oriental University City. However, the application to convert the Land to commercial and residential land titles, which is required before the Land may be developed for such uses, over the last six years had been stalled by numerous protracted challenges and has not been successful. As this point, it is uncertain whether and when the application to convert the Land to commercial and residential land titles will be approved. In view of the above, the Company is proposing the Proposed Acquisition so that it may obtain majority control over the Target Company and thereafter rationalise the Land for development and use as education facilities instead, pursuant to the current permitted usage of the Land. In this regard, subject to the Shareholders' Approval for the Proposed Acquisition being obtained, the Group, and not the Vendor, would spearhead the development of the Land into education facilities. Development of the Land is intended to be conducted in stages. For the initial stage, the Company is exploring developing a higher education institution with an estimated initial development cost of between RMB 20,000,000 to RMB 50,000,000. There are no regulatory requirements stipulating a timeframe before which such development must be completed.

In addition, the Company is of the view that rationalisation of the Land into educational facilities is viable and would also create revenue streams complementary to the Group's

businesses of providing education consulting and **other** education related services. The Tianjin University of Commerce Boustead College, a wholly-owned subsidiary of the Group which operates a university campus in the nearby city of Tianjin, PRC, has also experienced a rapid increase in enrolment of its courses in recent years, and its current educational facilities is unable to meet the current needs of the college's development. Langfang City, a fast-developing city which spreads over an area of 6429 square kilometres and in which the Land is located, is strategically located between the metropolis cities of Beijing and Tianjin with a population of over 4.9 million, and is well poised to cater to the demands for educational facilities of higher education institutions. Further, in terms of compliance requirements at the planning stage, the time frame for development of the Land into education facilities is expected to be shorter than the time required to develop the Land for mixed residential and commercial usage.

Accordingly, the Board is of the view that the Proposed Acquisition is in the best interest of the Group.

## 5 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The *pro forma* financial effects of the Proposed Acquisition on the Group as set out below are purely for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Completion.

Based on the Group's unaudited consolidated financial statements for FY2020, the *pro forma* financial effects of the Proposed Acquisition are as follows:

### 5.1 Effect on Group's NTA per share

For illustrative purposes only, had the Proposed Acquisition been completed on 30 June 2020 and based on the unaudited consolidated financial statements of the Group for FY2020, the Proposed Acquisition would have had the following impact on the NTA per share of the Company:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA <sup>(1)</sup> (S\$'000)	512,127	522,552
Number of issued shares (excluding treasury shares)	1,378,656,672	1,378,656,672
NTA per share (cents)	37.15	37.90

Note:

(1) NTA is based on the net asset value of the Group less intangible assets.

### 5.2 Effect on EPS

For illustrative purposes only, had the Proposed Acquisition been completed on 1 July 2019 and based on the unaudited consolidated financial statements of the Company for FY2020, the Proposed Acquisition would have had the following impact on the EPS of the Company:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit/(loss) <sup>(1)</sup> (S\$'000)	(7,370)	(9,059)
Weighted average number of shares	1,378,656,672	1,378,656,672
EPS (cents)	(0.53)	(0.66)

Note:

- (1) Net profits means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

## 6 RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

Based on the latest announced consolidated accounts of the Group, being the unaudited financial statements for FY2020, the relative figures in relation to the Proposed Acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Bases of computation	Relative figures
Rule 1006(a)	Net asset value ("NAV") <sup>(1)</sup> of the assets to be disposed of, compared with the Group's NAV.	Not applicable <sup>(3)</sup>
Rule 1006(b)	Net losses <sup>(2)</sup> of RMB 8,567,000 (equivalent to approximately S\$1,689,000 based on an exchange rate of S\$0.19715: RMB <sup>4</sup> ) attributable to the Sale Shares, compared with the Group's net losses of S\$7,370,000.	- 22.92%
Rule 1006(c)	Aggregate value of the Consideration of RMB 254,000,000 (equivalent to approximately S\$49,987,000 based on an exchange rate of S\$0.1968: RMB1 as at June 2020) compared with the Company's market capitalisation <sup>(4)</sup> of approximately S\$158,546,000.	31.53%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(5)</sup>
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable <sup>(6)</sup>

<sup>4</sup> Being the average exchange rate for the financial year ended 30 June 2020

Notes:

- (1) Under Rule 1002(3)(a) of the Listing Manual, “net assets” means total assets less total liabilities.
- (2) Under Rule 1002(3)(b) of the Listing Manual, “net profits” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) This basis is not applicable as the transaction is not a disposal.
- (4) Under Rule 1002(5) of the Listing Manual, "market capitalisation" of the Company is determined by multiplying the 1,378,656,672 Shares in issue (excluding treasury shares) by the weighted average price of S\$0.115 of such Shares transacted on 15 July 2020, being the Market Day immediately preceding the date of signing of the SPA.
- (5) This basis is not applicable as the Consideration shall be fully paid in cash.
- (6) This basis is not applicable as it only applies to a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

As the relative figures computed under Rule 1006(b) and (c) of the Listing Manual exceeds 20% (but does not exceed 100%), the Proposed Acquisition constitutes a “major transaction” for the purposes of Chapter 10 of the Listing Manual, and is therefore subject to Shareholders’ Approval in a general meeting.

## **7 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

As at the Latest Practicable Date, none of the Directors or the Controlling Shareholders has any direct or indirect interest in the Proposed Acquisition, other than through their respective shareholding interests in the Company (if any).

## **8 DETAILS OF ANY DIRECTORS’ SERVICE CONTRACTS**

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **9 DIRECTORS’ RECOMMENDATIONS**

Having fully considered, amongst other things, the terms and rationale of the Proposed Acquisition, the Directors are of the opinion that the Proposed Acquisition is in the best interest of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Resolution set out in the Notice of EGM.

## 10 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held on Wednesday, 30 September 2020 at 10.00 a.m. by electronic means in the manner as set out in the Notice of EGM for the purpose of considering and, if thought fit, passing, with or without modifications, the Proposed Resolution set out in the Notice of EGM.

## 11 ACTION TO BE TAKEN BY SHAREHOLDERS

### 11.1 No Attendance at EGM in Person

Due to the COVID-19 situation in Singapore, Shareholders will not be able to attend the EGM in person.

### 11.2 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 which was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

#### (i) Live EGM Webcast and Live EGM Audio Feed

Members will not be able to attend the EGM in person. The proceedings of the EGM will be broadcast through “live” audio-visual webcast and “live” audio-only stream (the “**Live EGM Webcast**” and “**Live EGM Audio Feed**”, respectively).

Shareholders will be able to watch and listen to the EGM proceedings through the Live EGM Webcast via mobile phone, tablet, computer or any such electronic device or listen to the Live EGM Audio Feed via telephone.

In order to do so, Shareholders must pre-register online at the URL <http://globalmeeting.bigbangdesign.co/raffles-edu/> by 10.00 a.m. on Monday, 28 September 2020 (the “**Registration Deadline**”) to enable the Company to verify their Shareholders’ status.

#### (ii) Submission of Proxy Forms to Vote

Shareholders will not be able to vote through the Live EGM Webcast or the Live EGM Audio Feed on the Proposed Resolution to be tabled for approval at the EGM.

A Shareholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the EGM must submit a Proxy Form to appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. Shareholders who wish to appoint the Chairman of the EGM as proxy to vote at the EGM on their behalf will find a Proxy Form attached to this Circular which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive by post at the office of the Share Registrar of the Company (B.A.C.S. Private Limited) at 8 Robinson Road, #03-00, ASO Building Singapore 048544, or by email at [main@zicoholdings.com](mailto:main@zicoholdings.com), in each case not less than 48 hours before the time appointed for holding the EGM, i.e. by 10.00 a.m. on Monday, 28 September 2020.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post,

Shareholders are strongly encouraged to submit the completed and signed Proxy Forms electronically via email.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who have used their CPF monies and/or the Supplementary Retirement Scheme monies to buy shares (“**CPF Investors**” and “**SRS Investors**” respectively), who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (which would include, in the case of CPF Investors and SRS Investors, CPF Agent Banks and SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven working days before the EGM (i.e. by 10.00 a.m. on Monday, 21 September 2020).

**(iii) Submission of Questions in Advance**

Members will not be able to raise questions at the EGM during the Live EGM Webcast or the Live EGM Audio Feed. Members who pre-register to watch the Live EGM Webcast or Live EGM Audio Feed may submit questions relating to the Proposed Resolution to be tabled for approval at the EGM in advance of the EGM. To do so, all questions must be submitted by Sunday, 27 September 2020 at 10.00 a.m. via (i) the pre-registration website at the URL <http://globalmeeting.bigbangdesign.co/raffles-edu/>; or (ii) by post to the registered office of the Company at 51 Merchant Road, Raffles Education Square, Singapore 058283.

A shareholder who wishes to submit his/her/its questions by post or email is required to provide certain information as set out in the Notice of EGM.

The Company will endeavour to address the substantial and relevant questions relating to the agenda of the EGM before or during the EGM. The responses to questions from members will be posted on the SGXNET and the Company’s website before the EGM, or if answered during the EGM, be included in the minutes of the EGM which will be published on the SGXNET and the Company’s website within one month after the date of the EGM.

**(iv) Notice of EGM and Circular**

Printed copies of the Notice of EGM and the Circular (including Proxy Form) will not be despatched to Shareholders. Instead, these documents will be sent to members solely by electronic means via publication on the Company’s website at the URL <https://raffles.education/> and will also be made available on the SGXNET.

Due to the evolving COVID-19 situation in Singapore, the Company may be required to change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNET. Shareholders are advised to check the SGXNET regularly for updates on the EGM.

Shareholders should refer to the notice in the Notice of EGM on N-1 to N-4 of this Circular for further details on the alternative arrangements including on how to pre-register to participate at the EGM.

**11.3 Depositors**

A Depositor shall not be regarded as a Shareholder entitled to participate at the EGM through the alternative arrangements above unless his name appears on the Depository Register as certified by CDP at least 72 hours before the time appointed for holding the EGM.

## **12 CONSENT**

The Independent Valuer has given and has not withdrawn its consent to the issue of this Circular with the inclusion herein of its name and references to and information extracted from the Valuation Report in the form and context in which it appears in this Circular, to act in such capacity in relation to this Circular, and to the availability of the Valuation Report as a document for inspection by the Shareholders.

## **13 DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## **14 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 51 Merchant Road, Raffles Education Square, Singapore 058283 for a period of three months from the date of this Circular:

- (a) the SPA;
- (b) the Valuation Report; and
- (c) the letter of consent from the Independent Valuer referred to in Section 12 of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of

**RAFFLES EDUCATION CORPORATION LIMITED**

**Chew Hua Seng**

Chairman and CEO



**APPENDIX A – MANAGEMENT ACCOUNTS OF THE TARGET COMPANY FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2019**

廊坊合众房地产开发有限公司

(literal translation: LANGFANG HEZHONG REAL ESTATE DEVELOPMENT CO., LTD.)

BALANCE SHEET AS AT 31 DECEMBER 2019 (management account prepared in line with IFRS)

	<b>RMB</b>
<b>Non current assets</b>	
Property, plant & equipment	730,320,000
<b>Current assets</b>	
Other receivables	95,641,400
Cash and cash equivalents	64
	95,641,464
<b>Current Liabilities</b>	
Other payables	17,095,966
Amount due to related company	410,073
	17,506,039
<b>Non Current Liabilities</b>	0
<b>Net assets</b>	808,455,425
Share capital	318,804,700
Reserves	5,958,300
Retained earnings	485,346,873
Profit/(loss) for the year	(1,654,448)
	808,455,425

**PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL ENDED 31 DECEMBER 2019**  
(management account prepared in line with IFRS)

	<b>RMB</b>
Revenue	0
Other income	0
	0
Less: Operating Expenses	
Property tax	(323,731)
Land use tax	(1,330,718)
	(1,654,448)
Profit/(loss) for the year	(1,654,448)
Less: Tax expense	0
Profit/(loss) for the year	(1,654,448)



# Valuation of 35.9% Equity Interest in Langfang Hezhong Real Estate Development Company Limited

Client : Langfang Tonghui Education Consulting Co., Ltd  
Report Date : 4 August 2020  
Valuation Date : 30 June 2020  
Reference Number : CON100353597-BV1

*Important: The information contained within this document is confidential and is not intended for general or public distribution. Its contents are only intended for the exclusive use of the client listed above or to persons or firms to whom it is provided by Jones Lang LaSalle Corporate Appraisal and Advisory Limited. Under no circumstances may the information herein be copied, reproduced, published or disseminated without the prior approval of Jones Lang LaSalle Corporate Appraisal and Advisory Limited.*

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## APPENDIX B – VALUATION REPORT

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### Disclaimer

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*In this Report, unless the context otherwise stipulates, certain words may be capitalized to denote they may have a definition or explanation stipulated in the definitions and abbreviations in section 1.1 below or that they refer to a section of the Report. This is with the exception of particular abbreviations and technical terms commonly understood within the context of financial analysis. This Report shall be interpreted with regards to the definitions contained herein.*

*The information contained within this document is confidential and is not intended for general or public distribution. Its contents are only intended for the exclusive use of the Client pursuant to an Agreement, or to persons or firms to whom it is provided directly by JLL. Under no circumstances may the information herein be copied, reproduced, published or disseminated without the prior approval of JLL. The Report should not be used or relied upon by the stated recipient for any other purpose other than the stated valuation purpose within. This Report constitutes a portion of the Services and is thus subject to the conditions of engagement contained within the Agreement. Our responsibility is to perform a valuation based on our independent investigation and analysis, and to report our opinion to the Client. JLL thus acts in the capacity of an advisor to the Client. Our conclusion only serves to advise the Client and aid in the Client's own valuation analysis. Our calculations, Report and/or conclusion cannot replace the decisions or judgment of the Client. It is up to any recipient of this Report to make their own assessment of the validity of this opinion and its underlying assumptions.*

*This Report is subject to the assumptions, explanations, qualifications and disclaimers provided throughout the Report. The Report is also subject to general limiting conditions, a full declaration of which is expressed in section 5.1 below. Users of this Report should take due consideration of the assumptions, explanations, qualifications and disclaimers provided throughout the Report to understand the premises taken by JLL throughout our valuation methodology and calculation. Many of the inputs within this Valuation based on information provided by or on behalf of the Client and / or other potential transaction participants as well as third parties. We have relied to a considerable extent upon such information relating to aspects of the Subject including but not limited to its financial features. Additionally, JLL has also made use of public information. We have assumed that the information and data provided by these sources is accurate and truthful, but we make no representation as to the accuracy or completeness of such information. For all information sourced, JLL has not audited, corroborated and is not obliged to conduct due diligence to verify for their accuracy and truthfulness. With respect to estimates and forecasts of future financial performance prepared by or reviewed with the management of the Client and/or other potential transaction participants or obtained from public sources, we have assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of such managements (or, with respect to estimates and forecasts obtained from public sources, represent reasonable estimates).*

*No opinion is intended to be expressed for matters which we deem to cover legal, compliance, tax, accounting or other specialised expertise or knowledge and is beyond what is customarily employed by valuers. Within our Services, we have assumed the Target Company has obtained all requisite legal registration associated with it and is freely transferable in the market without any legal obstacles.*

*Our opinion of value is current only as per the Valuation Date. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the Valuation Date and we assume no obligation to update or otherwise revise these materials for events in the time since then. Assessed values may change significantly and unexpectedly even over short periods. An actual transaction regarding the Subject may be concluded at a higher value or lower value, depending on the circumstances surrounding it, its owner, or the motivations and knowledge, or all, of both the buyers and sellers at that time. JLL makes no guarantees as to what values individual buyers and sellers may reach in an actual transaction.*

*We must emphasise that the realisation of the prospective financial information is dependent on the continuing validity of the assumptions on which it is based. Actual results are likely to be different from those shown in the prospective financial information because events and circumstances frequently do not occur as expected, and the differences may be material.*

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## APPENDIX B – VALUATION REPORT

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### 1. Introduction

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### 1.1. Definitions and Abbreviations

Term / Abbreviation	Definition / Long form
Agreement	Service agreement between JLL and the Client
Client	Langfang Tonghui Education Consulting Co., Ltd
CSRP	The Center of Research in Security Price
JLL	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Market Value	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion
Report	The written account of our methodology, principal assumptions, findings and opinion regarding the value of the Subject
Report Date	The date on which we issue the written account of our methodology, principal assumptions, findings and opinion regarding the value of the Subject
Services	Refers to the services described in the Agreement between JLL and the Client
Subject	35.9% Equity Interest in Langfang Hezhong Real Estate Development Company Limited
Target Company	Langfang Hezhong Real Estate Development Company Limited
Valuation	Means the work products including but not limited to the Report concerning the Services
Valuation Date	30 June 2020, being the date that the valuation applies

### 1.2. Executive Summary

In accordance with the instructions of the Client, we have undertaken an investigation and analysis to determine an independent opinion of the Market Value of the Subject as at the Valuation Date. The Report is issued on 4 August 2020 (the "Report Date").

The purpose of this valuation is for internal reference. We also understand that the Client is required to make the Report available for physical inspection by its shareholders.

The Target Company owns 100% interest in 13 parcels of land and various buildings erected thereon, which is located at Oriental University City, Langfang Economic and Technology Development Zone, Langfang City of Hebei Province in the People's Republic of China. The Client owns 34.1% equity interest in the Target Company as of the Valuation Date. The Client intends to acquire a further 35.9% interest in the Target Company.

Our valuation was carried out on a Market Value basis, assuming an acquirer is obtaining a controlling stake in the Target Company. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We wish to highlight that the opinion of value is subject to numerous assumptions, qualifications and disclaimers which are provided throughout the Report. Our opinion is also heavily reliant on information provided to us, which we are not in the position to verify for accuracy or truthfulness.

## APPENDIX B – VALUATION REPORT



On top of such assumptions, we have also considered various risks and uncertainties that have potential impact on the Subject which are elaborated on in the Valuation Analysis section 4 below. Furthermore, readers should be aware of the ever-present model risk inherent in any financial model which is a simplified version of reality potentially not accounting for or incorrectly accounting for complex issues.

Based on the results of our investigation and analysis outlined in the Report which follows, we are of the opinion that the Market Value of the Subject as at the Valuation Date is as follows.

As at 30 June 2020	Market Value (RMB)
35.9% Equity Interest in the Target Company	295,970,000

### Commentary on the Impact of COVID-19 on Valuation

We are instructed to provide our opinion of value as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, it has come to our attention that the outbreak of Novel Coronavirus disease (COVID-19) has caused significant disruption to economic activities around the world. This disruption has increased the risk of the financial projections/assumptions not being achieved. It may also have a negative impact towards investment sentiment, and hence any form of required rate of return as well as liquidity of any asset. As of the Report Date, it is uncertain how long the disruption will last and to what extent it will affect the economy. As a result, it has caused volatility and uncertainty that values may change significantly and unexpectedly even over short periods. The period required to negotiate a transaction may also extend considerably beyond the normally expected period, which would also reflect the nature and size of the asset.

Readers are reminded that we do not intend to provide an opinion of value as of any date after the Valuation Date in this Report.

The following pages outline the methodology, factors considered and assumptions employed in formulating our opinions of value.

For and on behalf of  
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan  
Executive Director



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## APPENDIX B – VALUATION REPORT

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## 2. Valuation Particulars

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## APPENDIX B – VALUATION REPORT

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### 2.1. Valuation Purpose

The purpose of this valuation is for internal reference. We also understand that the Client is required to make the Report available for physical inspection by its shareholders.

In accordance with the instructions of the Client, JLL was engaged to perform a valuation of the Subject.

### 2.2. Background of the Subject

The Subject of this valuation exercise is 35.9% Equity Interest in Langfang Hezhong Real Estate Development Company Limited.

The Target Company owns 100% interest in 13 parcels of land and various buildings erected thereon, which is located at Oriental University City, Langfang Economic and Technology Development Zone, Langfang City of Hebei Province in the People's Republic of China. The Client owns 34.1% equity interest in the Target Company as of the Valuation Date. The Client intends to acquire a further 35.9% interest in the Target Company.

### 2.3. Independence Declaration

JLL confirms that to the best of our knowledge and belief, we are independent of the Client and have not contravened any independence requirements stipulated as per our professional memberships. Our fee is not contingent upon our conclusion of value.

### 2.4. Reliance on External Information

Many of the inputs within the Valuation make use of external information obtained from the Client and / or the Target Company and other public sources. We have relied to a considerable extent upon such information relating to aspects of the Subject including but not limited to its financial features. We have assumed that the information and data provided by these sources is accurate and truthful, but we make no representation as to the accuracy or completeness of such information. For all information sourced, JLL has not audited, corroborated and is not obliged to conduct due diligence to verify for their accuracy and truthfulness. A commonly referenced, though not exhaustive, list of such information includes Client historical and prospective financial information, representations made by the Client and / or their professional advisors, financial / economic databases and technical papers from the professional services / academic sectors.

### 2.5. Standards

For this Valuation we have been guided by the following standards according to the different elements involved in our scope of work.

- Regarding valuation, International Valuation Standards 2017 issued by the International Valuation Standards Council

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## APPENDIX B – VALUATION REPORT

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### 2.6. Basis of Value

Our valuation was carried out on a Market Value basis, assuming an acquirer is obtaining a controlling stake in the Target Company.

Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

### 2.7. Valuation Date

The Valuation Date is set to be 30 June 2020.

### 2.8. Currency

Our opinion of value is presented in RMB unless otherwise stated.



### 3. Valuation Methodology

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## APPENDIX B – VALUATION REPORT



### 3.1. Valuation Approaches

There are three generally accepted valuation approaches, namely the market, cost and income approaches.

#### Market Approach

A market approach determination of value is achieved by comparing the Subject with similar assets or liabilities for which prices are available. Often adjustments are made to reflect the date of the transaction, condition and utility of the comparable relative to the Subject. Subjects for which there is an established, liquid, secondary market may be valued by this approach.

Benefits of using this approach include its simplicity, clarity, speed and the need for few inputs and assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in the inputs as there are inherent assumptions on the value of those comparable subjects. Market approaches also suffer in that it can be hard to find transactions for comparables that are justifiably comparable.

#### Cost Approach

A cost approach determination of value of a Subject works on the principle that a buyer will not pay any more for an asset / liability than the cost to obtain an equivalent one by purchase or by construction. Therefore, the cost approach considers the cost to reproduce or replace the Subject in accordance with current market prices for similar subjects, with an allowance for accrued depreciation or obsolescence, whether arising from physical, functional or economic causes.

The cost approach generally furnishes the most reliable indication of value for subjects without a known secondary market. It is also advantageous when the subject is not directly

income generating and / or is unique thus ruling out the applicability of the other two valuation approaches. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the Subject.

#### Income Approach

An income approach determination of value is achieved by the conversion of expected future cash flow or cost savings generated by the Subject into a present value. It is based on the principle that an informed buyer would pay no more for the Subject than an amount equal to the present worth of anticipated future benefits (income or cost savings) from the same or a substantially similar asset or liability with a similar risk profile.

Advantages of this approach lie in its ability to work when information on relevant market comparables is inadequate and when reasonable projections for the quantity and timing of expected future cash flows associated to the Subject can be made. However, this approach relies on numerous assumptions over a long time horizon which by their nature are not able to be independently verified. The result of such an approach may be very sensitive to certain inputs chosen and inevitably, some assumptions may not materialize meaning actual future values may vary greatly from what was forecasted.

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## APPENDIX B – VALUATION REPORT

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### 3.2. Selection of Approach

In the Report, we have adopted the summation method under the cost approach by considering the nature and background of the Subject. The summation method is typically adopted for valuation subject when its value is primarily a factor of the value of the valuation subject's holding assets and liabilities. Below table listed out the adopted valuation approach for each identifiable asset and liability.

Under the summation method, each identifiable asset and liability of the Target Company is being valued using the appropriate valuation approaches, and our opinion of value of the Valuation Subject is derived by adding component assets and deducting component liabilities.

Identifiable Asset and Liability	Valuation Approach
Property, plant and equipment*	Being the land parcel held by the Target Company. Estimated using the cost approach and market approach.
Cash and bank, and other receivables	Based on the book values provided by the Client.
Amounts due to related companies	Based on the book values provided by the Client.
Other payables	Based on the book values provided by the Client.

\*For details about the valuation of the property, plant and equipment, please refer to section 5.2 below.



## 4. Valuation Analysis

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## APPENDIX B – VALUATION REPORT



### 4.1. General Assumptions

The following key assumptions in determining the Market Value of the Subject have been made.

- The Valuation was primarily based on the latest historical financial information made available to us;
- The Valuation is carried out from the prospective of a potential acquirer who is obtaining a controlling stake in the Target Company;
- The Target Company has, or will have, sufficient capital needs (financial, human, physical) to achieve or contribute to current and future production;
- There will be no material change in the core operations of the Target Company from what is present and / or expected;
- All relevant laws, statutes, ordinances and regulations pertaining to the Target Company are complied with and where applicable renewable upon expiry;
- Operational and contractual terms stipulated in the contracts and agreements associated with the Subject will be honored;
- We have assumed that there are no hidden or unexpected conditions associated with the Subject that might adversely affect the reported values;
- There will be no material change in the existing political, legal, technological, fiscal or economic conditions from present and / or from what is expected, which might adversely affect the business of the Target Company; and
- Our Valuation is conducted based on a going concern assumption, in which the Subject is viewed as continuing in business for the foreseeable future.
- Please refer to section 5.2 below for particular assumptions about the valuation of the property, plant and equipment.

### 4.2. Book Value of Assets and Liabilities

The table below summarizes the book values of the Subject as at the Valuation Date, which are provided by the management of the Client.

Assets and liabilities	Book Value (RMB)
Property, plant and equipment	730,320,000.00
Other receivables	95,641,400.00
Cash and bank	63.73
Other payables	(18,750,413.84)
Amount due to related company	(410,073.60)
<b>Net Asset Value</b>	<b>806,800,976.29</b>

### 4.3. Opinion of Value

Based on the results of our investigation and analysis outlined in the Report which follows, we are of the opinion that the Market Value of the assets and liabilities of the Target Company as at the Valuation Date is as follows.

Assets and liabilities	Market Value (RMB)
Property, plant and equipment	747,950,000.00
Other receivables	95,641,400.00
Cash and bank	63.73
Other payables	(18,750,413.84)
Amount due to related company	(410,073.60)
<b>Net Asset Value</b>	<b>824,430,976.29</b>



## APPENDIX B – VALUATION REPORT



We are of the opinion that the Market Value of the Subject as at the Valuation Date is as follows.

As at 30 June 2020	Market Value (RMB)
35.9% Equity Interest in the Target Company	295,970,000

### Commentary on the Impact of COVID-19 on Valuation

We are instructed to provide our opinion of value as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, it has come to our attention that the outbreak of Novel Coronavirus disease (COVID-19) has caused significant disruption to economic activities around the world. This disruption has increased the risk of the financial projections/assumptions not being achieved. It may also have a negative impact towards investment sentiment, and hence any form of required rate of return as well as liquidity of any asset. As of the Report Date, it is uncertain how long the disruption will last and to what extent it will affect the economy. As a result, it has caused volatility and uncertainty that values may change significantly and unexpectedly even over short periods. The period required to negotiate a transaction may also extend considerably beyond the normally expected period, which would also reflect the nature and size of the asset. Readers are reminded that we do not intend to provide an opinion of value as of any date after the Valuation Date in this Report.

### 4.4. Risk Factors

We caution readers to be aware of the following risks which we believe could influence the Market Value of the Subject. Such risks can range from very subject specific factors to more systematic factors.

#### Management

The management of the Target Company may not be what is desirable or necessary or may vary according to existing plans which would have the effect of altering the Subject's value.

#### Microeconomic Considerations

The Subject can be directly or indirectly affected by characteristics and changing forces of supply and demand for the contributing inputs and / or the produced goods and services associated with the Subject. These forces work to impact the magnitude of the gap between inflows and outflows regarding the Subject and thus its value. Variations in the degree of competition or in barriers to entry are key drivers of changes to supply whilst consumption preferences, income levels or the availability of substitutes are key drivers of changes to demand.



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## APPENDIX B – VALUATION REPORT

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### **Technological Change**

Changes in the rate of advancement of technology, the propensity for any particular technology to have an effect on the Subject and the degree to which technological advancement is impacting and will continue to impact the Subject can disrupt its desirability, competitiveness, efficiency and/or indirectly impact the products and services considered substitutes or complements for it and thus its value.

### **Social, Political and Macroeconomic Considerations**

Various economic, political and social phenomena surrounding the Subject may change so as to affect our opinion of value of the Valuation. International or nationwide policy and / or legislative changes that alter existing rights and obligations may directly or indirectly influence the Subject. Macroeconomic circumstances including inflation, interest rate fluctuations and existing and forecast levels of growth in the broader economy may also have an effect. Societal factors encompassing the perception and preferences of people in general may swing rendering the Subject more or less desirable and thus more or less valuable.

### **Environmental Conditions**

Phenomena within the physical environment can severely impact the factors of production and demand factors within an economy for the Subject. The occurrence of natural disasters, resource depletion and variations in climate conditions may influence resource availability and prices for inputs on the supply side or may influence market access and preferences for products and services associated to the Subject from end-user demand. Such phenomena will ultimately influence the value of the Subject.

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## APPENDIX B – VALUATION REPORT

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### 5. Appendices

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## APPENDIX B – VALUATION REPORT

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### 5.1. General Limiting Conditions

- In the preparation of this Report, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Client / Target Company and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our Report was used as part of the analysis of the Client / Target Company in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the Subject rests solely with the Client.
- We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.
- Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.
- The board of directors and the management of Client / Target Company have reviewed this Report and agreed and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.
- Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.
- No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.
- The use of and/or the validity of the Report is subject to the terms of the Agreement and the full settlement of the fees and all the expenses.
- Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the Subject.
- We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation Date. We cannot provide assurance on the achievability of the results forecasted by the Client / Target Company because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.
- This Report has been prepared solely for internal use purpose. The Report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without our prior written consent. Even with our prior written consent for such, we are not be liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party. This Report is confidential to the Client and the calculation of values expressed herein is valid only for the purpose stated in the Agreement as at the Valuation Date. In accordance with our standard practice, we must state that this Report and exercise is for the use only by the party to whom it

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## APPENDIX B – VALUATION REPORT

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is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

- Where a distinct and definite representation has been made to us by parties interested in the Subject, we are entitled to rely on that representation without further investigation into the veracity of the representation.
- The Client / Target Company agrees to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.
- This exercise is premised in part on the historical financial information and future forecast provided by the management of the Client / Target Company and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.
- This Report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the Report and conclusion of values are not intended by the author, and should not be construed by any reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the

consideration based on the information furnished by the Client / Target Company and other sources. Actual transactions involving the Subject might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the knowledge and motivation of the buyers and sellers at that time.

- The board of directors, management, staff, and representatives of the Client / Target Company have confirmed to us that they are independent to JLL in this Valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Client / Target Company and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

## APPENDIX B – VALUATION REPORT



### 5.2. Valuation of the Property, Plant and Equipment

#### The Property

The Property comprises 13 parcels of land with a total site area of approximately 332,700 sq.m. (or 499 mu) and various buildings erected there on which were completed in 1999, which is located at Oriental University City, Langfang Economic and Technology Development Zone, Langfang City of Hebei Province in the People's Republic of China. It has a total gross floor area of approximately 51,300 sq.m.

The land use rights of the property have been granted for terms expiring on 13 July 2053 and 5 April 2054 for education use/science and education uses.

#### Valuation Methodology

We have adopted the comparison approach in the valuation of the land portion of the properties by making reference to comparable market transactions in our assessment of the fair value of a property interest. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Where, due to the nature of the buildings and structures of the properties and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interests have been valued by the Cost Approach with reference to their depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement

(reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

#### Key Parameters

The key parameters of the valuation is summarized as below:

Parameters	
Unit price of the land	RMB2,030 per sq.m.
Replacement cost of buildings	RMB1,300 to RMB 3,070 per sq.m.
Useful life of buildings	50 years
Depreciation Rate of buildings	37.5%

#### Key Assumptions

- Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.
- No allowance has been made in our report for any charges, mortgages or amounts owing neither on the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.
- We have not carried out detailed measurements to verify the correctness of the area in respect of the Property but have assumed that the areas shown on the documents and official floor plans handed to us are correct. All documents and



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## APPENDIX B – VALUATION REPORT

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contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

- We have inspected the Property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

Our core markets are in China, Hong Kong and Singapore although our work regularly takes us around Asia Pacific and increasingly more globally. CAA has 7 offices across our core markets. In 2016, CAA formed a strategic collaboration with a Chinese valuation entity, placing us now as one of the few internationally-experienced valuation firms that can provide compliant valuation services for licensed activities in China. We have experience fulfilling valuations outside of our core markets in our own capacity but more often via cooperation with the JLL group as well as a third party network of valuation service providers.

### 5.3. Valuation Firm Overview

JLL Corporate Appraisal & Advisory (“CAA”) is a fully owned subsidiary of JLL (NYSE: JLL), a Fortune 500 company which is focused in real estate services and investment management. With 2017 revenue of US\$7.9 billion, JLL’s 82,000 colleagues serve clients in over 80 countries from nearly 300 corporate offices worldwide.

CAA is a leading provider of business valuation as well as tangible asset valuation and advisory services in the context of fundraising, transactions and financial reporting. The practice has been operating for over 25 years and is led by a steady group of experienced professionals a number of whom have been instrumental through its development, even in its founding years. We are interested in valuation; a skill we believe is a key pillar to the functioning of capital markets. CAA is placed uniquely as an ‘integrated’ valuation service provider meaning that we can opine in major asset classes including intangibles, businesses, financial instruments, real estate and machinery. We also provide advisory services where we focus exclusively on real estate. Our advisory practice is mostly centred on financial / strategic-oriented assignments across all real estate sectors.

## APPENDIX B – VALUATION REPORT



### 5.4. Biography of Signor

#### Simon M.K. Chan

FCPA, FCPA (Aust), FRICS, CVA, ICVS, Member of AusIMM

Executive Director

Simon Chan is responsible for the management and strategic development of business valuation services at JLL. His training and experience in corporate finance, audit, valuation and financial advisory services was gained helping clients in a wide array of industries.

Simon continues to offer his expertise to particularly challenging valuation assignments which are common within the energy & resources industry as well as in real estate development projects. Always with a good-humour, he is known for bringing solutions in a new and unusual light with his lateral thinking.

Simon has over 20 years of work experience in valuation and financial advisory services. His experience is both wide-ranging and enhanced by in-depth specialisms. His corporate finance advisory experience is particularly wide and includes company equity valuation, purchase price allocation, intangible asset identification and valuation (e.g. trademark, customer base, patent, etc.), biological asset valuation (e.g. trees, livestock, orchard, etc.), current asset and liability valuation, goodwill and other asset impairment evaluation, convertible bond valuation, employee share option valuation and derivative valuation. He combines this with specialisms in energy and resources (e.g. mining right and resource valuations) and real estate (project valuation and development advisory) contexts. He has provided valuation services to numerous listed companies in different industries predominantly in China, Hong Kong, Singapore as well as globally in connection with these journeying clients. The profile

of Simon's clients includes numerous large scale IPOs of state-owned and privately-owned enterprises in China as well as various international MNCs invested in China. In previous firms, Simon gained much of his practical experience in audit or corporate finance capacities.

Simon obtained a Bachelor of Commerce degree in the University of Melbourne, Australia with majors in accountancy and finance. He is a fellow of Hong Kong Institute of Certified Public Accountants (HKICPA), Certified Public Accountants of Australia (CPA (Aust.)) and the Royal Institution of Chartered Surveyors (RICS). He is a Chartered Valuer and Appraiser (CVA), an International Certified Valuation Specialist (ICVS), a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

### 5.5. Contributors to Valuation

The individuals involved and their respective contributions to this Valuation are as follows.

Contributor	Involvement
Simon Chan	<ul style="list-style-type: none"><li>■ Oversaw execution of the Valuation;</li><li>■ Performed final review of the Valuation; and</li><li>■ Acted as the signor of the Report.</li></ul>
Kevin Chan	<ul style="list-style-type: none"><li>■ Conducted the principal review of the Valuation; and</li><li>■ Structured the Valuation approach</li></ul>
Echo Li	<ul style="list-style-type: none"><li>■ Oversaw execution of the Property Valuation; and</li><li>■ Performed final review of the Property Valuation;</li></ul>
Gloria Wang	<ul style="list-style-type: none"><li>■ Prepared the Property Valuation;</li><li>■ Researched Subject and various information sources for key inputs and assumptions; and</li><li>■ Conducted site visit.</li></ul>

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## APPENDIX B – VALUATION REPORT

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## **RAFFLES EDUCATION CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199400712N)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the "**EGM**") of Raffles Education Corporation Limited (the "**Company**") will be held by electronic means on Wednesday, 30 September 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution:

*All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular issued by the Company to the Shareholders dated 8 September 2020 (the "**Circular**").*

#### **AS ORDINARY RESOLUTION: THE PROPOSED ACQUISITION OF 35.9% SHAREHOLDING INTERESTS IN LANGFANG HEZHONG REAL ESTATE DEVELOPMENT CO., LTD., AS A MAJOR TRANSACTION**

That:

1. for the purposes of Chapter 10 of the Listing Manual, approval be and is hereby given to the Company to effect and complete the Proposed Acquisition and all transactions in relation thereto, on the terms and subject to the conditions set out in the SPA; and
2. the Directors and any one of them be and is/are hereby authorised and empowered to approve, complete and do all such acts and things (including without limitation, to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to the Proposed Acquisition and this resolution, and the transactions contemplated by the Proposed Acquisition and/or authorised by this resolution, or for all the foregoing purposes.

#### **BY ORDER OF THE BOARD**

**Mr. Keloth Raj Kumar**  
Company Secretary

8 September 2020

**Notes:**

1. On 3 April 2020, the Singapore Government announced the implementation of “circuit breaker” measures (enhanced safe distancing measures and closure of non-essential workplace premises) to curb the further spread of COVID-19. The COVID-19 (Temporary Measures) Act 2020 was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”) was issued by the Minister for Law on 13 April 2020 which provide, among others, legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company’s constitution). A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020 and 22 June 2020, by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the period when elevated safe distancing measures are in place. This EGM is being convened pursuant to the Order.
2. Printed copies of this notice, the accompanying Circular and the Proxy Form will **NOT** be sent to members. Instead, these documents will be sent to members solely by electronic means on the SGXNET and will also be made available on the Company’s website at the URL <https://raffles.education/>.
3. In light of the above developments, members will not be able to attend the EGM in person. Instead, alternative arrangements relating to members’ participation at the EGM are:
  - (a) observing and/or listening to the EGM proceedings contemporaneously via a “live” audio-visual webcast and a “live” audio-only feed of the EGM proceedings (the “**Live EGM Webcast**” and “**Live EGM Audio Feed**”, respectively);
  - (b) submitting questions in advance in relation of the resolutions set out in the Notice of EGM; and
  - (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Please refer to the notes below for further detail on the alternative arrangements.

Live EGM Webcast and Live EGM Audio Feed:

4. Members will not be able to attend the EGM in person. Members will be able to watch and listen to the EGM proceedings through the Live EGM Webcast via mobile phone, tablet, computer or any such electronic device or listen to the Live EGM Audio Feed via telephone. In order to do so, members must pre-register online at the URL <http://globalmeeting.bigbangdesign.co/raffles-edu/> by 10.00 a.m. on Monday, 28 September 2020 (the “**Registration Deadline**”) to enable the Company to verify their members’ status.
5. Following the verification of their status as members and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live EGM Webcast and the Live EGM Audio Feed of the EGM proceedings by 10.00 a.m. on Tuesday, 29 September 2020. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the EGM. Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 10.00 a.m. on Tuesday, 29 September 2020 may contact the Company’s Share Registrar by email at [main@zicoholdings.com](mailto:main@zicoholdings.com) for assistance.
6. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who have used their CPF monies and/or the Supplementary Retirement Scheme monies to buy shares (“**CPF Investors**” and “**SRS Investors**” respectively), and who wish to participate in the EGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include, in the case of CPF Investors and SRS Investors, CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

Submission of Questions in Advance:

7. Members will not be able to raise questions at the EGM during the Live EGM Webcast or the Live EGM Audio Feed. Members who pre-register to watch the Live EGM Webcast or Live EGM Audio Feed may submit questions relating to the Proposed Resolution to be tabled for approval at the EGM in advance of the EGM. To do so, all questions must be submitted by Sunday, 27 September 2020 at 10.00 a.m.:
  - (i) via the pre-registration website at the URL <http://globalmeeting.bigbangdesign.co/raffles-edu/>; or
  - (ii) by post to the registered office of the Company at 51 Merchant Road, Raffles Education Square, Singapore 058283

A member who wishes to submit his/her/its questions by post or by email is required to indicate the following details when submitting his/her/its questions to the address or email address stated above, in order to enable the Company to verify his/her/its shareholder status:

- (a) the member’s full name (for individuals)/ company name (for corporations) as it appears on his/her/its CDP/CPF/SRS share records;
- (b) the member’s NRIC/passport number/company registration number;

- (c) the member's contact number and email address;
- (d) the manner in which the member holds his/her/its share in the Company (e.g. via CDP, CPF or SRS) and the number of shares held.

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

- 8. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF Investors and SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.
- 9. The Company will endeavour to address the substantial and relevant questions relating to the agenda of the EGM before or during the EGM. The responses to questions from members will be posted on the SGXNET and the Company's website before the EGM, or if answered during the EGM, be included in the minutes of the EGM which will be published on the SGXNET and the Company's website within one month after the date of the EGM.

Submission of Proxy Form to Vote:

- 10. Members will not be able to vote online or through the Live EGM Webcast or the Live EGM Audio Feed on the Proposed Resolution to be tabled for approval at the EGM. Members (whether individual or corporate) who wish to exercise their votes at the EGM must submit a Proxy Form to appoint the Chairman of the EGM to attend the EGM and cast votes on their behalf. Members appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
- 11. The Chairman of the EGM, as proxy, need not be a member of the Company.
- 12. The instrument appointing the Chairman of the EGM as proxy must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
- 13. Where an instrument appointing the Chairman of the EGM as proxy is signed on behalf of the appointor or by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
- 14. The duly executed Proxy Form (together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority, failing previous registration with the Company), must be submitted:
  - (i) by post to the office of the Share Registrar of the Company (B.A.C.S. Private Limited) at 8 Robinson Road, #03-00, ASO Building Singapore 048544; or
  - (ii) via email to [main@zicoholdings.com](mailto:main@zicoholdings.com).

in each case, not less than 48 hours before the time appointed for holding the EGM, i.e. by 10.00 a.m. on Monday, 28 September 2020, and in default of which the Proxy Form shall not be treated as valid.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting the hardcopy by post to the address provided above, or before scanning and sending it by email to the email address provided above.

- 15. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.**
- 16. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF Investors and SRS Investors, who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (which would include, in the case of CPF Investors and SRS Investors, CPF Agent Banks and SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven working days before the EGM (i.e. by 10.00 a.m. on Monday, 21 September 2020).
- 17. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

**IMPORTANT NOTICE:** Due to the evolving COVID-19 situation in Singapore, the Company may be required to change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the EGM.

The Company would like to thank all Shareholders for their patience and co-operation in enabling the Company to hold its EGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

**Personal data privacy:**

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/ or any adjournment thereof, a member of the Company, or (b) submitting details for the registration to observe the proceedings of the EGM via the Live EGM Webcast or the Live EGM Audio Feed, or (c) submitting any question prior to the EGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the EGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

The member's personal data may be disclosed or transferred by the Company to its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

**RAFFLES EDUCATION CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199400712N)

**EXTRAORDINARY GENERAL MEETING  
PROXY FORM**

(Please see notes overleaf before completing this Proxy Form)

**IMPORTANT**

1. Due to the COVID-19 situation in Singapore, the EGM will be held via electronic means and members will not be able to attend the EGM in person. Alternative arrangements to attend and participate in the EGM via electronic means include arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast and a "live" audio-only feed, submission of questions in advance of the EGM, addressing of substantial and relevant questions before or at the EGM, and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM dated 8 September 2020 ("**Notice of EGM**"). Please refer to the Notice of EGM for further details on the alternative arrangements including on how to pre-register to participate at the EGM.
2. CPF Investors and SRS Investors, who wish to exercise their votes by appointing the Chairman of the EGM as proxy, should approach their respective relevant intermediaries (which would include, in the case of CPF Investors and SRS Investors, CPF Agent Banks and SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven working days before the EGM.

I/We \_\_\_\_\_ (name), \_\_\_\_\_ (NRIC/ Passport/ Company Registration No.) of \_\_\_\_\_ (address) being a member/members\* of **RAFFLES EDUCATION CORPORATION LIMITED** (the "**Company**", together with its subsidiaries, the "**Group**"), hereby appoint the chairman ("**Chairman**") of the Extraordinary General Meeting (the "**EGM**") of the Company as my/our\* proxy to attend and to vote for me/us\* on my/our\* behalf at the EGM of the Company to be held by way of electronic means on 30 September 2020 at 10.00 a.m.

I/We\* direct the Chairman of the EGM as my/our\* proxy to vote for or against the resolution to be proposed at the EGM as indicated hereunder. In the absence of specific directions in respect of the resolution, the appointment of the Chairman of the EGM as proxy for the resolution will be treated as invalid.

No.	As Ordinary Resolution	For	Against
1	To approve the proposed acquisition of 35.9% shareholding interests in Langfang Hezhong Real Estate Development Co., Ltd., as a major transaction		

Please indicate your vote "For" or "Against" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

\* Please delete as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

Total number of Shares held in CDP Register

\_\_\_\_\_  
Signature(s) of Shareholder(s) or  
Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular issued by the Company to the Shareholders dated 8 September 2020 (the "**Circular**"), including supplements and modifications thereto.

**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the register of members of the Company (the "**Register of Members**"), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member will not be able to attend the EGM in person or to vote online or through the Live EGM Webcast or the Live EGM Audio Feed on the Proposed Resolution to be tabled for approval at the EGM. Members (whether individual or corporate) who wish to exercise their votes at the EGM must submit a Proxy Form to appoint the Chairman of the EGM to attend the EGM and cast votes on their behalf. Members appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
3. The Chairman of the EGM, being a proxy, need not be a member of the Company.
4. This instrument appointing the Chairman of the EGM as a proxy, duly executed, must be submitted (a) by post to the office of the Share Registrar of the Company (B.A.C.S. Private Limited) at 8 Robinson Road, #03-00, ASO Building Singapore 048544 or (b) by email to [main@zicoholdings.com](mailto:main@zicoholdings.com), not less than 48 hours before the time appointed for holding the EGM. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
5. The instrument appointing the Chairman of the EGM as proxy must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where an instrument appointing the Chairman of the EGM as proxy is signed on behalf of the appointor or by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
7. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who have used their CPF monies and/or the Supplementary Retirement Scheme monies to buy shares ("**CPF Investors**" and "**SRS Investors**" respectively), who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (which would include, in the case of CPF Investors and SRS Investors, CPF Agent Banks and SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven working days before the EGM (i.e. by 10.00 a.m. on Monday, 21 September 2020).
8. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting this instrument appointing the Chairman as a proxy, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of EGM of the Company dated 8 September 2020.