

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 199400712N)

(the "Company")

USE OF PROCEEDS FROM RIGHTS ISSUE COMPLETED ON 23 OCTOBER 2012

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Offer Information Statement dated 1 October 2012.

Further to the Company's announcement on 30 October 2012 relating to the use of S\$9,946,000 from proceeds of the Rights Issue, the Company wishes to update that the net proceeds from the Rights Issue is S\$23,706,000 after the finalization of related expenses of S\$219,000 (the "Net Proceeds") and further utilisation of the Net Proceeds as follows:

| PURPOSE | AMOUNT UTILISED (S\$) |
|--|-----------------------|
| Amount used for investment in education institutions | 2,401,000 |
| Amount used for general working capital purposes, including repayment of loans | 6,551,000 |
| TOTAL | 8,952,000 |

The above utilisation is in line with the intended uses of the Net Proceeds stated in the Offer Information Statement. Subsequent to the aforementioned, the remaining balance of the Net Proceeds amounts to approximately S\$4,808,000.

The Company will provide updates on the use of the remaining Net Proceeds as and when such proceeds are materially disbursed.

BY ORDER OF THE BOARD
RAFFLES EDUCATION CORPORATION LIMITED

Chew Hua Seng
Chairman

20 December 2012