

## Issuer & Securities

### Issuer/ Manager

RAFFLES EDUCATION CORPORATION LIMITED

### Securities

RAFFLES EDUCATION CORP LTD - SG2C97968151 - NR7

### Stapled Security

No

## GENERAL ANNOUNCEMENT::RECEIPT OF LETTER FROM SHAREHOLDERS

### Announcement Title

General Announcement

### Date & Time of Broadcast

21-Apr-2021 18:03:46

### Status

New

### Announcement Sub Title

Receipt Of Letter From Shareholders

### Announcement Reference

SG210421OTHRTWRC

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

Chew Hua Seng

### Designation

Chairman & CEO

### Description (Please provide a detailed description of the event in the box below)

Please see attachment.

## Attachments



[REC Announcement - receipt of letter from shareholders - 21 April 2021.pdf](#)

Total size = 199K MB

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

---

**ANNOUNCEMENT – RECEIPT OF LETTER FROM SHAREHOLDERS**

---

The Board of Directors (the "**Board**") of Raffles Education Corporation Limited (the "**Company**") wishes to announce that it had on 12 April 2021 received a letter (the "**OHL Letter**") jointly issued by two (2) shareholders of the Company, Mr Oei Hong Leong and Oei Hong Leong Art Museum Limited (collectively, "**OHL Shareholders**").

The OHL Letter relates to the placement of 95 million new shares ("**Placement Shares**") in the Company that were issued and allotted on 10 October 2017 at an issue price of \$0.30 for each Placement Share (the "**Placement**") and sets out, *inter alia*:

- (a) allegations by the OHL Shareholders that:
- (i) Mr Liu Yingchun ("**Mr Liu**"), a former director of the Company, was a placee under the Placement ("**Placee**");
  - (ii) the Placement was done through a placement agent, RHB Securities Singapore Pte. Ltd. (the "**Placement Agent**") to effectively mask the identities of the Placees;
  - (iii) Mr Liu was in fact a nominee and/or associate of Mr Chew Hua Seng ("**Mr Chew**") such that he would be deemed acting in concert with Mr Chew at the material time of the Placement and Mr Chew had caused Mr Liu to take up the Placement Shares to circumvent his takeover obligations under the Singapore Code on Take-overs and Mergers; and
  - (iv) the suppression of the alleged relationship between Mr Chew and Mr Liu would constitute breaches of the Main Board Listing Manual ("**Listing Manual**") and potentially a misrepresentation made by the directors and the Company as to the nature and motivations behind the Placement; and
- (b) a notice that if the Board fails to investigate and/or commence action against Mr Chew and Mr Liu in relation to the matters set out above within 14 days from the date of the OHL Letter, the OHL Shareholders will proceed with legal action against the Company, Mr Chew and Mr Liu under section 216A of the Companies Act (Cap. 50).

The Board has reviewed and obtained legal advice on the OHL Letter and found the allegations to be baseless and without merit. As stated in the Company's announcement dated 28 September 2017 (the "**2017 Placement Announcement**"), the Board wishes to reiterate that (a) the Placees were not persons prohibited under Rule 812(1) of the Listing Manual; and (b) save as disclosed in the 2017 Placement Announcement and except for their interest in the Company (if any), none of the directors or substantial shareholders of the Company as of 28 September 2017 had any interest, direct or indirect, in the Placement.

The Board (then including Mr Chew and 4 other independent non-executive directors) had also provided the following confirmations to the SGX in relation to the Placement:

- (a) the Placees were identified by the Placement Agent without any input from the Company;
- (b) the Placement Agent is not subject to restrictions or directions of the Company regarding the identities of and/or allocation to the Placees; and
- (c) prior to the Placees being identified by the Placement Agent, they were not known to the Company.

Notwithstanding the above, the independent directors of the Board have undertaken a fresh investigation of the relevant circumstances surrounding the Placement and confirm that the Company had complied with the relevant rules (including Rule 812(1) of the Listing Manual) in respect of the Placement. The independent directors of the Board have also ascertained that Mr Liu was not a Placee or beneficiary of the Placement.

The Company further notes that similar attempts had previously been made by OHL Shareholders to impugn the Placement, more recently by way of correspondence in relation to OHL Shareholders' notices of requisition dated 17 August 2020 and 31 August 2020, which were notably abandoned following the Company's response confirming that the relevant rules in respect of the Placement were fully complied with at all material times. It is unfortunate that baseless allegations continue to be raised by the OHL Shareholders, 3.5 years following the completion of the Placement.

The Company will release further announcements to update the shareholders of any material development in connection with the foregoing matter.

Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their investments which may be prejudicial to their interests. In the event that shareholders wish to deal in the shares of the Company, they should seek their own professional advice and consult with their own stockbrokers.

BY ORDER OF THE BOARD  
Raffles Education Corporation Limited  
21 April 2021