

RAFFLES EDUCATION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 199400712N)

(the "Company")

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF SHARES USE OF PROCEEDS FROM RIGHTS ISSUE

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 23 October 2012 relating to the listing and quotation of the Rights Issue on the Main Board of the SGX-ST, the Company wishes to provide an update on the utilisation of the net proceeds from the Rights Issue of approximately S\$23,745,000 subject to finalisation of related expenses (the "Net Proceeds") as follows:

PURPOSE	AMOUNT UTILISED (S\$)
Amount applied towards the subscription by Mr. Chew Hua Seng for his Rights Shares from an advance which he had extended to the Company for its general working capital purposes prior to the commencement of the Rights Issue ¹	4,114,000
Payment made to the Company's subsidiary, Raffles K12 Sdn Bhd for the construction and development of the Raffles American School in Johor Bahru, Malaysia catering to students from Kindergarten to Year 12 ²	3,140,000
Payment for investment in education institutions	1,633,000
Payment for general working capital purposes, including repayment of loans	1,059,000
TOTAL	9,946,000

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\$13,799,000.

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
30 October 2012

¹ Part IV, Paragraph 7, of the Offer Information Statement (page 22)

² Details of which are provided in the announcement made by the Company dated 19 September 2012