

OFFER INFORMATION STATEMENT DATED 1 October 2012

(Lodged with the Monetary Authority of Singapore on 1 October 2012)

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter (the “**PAL**”), the Application Form for the Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”), have been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of the lodged documents. Lodgment of the Offer Information Statement with the Authority does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Issue and the Rights Shares (all as defined hereinafter) being offered or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the Rights Shares on the Official List of the SGX-ST Main Board (the “**SGX Main Board**”). The Rights Shares will be admitted to the SGX Main Board after all certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited (“**CDP**”) have been dispatched.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed herein. Approval in-principle granted by the SGX-ST and admission to the SGX Main Board and dealing in, listing and quotation of the Rights Shares are not to be taken as an indication of the merits of Raffles Education Corporation Limited (the “**Company**”) and its subsidiaries, the Rights Issue or the Rights Shares.

All the documentation relating to the Rights Issue has been seen and approved by the directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in these documents misleading.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the lodgment of this Offer Information Statement.

RafflesEducationCorp

Raffles Education Corporation Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 199400712N)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 170,893,872 NEW ORDINARY SHARES IN THE CAPITAL OF RAFFLES EDUCATION CORPORATION LIMITED, AT AN ISSUE PRICE OF S\$0.14 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS BEING DISREGARDED

IMPORTANT DATES AND TIMES

Last date and time for:-

Splitting	:	10 October 2012 at 5.00 pm
Acceptance and Payment	:	16 October 2012 at 5.00 pm
Renunciation and Payment	:	16 October 2012 at 5.00 pm
Excess Application and Payment	:	16 October 2012 at 5.00 pm

*** The last date and time for acceptance and/or excess application and payment through an ATM (as defined herein) of a Participating Bank (as defined herein) is 16 October 2012 at 9.30 p.m.**

Capitalised terms used beneath which are not otherwise defined herein shall have the same meaning as ascribed to them under “Definitions” of this Offer Information Statement.

For Entitled Depositors, acceptances of the Rights Shares and/or applications for excess Rights Shares may be made through CDP or by way of Electronic Application (as defined herein) at any ATM of a Participating Bank. For Entitled Scripholders, acceptances of the Rights Shares, and/or applications for excess Rights Shares may be made through the Share Registrar of the Company, Intertrust Singapore Corporate Services Pte. Ltd.

The existing Shares of the Company are quoted on the SGX Main Board.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position and performance and prospects of the Company and the Group and the rights and liabilities attaching to the Rights Shares. They should also make their own independent enquiries and investigations of any assumptions, upon which financial projections, if any, are based and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their accountant, stockbroker, bank manager, lawyer or other professional advisers before deciding whether to acquire the Rights Shares or invest in the Company.

No person has been authorised to give any information or to make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue or the issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or any of its subsidiaries. Neither the delivery of this Offer Information Statement, the issue of the Rights Shares shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of the Company or any of its subsidiaries or any of the information contained herein since the date hereof. Where such changes occur after the date hereof, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders (as defined herein) of the Company and their renounees should take note of any such announcement and, upon the release of such announcement shall be deemed to have notice of such changes.

The Company makes no representation to any person regarding the legality of an investment in the Rights Issue, the Rights Shares or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, legal or tax advice. Each prospective investor should consult his own professional or other advisor for business, legal or tax advice regarding an investment in the Rights Issue, the Rights Shares or the Shares.

Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and the accompanying documents have been prepared solely for the purpose of the subscription of the Rights Shares under the Rights Issue, and may not be relied upon by any persons (other than Entitled Shareholders to whom it is despatched by the Company and their renounees) or for any other purpose.

This Offer Information Statement, including the PAL, ARE and ARS, may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Notwithstanding the above, Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised by the Company to inform themselves of and observe such prohibitions and restrictions.

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DEFINITIONS

For the purpose of this Offer Information Statement, PAL, ARE and ARS, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

Companies

“Company” : Raffles Education Corporation Limited

“Group” : The Company and its subsidiaries

General

“Announcement” : The announcement released by the Company on 27 August 2012 in relation to the proposed Rights Issue

“ARE” : Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotment of Rights Shares under the Rights Issue

“ARS” : Application and acceptance form for Rights Shares to be issued to purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system

“ATM” : Automated teller machine of a Participating Bank

“Authority” : Monetary Authority of Singapore

“Books Closure Date” : 5.00 p.m. on 27 September 2012, being the time and date at and on which the Register of Members and Share Transfer Books of the Company are closed to determine the entitlements of Shareholders under the Rights Issue and, in the case of Entitled Shareholders who are Depositors, at and on which time and date their entitlements under the Rights Issue are determined

“CDP” : The Central Depository (Pte) Limited

“Closing Date” : 5.00 p.m. on 16 October 2012, being the last time and date for renunciation, acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or 9.30 p.m. on 16 October 2012, being the last time and date for renunciation, acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank

“Code” : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

“Companies Act” : The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time

“CPF” : Central Provident Fund

“Directors” : The directors of the Company, including alternate directors of the Company (if any), as at the date of this Offer Information Statement

DEFINITIONS

“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made through an ATM of one of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement
“Entitled Depositors”	:	Entitled Shareholders with Shares entered against their own names in the Depository Register maintained with CDP as at the Books Closure Date and whose registered addresses with CDP were in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Entitled Shareholders whose Shares were registered in their own names and whose registered addresses with the Company were in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided the Company with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended 30 June
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.14 for each Rights Share
“Latest Practicable Date”	:	26 September 2012, being the latest practicable date prior to the printing of this Offer Information Statement
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Subscription Scenario”	:	Based on the share capital as at the Latest Practicable Date, assuming the full subscription of the Rights Issue by Shareholders, the issuance of 170,893,872 Shares pursuant to the Rights Issue
“Offer Information Statement”	:	The offer information statement and the accompanying documents and, where the context admits, any supplementary or replacement document referred to in Section 241 of the SFA which may be issued by the Company in connection with the Rights Issue
“Participating Banks”	:	DBS Bank Ltd (including POSB) and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
“Provisional Allotment Letter” or “PAL”	:	The provisional allotment letter issued to an Entitled Scripholder setting out the provisional allotments of Rights Shares of such Entitled Scripholder in connection with the Rights Issue

DEFINITIONS

“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered or the Securities Accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or distributions
“Rights Issue”	:	The renounceable non-underwritten rights issue by the Company of up to 170,893,872 Rights Shares, at the Issue Price, on the basis of one (1) Rights Share for every five (5) Shares held as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement. Unless otherwise indicated, all information in this Offer Information Statement assumes that the Rights Issue is fully subscribed
“Rights Shares”	:	Up to 170,893,872 new Shares to be allotted and issued by Company pursuant to the Rights Issue
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Securities and Futures Act (Cap. 289)” or “SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX Main Board”	:	Official List of the SGX-ST Main Board
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Intertrust Singapore Corporate Services Pte. Ltd
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“Shares”	:	Ordinary shares of the Company
“SIC”	:	The Securities Industry Council
“Substantial Shareholder”	:	A person who holds, directly or indirectly, 5% or more of the Shares
“Undertaking Shareholders”	:	Mr Chew Hua Seng and Ms. Doris Chung Gim Lian
“Undertakings”	:	The irrevocable undertakings given by the Undertaking Shareholders in relation to the Rights Issue, as described in paragraph 1(f) of Part X of this Offer Information Statement
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%” or “per cent.”	:	Percentage or per centum

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

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 in this Offer Information Statement, the PAL, the ARE and the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the SGX-ST Listing Manual or any modification thereof and used in this Offer Information Statement, the PAL, the ARE and the ARS shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the SGX-ST Listing Manual or such modification thereof, as the case may be.

Any reference to a time of day in this Offer Information Statement, the PAL, the ARE and the ARS shall be a reference to Singapore time unless otherwise stated.

EXPECTED TIMETABLE OF KEY EVENTS

Shares trade ex-rights	:	25 September 2012 from 9.00 am
Books Closure Date	:	27 September 2012 at 5.00 pm
Despatch of Offer Information Statement (together with the ARE or PAL, as the case may be) to the Entitled Shareholders	:	2 October 2012
Commencement of trading of "nil-paid" rights	:	2 October 2012 from 9.00 am
Last date and time for splitting rights	:	10 October 2012 at 5.00 pm
Last date and time for acceptance and payment for Rights Shares	:	16 October 2012 at 5.00 pm (9.30 pm for Electronic Applications)
Last date and time for acceptance and payment for Rights Shares by renounees	:	16 October 2012 at 5.00 pm (9.30 pm for Electronic Applications)
Last date and time for application and payment for excess Rights Shares	:	16 October 2012 at 5.00 pm (9.30 pm for Electronic Applications)
Expected date for issuance of Rights Shares	:	23 October 2012
Expected date for crediting of Rights Shares	:	24 October 2012
Expected date for refund of unsuccessful applications (if made through CDP)	:	24 October 2012
Expected date for commencement of trading of Rights Shares	:	24 October 2012 from 9.00 am

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the timetable to be modified. However, the Company may, with the approval of the SGX-ST, modify the timetable subject to any limitation under any applicable law. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

(i) Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or PAL, as the case may be, and other accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the ARE may obtain them and this Offer Information Statement from CDP, the Share Registrar or any stockbroking firm during the period up to the Closing Date. Entitled Scripholders who do not receive the PAL may obtain them and this Offer Information Statement from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders have been provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the PAL or the ARE, as the case may be, and its accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the ARE may obtain them from CDP, the Share Registrar or any stockbroking firm for the period up to the Closing Date. Entitled Scripholders who do not receive the PAL may obtain them from the Share Registrar for the period up to the Closing Date.

All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PAL which is issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

(ii) Foreign Shareholders

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be registered in any jurisdiction other than Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. The Company further reserves the right to reject any acceptances of the Rights Shares or any applications for excess Rights Shares where it believes that such acceptance or application may violate the applicable legislation of any jurisdiction.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales will, however, only be effected if the Company in its absolute discretion determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be retained for the sole benefit of the Company or otherwise dealt with as the Directors in their absolute discretion deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such provisional allotments are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company, may in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in respect of such sales, such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and/or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirements in those territories.

The Rights Shares which are not otherwise taken up or allotted for any reason shall be used to satisfy excess Rights Shares applications as the Directors may, in their absolute discretion, deem fit. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the application for excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices I to III of this Offer Information Statement and in the PAL, the ARE and the ARS.

TRADING

Upon listing and quotation on the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("NRIC")/ passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificates, or an Entitled Scripholder who has not deposited his share certificates with CDP but wishes to trade on the SGX-ST, must deposit with CDP the respective certificates, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

All fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for excess Rights Shares or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Shareholders should note that most counters on the SGX-ST trade in lot sizes of 1,000 shares.

Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e. less than 1,000 Shares) and who wish to trade in odd lots on the SGX-ST should note that the Unit Share Market has been set up to allow trading of odd lots.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, under Section 241 of the Securities and Futures Act, the Company may lodge a supplementary or replacement document with the Authority, in the event, *inter alia*, it becomes aware of a new circumstance that has arisen since the lodgment of this Offer Information Statement with the Authority that is materially adverse from the point of view of an investor. The Company is also subject to the provisions of the SGX-ST’s Listing Manual regarding corporate disclosure.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of public companies including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30% to 50% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1% in the Company in any six-month period, must extend a take-over offer for the remaining Shares in the Company in accordance with the provisions of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the SIC and/or their professional advisers.

RISK FACTORS

An investment in the Shares and the Rights Shares involves a high degree of risk. Shareholders should carefully evaluate each of the material risk factors relating to our Group described below together with all of the other information set forth in this Offer Information Statement. To the best of the Directors' knowledge and belief, all risk factors (save for those which have already been disclosed to the general public) which are material to Shareholders in making an informed judgment of the Rights Issue have been set out in this Offer Information Statement.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Directors which could materially affect our Group's operations. If any of the following considerations and uncertainties develop into actual events, the business, financial performance and prospects of our Group could be materially and adversely affected. In that event, the trading price of the Shares and/or Rights Shares could decline significantly, and Shareholders may lose all or part of their investment in the Shares and/or the Rights Shares.

This Offer Information Statement contains forward-looking statements relating to events that involve risks and uncertainties. Please see in particular the Section "Cautionary Note on Forward-Looking Statements" relating to such forward-looking statements.

Risks relating to the Group's competitiveness

Private education in the Group's existing and new markets is highly competitive. The Group currently operates in a competitive environment with low barriers to entry and an increasing number of domestic and international players in the market. Some of these players have greater financial and other resources than the Group. The Group believes that to remain competitive in such an environment, it will need to achieve service excellence, operational efficiency and maintain high academic standards. Failure by the Group to achieve all or any of the above could result in the Group's business, financial performance and financial position being materially and adversely affected.

Risks relating to the Group's continuing ability to be accredited by national bodies or partners

The Group has partnerships with several educational institutions (including universities) in various countries for the accreditation, validation and/or recognition of certain courses offered by the Group and/or the distribution of courses offered by the respective institutions. In the distribution of courses offered by its partners in various countries, the Group is subject to audits and reviews for standards and quality by the relevant external education bodies in these countries such as the Quality Assurance Agency for Higher Education ("QAA") in the UK and the Australian Universities Quality Agency ("AUQA") in Australia. In addition to externally conducted audits by independent third parties or organisations, periodic internal audits may also be performed by the Group's partners themselves to ensure that the quality of its courses offered or distributed by the Group comply with its prescribed quality standards. Failure by the Group to meet any financial obligations to its partners or to attain satisfactory audit results from the QAA, AUQA or from the partners themselves, as the case may be, may result in the termination of such partnership and if a major partner is involved, such termination would materially and adversely affect the Group's business, financial performance and financial position.

Risks relating to the Group's partnerships in the countries in which it operates

The Group has partnerships with several educational institutions (including universities) in various countries for the accreditation, validation and/or recognition of certain courses offered by the Group and/or the distribution of courses offered by the respective institutions. The dissolution of any of such partnerships could result in the Group's business, financial performance and financial position being materially and adversely affected.

Risks relating to the licensing requirements in Singapore and other countries

As at 30 June 2012, the Group operates in 30 cities across 13 countries in the Asia-Pacific region. As such, the Group's activities are subject to various licensing requirements in Singapore and the other countries in which the Group operates. Such licences are renewed on a periodic basis and contain various on-going conditions, including, but not limited to, the Group meeting certain requirements relating to its financial position. Any unexpected termination or suspension of any licence or non-renewal of any of the Group's licences for whatever reason would result in the cessation of the respective business under licence or significantly curtail the Group's ability to enrol new students or cause the Group to incur costs

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to fulfil its obligations to the enrolled students. In addition, if the Group is unable to obtain new licences for which it has received fees in advance, it may have to refund such fees. Consequently, the Group's business, financial performance and financial position will be adversely affected.

To illustrate the above risks, the Ministry of Education and Training of Vietnam (“**MOET**”) recently alleged that Raffles International Training Centre Vietnam (“**RITC**”) had offered training programmes without first obtaining the necessary licence(s) from the relevant Vietnamese authorities. As a result of such allegation, on 30 December 2011, MOET ordered RITC to temporarily stop all advertising, admission and training activities leading to the award of certificates from the Group's overseas Institutions.

On 16 January 2012, the Company made an announcement that stated that RITC (which was incorporated on 6 December 2005) had secured all requisite permits and licences from the relevant authorities in Vietnam in order to carry out its activities. In particular, the Company clarified that RITC has been operating under an investment licence (No. 411043001722, which was valid from 6 December 2005) and a vocational educational licence (No. 06/2007/GCNDN, which was valid from 7 December 2007), which were issued by the People's Committee of Ho Chi Minh City and the Department of Labour, Invalids and Social Affairs respectively. Accordingly, the Group believes that RITC has been delivering certificate programmes in compliance with the existing Vietnamese regulatory framework since RITC's inception.

On 16 March 2012, the Company announced that it had filed an appeal against MOET's decision and had sought dialogue with the MOET and relevant authorities to resume operations. However, all discussions on possible solutions with the government of Vietnam yielded unworkable options for the Group. As a result of the above, the Group's financial results for FY2012 were adversely affected.

Risks associated with changes in regulations and/or licensing requirements

The Group's operations are regulated by various authorities and are subject to the prevailing laws and regulations in the relevant jurisdictions. Any changes in such laws and regulations may have a material and adverse effect on the business, financial performance and financial position of the Group, and may result in higher costs of compliance for the Group.

In addition, in the event that the Group is found not to be in compliance with any regulations, standards or policies promulgated by any relevant authority in Singapore or the other countries in which the Group operates, such authority may be able to do one or more of the following:

- impose monetary fines or penalties on the Group;
- limit or terminate the Group's operations or ability to grant degrees, diplomas or other certificates;
- restrict or revoke the Group's accreditation, licence or other approval to operate in the relevant country;
- subject the Group to other civil or criminal penalties; and/or
- subject the Group to other forms of censure.

Any of the penalties, restrictions or other forms of censure listed above could have a material adverse effect on the business, financial performance and financial position of the Group.

To illustrate the above risks, the Counsel for Private Education (“**CPE**”) has, in 2009, established the Enhanced Registration Framework (“**ERF**”), which is a mandatory registration scheme, and the EduTrust scheme, which is a voluntary certification scheme, each of which is applicable to private education institutions (“**PEIs**”) in Singapore. The ERF and the EduTrust scheme are administered by the CPE, a statutory board under the purview of the Ministry of Education of Singapore, and such schemes were implemented to protect the interests and welfare of local and international students in Singapore. The EduTrust scheme replaces the “CaseTrust for Education” and the “Singapore Quality Class for Private Educational Organisations” schemes that were administered by the Consumers Association of Singapore and SPRING Singapore respectively.

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All PEIs operating in and from Singapore must be registered with the CPE under the ERF. Further, all PEIs in Singapore that enrol international students must obtain the relevant certification under the EduTrust scheme. The EduTrust scheme serves to protect the fees paid by a PEI's international students (through a "Fee Protection Scheme" that takes the form of an escrow account or an insurance scheme) in the event that such PEI is unable to continue operations due to insolvency and/or regulatory closure. Any PEI that is not certified under the EduTrust scheme may not offer placements for international students in their programmes in Singapore.

RCHE was registered with the CPE under the ERF on 13 June 2011 and was granted a 4-year registration status which will expire on 12 June 2015. Failure by the Group to maintain or renew RCHE's registration status under the ERF would affect the business, financial performance and financial position of the Group as it would not be able to offer its courses to foreign students in Singapore. On 26 September 2011, RCHE submitted an application to the CPE to be certified under the EduTrust scheme and it obtained the EduTrust certification from the CPE on 16 January 2012 for a period of four years. Failure by the Group to obtain the certification status for RCHE under the EduTrust scheme would adversely affect the business, financial performance and financial position of the Group as it would not be able to offer any placements for international students in its programmes in Singapore.

Risks relating to ongoing and contemplated changes to the Group's business

The Group's ability to sustain its rate of growth or profitability depends on a number of factors, including its ability to obtain and maintain regulatory approvals, its ability to attract and retain students, its ability to maintain operating margins, its ability to recruit and retain high quality academic and administrative personnel and other competitive factors. In addition, growth may place a significant strain on the Group's resources and increase demands on its management information and reporting systems, financial management controls and personnel. Although the Group has made substantial investments to augment its financial and management information systems and other resources to support future growth, it cannot be assured that it will have adequate capacity to accommodate substantial growth or that it will be able to manage further growth effectively. Failure to do so could adversely affect the business, financial performance and financial position of the Group.

Risks relating to the loss of any of the Group's key personnel

The Group's performance depends, in part, on the continued service and performance of its executive officers. If such key personnel were to leave the employment of the Group, the Group will need to spend time searching for a replacement and the duties which such executive officers are responsible for may be affected. The loss of any of such key personnel could have a material and adverse effect on the Group's business, financial performance and financial position.

Risks relating to adverse publicity

Building awareness of the Group's Institutions and the programmes that they offer is critical to the Group's ability to attract prospective students. If the Group's Institutions are unable to successfully market and advertise their educational programmes, or if there is any adverse publicity relating to the Group's Institutions (whether in Singapore or otherwise), their ability to attract and enrol prospective students in such programmes could be adversely affected. It is also critical to the Group's success that it converts these prospective students to enrolled students in a cost-effective manner and that these enrolled students remain active in the Group's programmes.

To illustrate, the private education sector in Singapore was under intense regulatory and other scrutiny due to the closure of several private schools without warning. Such regulatory and other scrutiny has led to media attention that, in many instances, has portrayed the private education sector in a negative light. Such negative media attention may cause some prospective students to choose educational alternatives outside of the private education sector. This could negatively impact the Group's new enrolments and accordingly, could adversely affect the business, financial performance and financial position of the Group.

Risks relating to proprietary rights and intellectual property

The business of the Group depends in part on its ability to protect its proprietary rights and intellectual property. The Group relies on a combination of copyrights, trademarks, trade secrets, patents, domain names and contractual agreements to protect its proprietary rights. The Group also relies on agreements

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under which it obtains rights to own, or license rights to use, intellectual property developed by faculty members, content experts and other third parties. The Group cannot assure that these measures are adequate, that it has secured, or will be able to secure, appropriate permissions or protections for all of the intellectual property rights which the Group uses or claims rights to in Singapore or in various foreign jurisdictions, or that third parties will not terminate the Group's license rights or infringe upon or otherwise violate its intellectual property rights or the intellectual property rights of others. Despite the Group's efforts to protect these rights, unauthorised third parties may attempt to use, duplicate or copy the proprietary aspects of the Group's student recruitment and educational delivery methods and systems, curricula, online resource material or other content. The attention of the Group's management may be diverted by these attempts and it may need to use funds in litigation to protect the Group's proprietary rights against any infringement or violation, which could have a material adverse effect on its business, financial condition and financial performance.

Risks relating to disruptions and security threats to the Group's computer networks

The performance and reliability of the Group's computer network infrastructure at its various Institutions is critical to the Group's operations, reputation and ability to attract and retain students. Any computer system error or failure, regardless of cause, could result in outages that disrupt the Group's operations. Any such disruption could significantly impact the Group's operations and have a material adverse effect on its business, financial performance and financial position, and could adversely affect its compliance with applicable regulations and accrediting body standards.

In addition, the Group faces threats to its computer systems of unauthorised access, computer hackers, computer viruses, malicious codes, organised cyber attacks and other security problems and system disruptions. The Group has devoted and will continue to devote significant resources to the security of its computer systems, but they may still be vulnerable to these threats. A user who circumvents security measures could misappropriate proprietary information or cause interruptions or malfunctions in operations. As a result, the Group may be required to expend significant resources to protect against the threat of these system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches. Any of these events could have a material adverse effect on the Group's business, financial performance and financial position.

Risks relating to changing market needs

Increasingly, prospective employers of students who graduate from the Group's Institutions demand that their new employees possess appropriate technological skills and also appropriate "soft" skills, such as communication, critical thinking and teamwork skills. These skills can evolve rapidly in a changing economic and technological environment. Accordingly, it is important for the Group's educational programmes to evolve in response to these economic and technological changes. The expansion of existing programmes and the development of new programmes may not be accepted by current or prospective students or the employers of the Group's graduates. Even if the Group's Institutions are able to develop acceptable new programmes, such Institutions may not be able to begin offering those new programmes as quickly as required by prospective employers or as quickly as the Group's competitors may offer similar programmes.

In addition, the Group may be unable to obtain specialised accreditations or licences that may be required to make certain programmes desirable to students. To offer a new academic programme, the Group may be required to obtain regulatory and accrediting agency approvals, which may be conditioned or delayed in a manner that could significantly affect the Group's growth plans. If the Group is unable to adequately respond to changes in market requirements due to regulatory, financial, unusually rapid technological changes or other factors, the Group's ability to attract and retain students could be impaired, the rates at which graduates of the Group's Institutions obtain jobs involving their fields of study could decrease, and the business, financial performance and financial position of the Group could be adversely affected.

Establishing new academic programmes or modifying existing programmes requires the Group to make investments in management and capital expenditures, incur marketing expenses and reallocate other resources. The Group may have limited experience with the courses in new areas and may need to modify its systems and strategy or enter into arrangements with other educational institutions to provide new programmes effectively and profitably. If the Group is unable to increase the number of students

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or offer new programmes in a cost-effective manner, or is otherwise unable to manage effectively the operations of newly established academic programmes, the business, financial performance and financial position of the Group could be adversely affected.

Risks relating to foreign exchange exposure

The Group transacts in various foreign currencies with the Group's partners. As a result, the Group's revenue and expenses are denominated in various currencies while the Group's functional currency is Singapore dollars. Hence, the Group's business and financial performance are exposed to fluctuations in foreign exchange rates. There is no assurance that the Group will be able to maintain its profit margins in the event of any sustained unfavourable movement in foreign exchange rates. As such, significant unfavourable fluctuations in foreign exchange rates will adversely affect the Group's business, financial performance and financial position.

Risks relating to exchange controls restrictions in the countries in which the Group operates

The Group's revenue and expenses are denominated in various currencies while the Group's reporting currency is Singapore dollars. The Group's business and financial performance is, to a certain extent, dependent on its ability to convert its revenue (which is denominated in various currencies) to Singapore dollars and therefore, the Group is exposed to exchange controls restrictions that have been implemented or may be implemented in the future, by the respective governments of the countries in which the Group operates. The Group's business, financial performance and financial position would be adversely affected if the governments of such countries introduce policies to tighten exchange controls restrictions.

For instance, although the government of the PRC has introduced policies which allow greater convertibility of RMB, significant restrictions still remain. The Group cannot provide any assurance that the PRC regulatory authorities will not impose greater restrictions on the convertibility of RMB. Approximately 60% of the Group's revenue was derived in RMB in FY2012 and hence, any future restrictions on currency exchanges may limit its ability to use revenue generated in the PRC to fund its business activities outside the PRC.

Risks relating to the tax systems in the countries in which the Group operates

The Group's business, financial performance and financial position could be adversely affected by new forms or rates of taxation implemented by the respective tax authorities of the countries in which it operates.

In addition, the Group is subject to numerous taxes as a result of its operations, and differing interpretations of tax laws and regulations exist both among and within the government ministries of certain countries, which can create uncertainty. For instance, the tax system in the PRC is characterised by numerous taxes and frequently changing legislation. The regulations imposed by the PRC's tax authorities are often unclear, ambiguous and in some instances, conflicting. Instances of inconsistent opinions among local, regional and national tax authorities are not uncommon. Tax declarations made by companies operating in the PRC are subject to review and investigation by a number of PRC tax authorities, which are empowered under the applicable legislation to impose significant penalties and interest charges. These factors create substantially more significant tax risks in the PRC as compared with countries that have more developed tax systems. Based on its experience operating in the PRC, the Group believes that it has complied with all the applicable PRC tax laws and regulations. However, there is no assurance that the PRC tax authorities will not adopt a different interpretation of the applicable tax laws and regulations. In the event that the PRC tax authorities make an unfavourable tax ruling against the Group, the business, financial performance and financial position of the Group may be adversely affected.

Risks relating to changes in general economic and political conditions

The Group's investments are subject to prevailing economic and political conditions in the countries in which it operates. In addition to specific risks related to each investment, the Group's investments may be subject to general risks associated with operating in foreign countries. The business, earnings, asset values, prospects and valuations of the Group's investments may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies (in particular, regulations governing the education industry), shareholder restrictions, price and wage controls,

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exchange control regulations, taxation, expropriation, social instability and other political, economic or diplomatic developments (including wars, terrorist attacks or other hostilities) in or affecting the countries in which the Group has investments.

Risks relating to outbreaks of infectious diseases or any other serious public health concerns

The outbreak of an infectious disease such as Influenza A (H1N1), avian influenza, H5N1 or Severe Acute Respiratory Syndrome in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy, and business activities in Asia and could thereby materially and adversely impact the Group's business, financial performance and financial position. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Asia could have a material and adverse effect on the Group's business, financial performance and financial position.

Risk of Litigation

The nature of the Group's business and industry generally exposes the Group to legal claims made by students enrolled with the Group, the Group's partners and its other customers. The Group's business, financial performance and financial position may be materially and adversely affected if damages assessed and/or legal costs incurred in connection with any such legal action are substantial.

Risks relating to the global financial markets

The stress experienced by the global financial markets beginning in the second half of 2007 continued to deteriorate to varying degrees in different regions in 2010, 2011 and 2012. Concerns over inflation, the availability and increased cost of credit, the sovereign debt and banking crisis in Europe, as well as other countries to which the Group is exposed, contributed to a general decline in lending activity by financial institutions and in commercial lending markets and increased volatility and diminished expectations for the global economy and the markets in the near term. These factors, combined with volatile oil and commodity prices, declining business and consumer confidence and increased unemployment, have precipitated an economic slowdown and recessionary pressures globally.

From 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these European Union nations to continue to service their sovereign debt obligations. These conditions impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many European Union nations. Certain European Union nations continue to experience varying degrees of financial stress and uncertainty over the outcome of the European Union governments' financial support programmes and worries about sovereign finances persist. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. In addition, certain European Union governments have experienced downgrades of their sovereign credit ratings. There can be no assurance that the market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not spread, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilise the affected countries and markets in Europe or elsewhere. To the extent uncertainty regarding the economic recovery continues to negatively impact consumer confidence and consumer credit factors globally, the Group's business, financial condition and results of operations could be materially and adversely affected.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART II

IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

1. **Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.**

Name of Director	Address
Chew Hua Seng (Chairman and Chief Executive Officer)	: 32K Nassim Road, Singapore 258417
Chew Kok Chor (Executive Director and Deputy CEO)	: Blk 435, #08-216, Clementi Avenue 3, Singapore 120435
Chong Ee Yong (Executive Director)	: 132 Tanjong Rhu Road, Pebble Bay #04-04, Singapore 436919
Henry Tan Song Kok (Lead Independent Director)	: 53 Jalan Leban, Singapore 577590
Dr Tan Chin Nam (Independent Director)	: 10 Peach Garden, Singapore 437609
Teo Cheng Lok John (Independent Director)	: 130 Tanjong Rhu Road, Pebble Bay #09-10 Singapore 436918
Lim Tien Lock, Christopher (Independent Director)	: 2 Swettenham Close, Singapore 248140

2. **Provide the names and addresses of –**

- (a) **the issue manager to the offer, if any; and**
(b) **the legal adviser for or in relation to the offer, if any.**

Manager of the Rights Issue	: Not applicable
Legal adviser to the Rights Issue	: Stamford Law Corporation 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 043915

3. **Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.**

Share Registrar and Share Transfer Office	: Intertrust Singapore Corporate Services Pte. Ltd. 3 Anson Road #27-01 Springleaf Tower Singapore 079909
Transfer Agent	: Not applicable
Receiving Banker	: Not applicable

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART III

OFFER STATISTICS AND TIMETABLE

1. For each method of offer, state the number of securities being offered.

Method of Offer	:	Renounceable non-underwritten rights issue of Rights Shares
Basis of allotment	:	One (1) Rights Share for every five (5) existing ordinary Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Number of Rights Shares	:	Up to 170,893,872 Rights Shares

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –

- (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
-

Please refer to Paragraphs 3 to 7 below.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

Details of the offer procedure for the Rights Issue are set out below:

Offer period	:	Please refer to the section “ Expected Timetable of Key Events ” of this Offer Information Statement.
Basis of provisional allotment	:	One (1) Rights Share for every five (5) existing ordinary Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Procedure for acceptance	:	Entitled Shareholders who have been provisionally allotted Rights Shares are at liberty to accept, decline, renounce or trade their provisional allotments on the SGX-ST.

The offer will be open from 2 October 2012 up to (a) 5:00 p.m. on 16 October 2012 if acceptances of the Rights Shares are made through CDP in accordance with the applicable ARE, ARS or PAL, or (b) 9:30 p.m. on 16 October 2012 if acceptances of the Rights Shares are made through an ATM of a Participating Bank.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Acceptances should be made in the manner set out in the applicable ARE, ARS or PAL to the persons named therein to, that is:

- (a) in the case of Entitled Depositors, **THE CENTRAL DEPOSITORY (PTE) LIMITED**, by hand to **4 SHENTON WAY #02-01, SGX CENTRE 2, SINGAPORE 068807**, or by post, at the shareholder's own risk, in the enclosed self-addressed envelope to **RAFFLES EDUCATION CORPORATION LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**; or
- (b) in the case of Entitled Scripholders, to **RAFFLES EDUCATION CORPORATION LIMITED C/O THE SHARE REGISTRAR, INTERTRUST SINGAPORE CORPORATE SERVICES PTE. LTD. 3 ANSON ROAD #27-01 SPRINGLEAF TOWER SINGAPORE 079909**.

Announcements : It is not anticipated that the period for which the Rights Issue will be kept open will be extended or shortened. An announcement will be made via SGXNET if there are any such changes.

4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Rights Shares will be payable in full upon acceptance and/or application.

The last date and time for acceptances, application for excess Rights Shares and payment for Rights Shares and/or excess Rights Shares is on 16 October 2012 at 5:00 p.m. or, in the case of acceptance and/or excess application and payment through an ATM of a Participating Bank, on 16 October 2012 at 9:30 p.m. The detailed procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the application for excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices I, II and III to this Offer Information Statement and in the PAL, the ARE and the ARS.

Please refer to the Section entitled "Expected Timetable of Key Events" of this Offer Information Statement for the last date and time for payment for the Rights Shares and if applicable, the excess Rights Shares.

5. State, where applicable, the methods of and time limits for –

- (a) **the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 1 October 2012 by crediting the provisional allotments to Entitled Depositors or through the despatch of the PAL to Entitled Scripholders.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

In the case of Entitled Scripholders and their renounees with valid acceptances and successful applications of excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form in the PAL, share certificates representing such number of Rights Shares will be sent by registered post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within fourteen (14) days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees with valid acceptances and successful applications of excess Rights Shares and who have furnished valid Securities Account numbers in the relevant form(s) in the PAL, share certificate(s) representing such number of Rights Shares will be sent to CDP within fourteen (14) days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Shares that have been credited to their Securities Account.

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- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
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Not applicable. No pre-emptive rights have been offered.

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- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
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The Company will publicly announce the results of the allotment or allocation of the Rights Shares, as soon as practicable after the Closing Date, via an SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded by CDP, on behalf of the Company, to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date, by crediting their accounts with the relevant Participating Banks at their own risk (if they apply by way of an Electronic Application), the receipt by such bank being a good discharge to CDP and the Company of their obligations, if any, thereunder, or by means of a crossed cheque drawn on a bank in Singapore and sent to them at their mailing addresses in Singapore by ORDINARY POST (if they apply through CDP) at their own risk.

If no excess Rights Shares are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus application monies, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days of the Closing Date, by ordinary post at their own risk.

Please refer to Appendices I, II and III to this Offer Information Statement for details.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART IV

KEY INFORMATION

1. **In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**
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See below.

2. **Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**
-

In the Maximum Subscription Scenario, the estimated minimum net proceeds (after deducting estimated expenses of approximately S\$180,000) are expected to amount to approximately S\$23,745,000.

3. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**
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The Company intends to utilize the net proceeds from the Rights Issue for investment in education institutions and general working capital purposes, including the repayment of loans by the Company, payment of working capital of the Company's ventures in India (Raffles Millennium International) and Iskandar, Malaysia (Raffles University Iskandar), which consist of rental of premises, personnel cost, utilities, teaching materials and marketing expenses.

Pending deployment for the uses identified above, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit.

In the reasonable opinion of the Directors, there is no minimum amount that must be raised in the Rights Issue.

4. **For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**
-

In the Maximum Subscription Scenario, each dollar of the proceeds from the Rights Issue will be utilized in the following proportions:

- (i) S\$180,000 will be allocated to meet the expenses incurred in connection with the Rights Issue;
- (ii) S\$11,872,500 will be allocated for investment in education institutions; and

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (iii) S\$11,872,500 will be allocated for general working capital purposes, including the repayment of loans by the Company, payment of working capital of the Company's ventures in India (Raffles Millennium International) and Iskandar, Malaysia (Raffles University Iskandar), which consist of rental of premises, personnel cost, utilities, teaching materials and marketing expenses.

-
- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
-

The net proceeds from the Rights Issue will not be used, directly or indirectly to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

-
- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
-

The net proceeds from the Rights Issue will not be used to finance or refinance the acquisition of another business.

-
- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
-

Prior to the Announcement, Mr. Chew Hua Seng had extended a sum of S\$4,114,232 to the Company for its general working capital purposes. Subsequent to the Announcement and as of the Latest Practicable Date, Mr. Chew Hua Seng had advanced S\$3,139,635 to the Company as a deposit for his entitlement to the Rights Shares as an Undertaking Shareholder. The total amount of S\$7,253,867 will be applied towards Mr. Chew Hua Seng's full subscription of his Rights Shares.

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- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
-

Not applicable. The Rights Issue is not underwritten.

-
- 9(a) Provide information on the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office).**
-

Registered Address	:	99 Beach Road Singapore 189701
Telephone	:	(65) 6336 2270
Fax	:	(65) 6338 5167

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9(b) Provide information on the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group.

BACKGROUND

The Company was incorporated in Singapore on 29 January 1994, listed on 24 January 2002 on SGX-ST Sesdaq and on 10 January 2005 on SGX-ST Mainboard.

Collectively, the Group is one of the largest private education providers in the Asia-Pacific region. Since establishing its first college in Singapore in 1990, the Group has grown to operate 33 college-level institutions (“**Colleges**”) and university-level institutions (“**Universities**”, and together with the Colleges, the “**Institutions**”) in 30 cities across thirteen (13) countries in the Asia-Pacific region as at the Latest Practicable Date: Australia, Bangladesh, Cambodia, the PRC, India, Indonesia, Malaysia, Mongolia, New Zealand, Philippines, Singapore, Sri Lanka and Thailand.

Headquartered in Singapore, the Company employed approximately 2,300 academic and administrative staff as at the Latest Practicable Date.

The Group also owns Oriental University City (“**OUC**”) in Langfang, Hebei Province, PRC, a 2.8 million square metre self-contained campus, in addition to the Group’s Langfang Oriental Institute of Technology and Langfang Oriental Institute of Arts. Within this campus, OUC provides education services to seven (7) educational institutions that have a student population of approximately 24,000 as at the Latest Practicable Date.

THE GROUP’S BUSINESS MODEL

The Company is a premier tertiary education provider committed to providing quality education through its network of Institutions across the Asia-Pacific region.

The Company’s strategic goal is to nurture and groom skilled professionals through the transfer of industry-relevant knowledge and technical know-how to enable them to succeed in the globalised economy. The Group strives to provide a well-balanced education that encourages creative and critical thinking. This allows the Group’s students to realise their potential and aspirations, while enjoying the learning process at its Institutions.

Since its founding in 1990, the Company has grown its portfolio from its maiden College in Singapore to thirty-three (33) Institutions in thirty (30) cities across thirteen (13) countries in the Asia-Pacific region as at the Latest Practicable Date.

As at the Latest Practicable Date, approximately 21,300 students, who are enrolled in the Company’s tertiary programmes, benefit from a quality education that provides graduates with hands-on experience that is relevant to various industries.

The Group’s Institutions offer a comprehensive range of internationally recognised programmes leading to diploma, advanced diploma, degree and masters qualifications. The Group’s enterprise comprises several components:

(a) Private Education

Private Education System (“**PES**”) Institutions are the Company’s premium offering. PES Institutions are characterised by higher fees with lectures that are delivered in English predominantly by expatriate lecturers. The graduates of the Company’s PES Institutions receive internationally-recognised diplomas and degrees (although these are not always accredited by local education authorities) after completing two- year and three-year courses respectively. Admission is subject to applicants meeting certain minimum entry requirements (usually General Certificate of Secondary Education ‘Ordinary’ level qualifications or its equivalent). The curricula offered by the Company’s PES Institutions are developed and owned by the Company and degree programmes offered by the Company’s PES Institutions are duly accredited by the New South Wales Government Department

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of Education and Communities (the “DEC”) and are registered with the Australian Government Department of Education, Employment and Workplace Relations, the Australian Government Tertiary Education Quality and Standards Agency and the Australian Qualifications Framework. The Group’s PES institution in Singapore, Raffles College of Higher Education (“RCHE”) is also registered with the CPE under the ERF.

The Group’s PES Institutions provide a range of degree, diploma and certificate programmes in various professional disciplines including design, information technology (“IT”), business, biomedical sciences and psychology.

As at the Latest Practicable Date, the Group has twenty-seven (27) PES Institutions, with approximately 6,700 students enrolled across the Asia-Pacific region.

(b) National Education

The Group has one University, the Tianjin University of Commerce Boustead College (“**Boustead College**”) and three vocational and technical Colleges, namely, the Shanghai Zhonghua Vocation Institute, the Wanbo Technology Vocation Institute and Oriental Institute of Technology in Oriental University City, under the National Education System (“NES”) in the PRC. The NES is the Group’s mass market offering in the PRC. This system is characterised by lower fees with lectures that are delivered in Mandarin by local lecturers. Graduates receive local certificates that are recognised by the education authorities in the PRC and the curricula are approved by the PRC Ministry of Education (the “PRC-MOE”). Admission to the Group’s NES Institutions is subject to quota allocation by the PRC-MOE. Graduates under the NES receive a diploma upon successful completion of a three-year course and receive a degree upon successful completion of a four-year course.

As at the Latest Practicable Date, there are approximately 14,680 students enrolled in the Group’s NES Institutions.

(c) Oriental University City (“OUC”)

The Group holds 90% of the issued share capital of OUC. The remaining 10% of the issued share capital of OUC is held by Khazanah Nasional Berhad’s wholly-owned subsidiary, Rawa Investments (Cayman Islands) Ltd. OUC, through its subsidiaries, owns and operates OUC, a 2.8 million square metre self-contained campus located in Langfang, Hebei Province, PRC. Located approximately 50 kilometres away from Beijing, OUC enjoys good transport connectivity to the two major Chinese cities of Tianjin and Beijing.

OUC provides education services to the universities and colleges located on campus. In addition to the Langfang Oriental Institute of Technology and Langfang Oriental Institute of Arts, which is owned by the Company, seven (7) other universities and colleges have leased premises at OUC from the Company, and the total student population at OUC is approximately 26,500 as at the Latest Practicable Date. Notable education institutions located within OUC include the Beijing University of Chinese Medicine, the China Civil Aviation Management Institute and the Peking University Founder Technology College.

The Group intends to further develop OUC into a university township. The Group intends to incorporate higher education services and auxiliary facilities and amenities into the OUC business model to establish it as a tertiary vocational and technical education campus. When completed, this extension to the Company’s business model is expected to allow OUC to meet the strong and increasing demand in the PRC for skilled employees with professional qualifications.

(d) Raffles Millennium International (“RMI”)

RMI Institutions are established through a 50:50 joint venture between the Company and Educomp Solutions Ltd (“**Educomp**”) of India.

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India is a fast-growing market with one of the largest youth populations in the world, numbering in excess of 600 million. This 50:50 joint venture brings the Group's entire suite of award-winning programmes in "Design", "Business" and "Hospitality" to India, providing higher education choices for its large student population.

As at the Latest Practicable Date, six (6) RMI Institutions have been established across six Indian cities, namely, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata and New Delhi and these offer the Company's advanced diploma and degree programmes.

(e) Raffles Millennium University ("RMU")

The joint venture with Educomp also includes the development of the RMU campus at a 44-acre site in Greater Noida on the outskirts of Delhi, India. With the first phase of the campus' construction completed, RMU received its first batch of students for its "Post-Graduate Diploma in Management" ("PGDM") and "Bachelor of Technology in Engineering" ("**B. Tech Engineering**") programmes in August 2011.

PGDM offers specialisations in the areas of "Marketing", "Finance" and "Human Resources". These programmes were approved by the All India Council for Technical Education (the "**AICTE**"), an Indian statutory body and national-level council for technical education, in early 2011, as required under Indian education laws. RMU has applied for university status from the University Grants Commission of India (the "**UGC**") and is awaiting final approval from the UGC.

To meet the huge demand for engineers in India, RMU's B.Tech Engineering programme offers specialisations in the fields of computer science and engineering, IT, electronics and communication engineering, applied electronics and instrumentation engineering and electrical engineering.

(f) Raffles University Iskandar ("RUI")

The Company established RUI as an 80:20 joint venture with Education@Iskandar Sdn. Bhd. ("**Education@Iskandar**"), a member of the Iskandar Investment Group, in 2011.

RUI, estimated to cost approximately RM200 million, a comprehensive University that has received all the requisite registration approvals from the Ministry of Higher Education of Malaysia (the "**MOHE**"), and RUI is capable of issuing its own degrees and certificates.

RUI is a multi-faculty, self-accrediting University that provides undergraduate and postgraduate programmes which include Design, Business Administration, Accountancies, Education Management, Applied Psychology and InfoComm Technology.

The RUI campus will be located in Educity, Iskandar Malaysia ("**Educity@Iskandar**") – an area which the Group believes holds promise for both economic and cultural development. RUI commenced operations out of leased premises at Kotaraya, Johor Bahru in September 2011 and received its first intake of students in August 2012. The Group intends to establish a 65-acre permanent campus in Educity@ Iskandar, complete with state-of-the-art facilities, hostels and amenities.

(g) Raffles University System ("RUS")

RUS holds overall responsibility for the academic development of the Group's Institutions, including curriculum development, quality assurance, accreditation and faculty development. It also prepares and submits the necessary applications to the various regulatory bodies when the Group applies to establish a new Institution in the relevant country.

The Company's education programmes place heavy emphasis on industry-relevant curricula and student experiences that encourage the development of creativity, entrepreneurship and socially responsible practices, with the aim of empowering its graduates to realise their full potential in a globalised economy.

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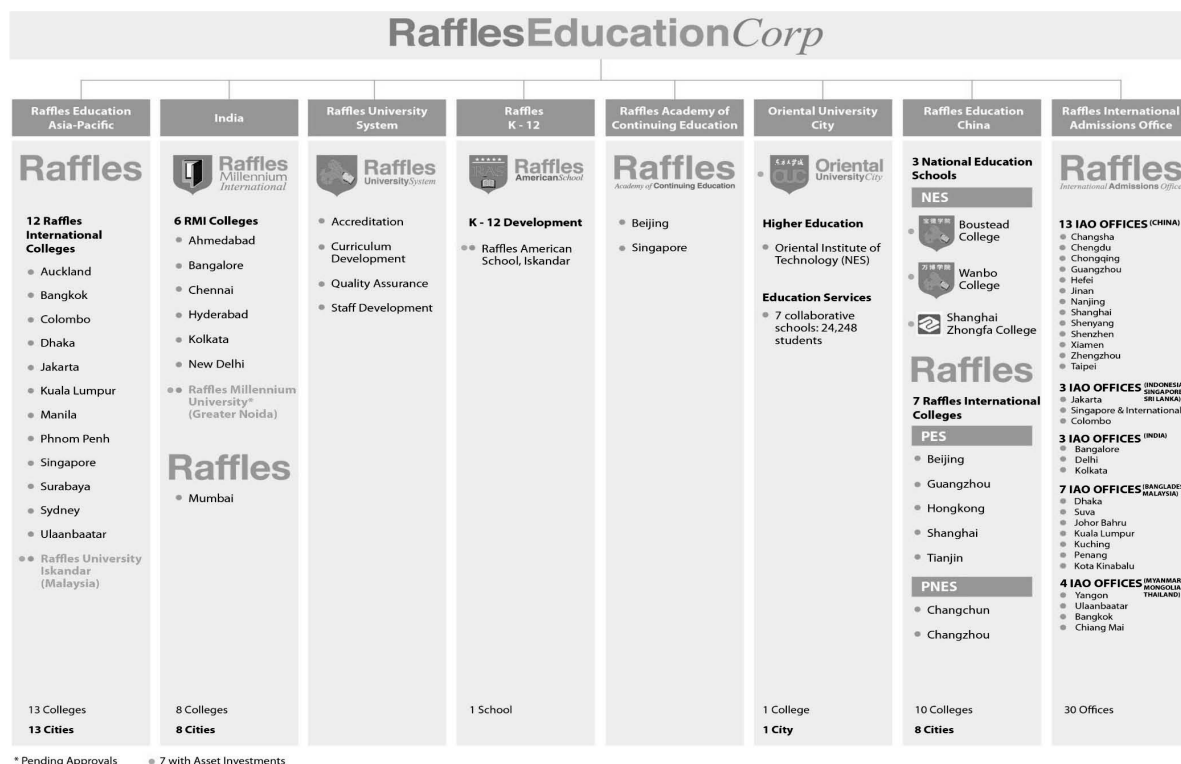
(h) Raffles American School (“RAS”)

The Group’s participation in pre-tertiary education began with RAS in EduCity@Iskandar, Malaysia. RAS offers an American pre-K-12 curriculum, with Advanced Placement offerings in the high school, which will provide a schooling alternative to the local and expatriate communities in the region.

The curriculum at RAS is jointly developed by International Schools Services, New Jersey, USA (ISS), an established global company that has advanced the quality of international education for children across the world with its curriculum development, school management, supply sourcing, and recruitment. RAS prepares students for admission to top US and Western Universities and is accredited by the Western Association of Schools and Colleges, USA (WASC).

RAS is open for grades one to eight in a temporary location in the Anjung neighbourhood centre in Nusajaya, Iskandar. The school’s permanent campus will be built on a sprawling 46-acre piece of land in EduCity@Iskandar for Kindergarten through Grade 12, with full boarding capacity in the 2014-2015 school year.

The following chart sets out an overview of the Group’s operational structure (as at Latest Practicable Date) by geography:



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Particulars of the significant subsidiaries are as follows:

Subsidiaries	Effective equity interest held by the Group 2012 %	Country of incorporation/ operation	Principal activities
Raffles College of Higher Education Pte Ltd	100	Singapore	Investment holding
Hartford Education Corporation Pte Ltd	100	Singapore	Investment holding
China Education Limited	100	Bermuda	Investment holding
Oriental University City Limited	90	Cayman Islands	Investment holding
Path Education Corporation Pte Ltd	100	Singapore	Investment holding
Raffles Design Institute Shanghai	100	People's Republic of China	Provision of training programmes and courses in various areas of design and management
Raffles-BICT International College	100	People's Republic of China	Provision of training programmes and courses in various areas of design and management
Raffles-C.U. International Design College	100	People's Republic of China	Provision of training programmes and courses in various areas of design and management
Raffles-Ningbo International College	55	People's Republic of China	Provision of training programmes and courses in various areas of design and management
Raffles-Changzhou International College	50	People's Republic of China	Provision of training programmes and courses in various areas of design and management
Raffles Design Institute Guangzhou	100	People's Republic of China	Provision of training programmes and courses in various areas of design and management
Raffles Academy of Continuing Education Beijing (formerly known as: Raffles Education Beijing)	100	People's Republic of China	Provider of education services

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Particulars of the significant subsidiaries are as follows: (Continued)

Subsidiaries	Effective equity interest held by the Group 2012 %	Country of incorporation/ operation	Principal activities
Yunnan Nationalities University - Raffles College Singapore	100	People's Republic of China	Provision of training programmes and courses in various areas of design and management
Raffles College Pty Ltd	100	Australia	Provision of training programmes and courses in various areas of design and commerce
Raffles Design International (India) Pty Ltd	100	India	Provision of training programmes and courses in various areas of design and management
Raffles Design International (Thailand) Limited ^(a)	49	Thailand	Provision of training programmes and courses in various areas of design and management
Raffles Design Training Centre (Vietnam)	100	Vietnam	Provision of training programmes and courses in various areas of design and management. Has suspended operation during the year
PT Raffles Design Institute	100	Indonesia	Provision of training programmes and courses in various areas of design and management
Raffles College of Design and Commerce (New Zealand) Limited	100	New Zealand	Provision of training programmes and courses in various areas of design and management
Wanbo Technology Vocation Institute	100	People's Republic of China	Provision of vocational and technical training
Raffles Assets (Singapore) Pte Ltd	100	Singapore	Investment holding
Raffles Education Malaysia Pte. Ltd.	100	Singapore	Investment holding
Raffles Design Institute (Private) Limited	100	Sri Lanka	Provision of training programmes and courses in various areas of design and management

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Particulars of the significant subsidiaries are as follows: (Continued)

Subsidiaries	Effective equity interest held by the Group 2012 %	Country of incorporation/ operation	Principal activities
Raffles Institute of Higher Education Limited (formerly known as Raffles Design Institute Limited)	100	Bangladesh	Provision of training programmes and courses in various areas of design and management
Raffles Design Institute Inc	100	Philippines	Provision of training programmes and courses in various areas of design and management
Raffles International College (Cambodia) Limited	100	Cambodia	Provision of training programmes and courses in various areas of design and management
Raffles International College (HK) Ltd	100	Hong Kong	Provider of education services
Raffles International Mongolia Co., Ltd	75	Mongolia	Provider of education services
Subsidiary of Raffles Education Malaysia Pte Ltd			
Raffles Iskandar Sdn. Bhd.	80	Singapore	Provider of education services
Raffles K12 Sdn. Bhd.	100	Singapore	Provider of education services. Has suspended operation during the year
Subsidiaries of Hartford Education Corporation Pte Ltd			
Raffles International Training Centre Hanoi	100	Vietnam	Provider of education services. Has suspended operations during the year
Subsidiaries of China Education Limited			
Tianjin University of Commerce Boustead College	100	People's Republic of China	Operation of education business

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Particulars of the significant subsidiaries are as follows: (Continued)

Subsidiaries	Effective equity interest held by the Group 2012 %	Country of incorporation/ operation	Principal activities
Subsidiaries of Raffles College of Higher Education Pte Ltd			
Raffles Design Institute Pte Ltd	100	Singapore	Provider of education services
Raffles School of Business Pte Ltd	100	Singapore	Provider of education services
Subsidiaries of Oriental University City Limited			
Langfang Development Zone Oriental University City Higher Education Co., Ltd	81	People's Republic of China	Provider of education services
Langfang Development Zone Oriental University City Education Consultancy Co., Ltd	81	People's Republic of China	Provider of education supporting services
Hebei Oriental Zhuyun Property Development Co., Ltd	81	People's Republic of China	Provision of accommodation
Subsidiaries of Langfang Development Zone Oriental University City Higher Education Co., Ltd			
Langfang Development Zone Oriental University City Education Facilities Development Co., Ltd	81	People's Republic of China	Provider of accommodation and management services
Langfang Oriental College of Arts	81	People's Republic of China	Provision of training programmes and courses in various areas of design and management

Notes on subsidiaries:

- (a) Deemed to be subsidiaries of the Company by virtue of management control

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Details of associates as at 30 June 2012 are as follows:

Associates	Effective equity interest held by the Group 2012 %	Country of incorporation/operation	Principal activities
Raffles College of Higher Education Sdn. Bhd.	20.0	Malaysia	Provision of training programmes and courses in various areas of design and management
KHID Co., Ltd	37.5	Mongolia	Investment holding

Details of joint venture as at 30 June 2012 are as follows:

Joint venture	Effective equity interest held by the Group 2012 %	Country of incorporation/operation	Principal activities
Educomp-Raffles Higher Education Limited	50	India	Provision of training programmes and courses in various areas of design and management
Value Vantage Pte Ltd	50	Singapore	Investment holding
Subsidiary of Value Vantage Pte Ltd			
Shanghai Zhonghua Vocation Institute	50	People's Republic of China	Provision of vocational and technical training

BUSINESS STRATEGY

Underpinning the Group's performance are several key growth drivers that have helped the Group retain its position as a leading education group in the Asia-Pacific region over the years. These strategic growth drivers are reflective of the Group's corporate vision to be the premier education group in the Asia-Pacific region.

(a) Build Depth at Existing Colleges

Over the years, the Group's existing Institutions have grown in breadth and depth. To ensure continued enhancement of its programmes and performance, the Group continues to place emphasis on the operations and processes at individual Institutions to improve operational efficiencies.

The Group also intends to increase its programme offerings through the development of new curricula and to expand its marketing reach to capitalise on the demands of specific markets.

(b) Expand Network of Institutions

The Company has also made progress in the building up of a strategic platform through its expanded geographical reach across the Asia-Pacific region over the years. The Group has adopted an expansion strategy to grow new markets throughout the Asia-Pacific region and a total of ten (10) new Institutions were established by the Group between FY2009 and FY2012.

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With an international portfolio of thirty-three (33) Institutions in thirty (30) cities across thirteen (13) countries in the Asia-Pacific region as at the Latest Practicable Date, the Group is well-positioned to tap on Asia's large youth population.

The Group will continue to expand its network of Institutions geographically, both organically and through strategic acquisitions. By expanding its network of Institutions, the Group believes that it is in a position to create new global opportunities for its students to enrich their personal outlook and learning experiences at its Institutions.

(c) Create Value at OUC

With the acquisition of OUC in 2008, the Group transformed its asset-light business model to become an asset-backed higher education provider. Creating value through the "University City" model has become a salient component of the Group's growth trajectory. The "University City" model is essentially an education hub that consists of teaching premises, student accommodation, retail facilities and other amenities.

In OUC, apart from revenue derived from educational services rendered to the schools located on its campus, the Group seeks to increase fee revenue from the direct provision of higher education services through the formation of new Institutions and partnerships to be located within the OUC campus.

The availability of land and the existing infrastructure at OUC also enables the Group to further develop a world-class, large scale university city in Langfang, Hebei Province, PRC, complete with accommodation and other facilities and amenities to complement the quality education offered by the Company's Institutions and the other education institutions located in OUC's premises. In addition to enhancing the value and maximising the returns on the Group's other education assets across the Asia-Pacific region, the development of OUC is currently also a strategic growth area for the Group.

The Group has announced on 9 February 2010 that it intends to procure the initial public offering of OUC on the Hong Kong Stock Exchange, New York Stock Exchange or any other stock exchange to be agreed between the shareholders of OUC, on or before 31 August 2013.

(d) Strengthen Academic Credibility

RUS is central to the successful development of quality education curricula for the Company's network of Institutions.

RUS' quality assurance systems and academic standards are assured by rigorous and stringent reporting requirements and audits. Oversight of RUS' standards is undertaken through the RUS Senate. The Group's academic credibility and corporate progress over the years is validated by the grant of the establishment and registration approvals for RUI by the MOHE in 2011 and 2012 respectively.

The Group's Institutions and programmes are registered, accredited and certified by various government bodies, and state and federal authorities. In June 2011, RCHE was registered under the enhanced registration framework (the "ERF") administered by the Council of Private Education, Singapore (the "CPE") and was granted a four-year registration under the Private Education Act 2009 (Act 21 of 2009 of Singapore) (the "PEA") – this will expire on 12 June 2015 and the Group will need to re-register with the CPE upon the expiry of such initial registration period. Registration under the ERF is only granted by the CPE to private education institutions that have fulfilled the requirements prescribed by the CPE.

Through RUS, the Group will continue to grow its intellectual property portfolio by developing new academic departments and curricula, and strengthening its accreditations and academic credibility. The Group's curricula are constantly reviewed and enhanced to offer professionally-relevant education programmes that equip the Group's students with the necessary skill-sets to compete in a globalised business community.

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The learning environment at the Group's network of Institutions is characterised by the promotion of holistic learning. Comprehensive skill, knowledge outcomes and employability of students are emphasised, as are creative and analytical approaches that encourage individual judgment and self-awareness. The Group seeks to pave the way for its students to a successful career by providing an educational experience that emphasises:

- (i) creativity and innovation in all programmes;
- (ii) enterprise and entrepreneurship;
- (iii) relevance and employability;
- (iv) professional excellence; and
- (v) socially responsible professional practices.

(e) Education Asset Enhancement

The Group has embarked on strategies to enhance and realise the value of its education assets for reinvestment into its education business. To-date, the Group has realised approximately S\$302 million of its assets. To-date, the Group has built a sustainable education business growth model that is aimed at ensuring steady growth for the long run. The Group's corporate progress and platform has enabled it to own valuable education assets across the Asia-Pacific region. The Group believes that this will in turn pave the way for an education growth model that will ensure the sustainability of the Group's business for many years to come.

(f) Expand Into International School Business

Since its founding in 1990, the Group's business has been focused on the provision of higher education services. As at the Latest Practicable Date, the Group has expanded the scope of its current business and operations to include international school that caters to students aged from four (4) to nineteen (19).

On 30 September 2011, the Group announced that one of its subsidiaries, Raffles K12 Sdn. Bhd. ("**Raffles K12**"), had accepted a letter of offer (the "**Letter of Offer**") from Education@Iskandar in relation to the purchase of a piece of land in Mukim Pulai, Daerah Johor Bahru (the "**Land**"). The Land measures approximately 46.22 acres and is currently registered in the name of Iskandar Investment Berhad, the holding company of Education@Iskandar. The parties had on 19 September 2012 executed the sale and purchase agreement. The transfer and registration of the Land from Iskandar Investment Berhad to Education@Iskandar is still pending.

The acquisition of the Land is in line with the Group's expansion plans and strategic direction to expand into the international school business. In 2012, the Group launched the Raffles American School ("**RAS**"), which offers an American Pre-K to 12 curriculum programme for students below 19 years of age. The Land will be a permanent site for RAS, including full boarding capacity in the 2014-2015 school years.

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- 9(c) Provide information on the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
 - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published.
-

1. The general development of the business of the Group in the 3 most recently completed financial years up to the Latest Practicable Date are as follows:-

General Developments in FY2010

January 2010	Established New College In Phnom Penh, Cambodia
	Established New Colleges In India (Ahmedabad, Chennai and Hyderabad)
February 2010	Collaboration with Education@Iskandar Sdn. Bhd. to determine the feasibility of establishing a multi-institutional education campus in Iskandar, Malaysia
March 2010	Established New College In Colombo, Sri Lanka
April 2010	Established New College In Dhaka, Bangladesh
May 2010	Established New College In Kolkata, India
September 2010	Established New College in Manila, Philippines

General Developments in FY2011

May 2011	Signed JVA To Pursue Opportunities In The Middle East
	Signed JVA with Education@Iskandar Sdn. Bhd. to establish Raffles University Iskandar
June 2011	Established Value Vantage Partnership
September 2011	Proposed Acquisition Of Land By Raffles K12 Sdn. Bhd. at Daerah Johor Bahru, Negeri Johor

General Developments in FY2012

January 2012	RCHE awarded four-year EduTrust Certification by the Council for Private Education
	Established new college in Surabaya, Indonesia
February 2012	REC Established Multicurrency Medium Term Note Programme
June 2012	Established Raffles Academy of Continuing Education Singapore
August 2012	First student intake at Raffles University Iskandar, Malaysia
	First student intake at Raffles American School, Malaysia

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2. On 14 September 2012, the Company received approval in-principle from the SGX-ST for the listing of and quotation for the Rights Shares on the SGX Main Board, subject to, *inter alia* the following conditions:
- (i) compliance with the SGX-ST's listing requirements;
 - (ii) specific shareholders' approval of the Rights Issue at a general meeting; and
 - (iii) an undertaking by the Company to the SGX-ST to:
 - (a) make periodic announcements on the utilization of the proceeds of the Rights Issue as and when the funds are materially disbursed; and
 - (b) provide a status report on the specific utilization of the proceeds of the Rights Issue in the Company's annual report.

9(d) Provide information on the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or
- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

As at the Latest Practicable Date, the share and loan capital of the Company comprise:-

Issued and Paid-Up Share Capital (including Treasury Shares)	:	S\$458,077,846 divided into 874,401,361 Shares
Loan Capital	:	Nil

9(e) Provide information on, where –

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

The interests of the Substantial Shareholders of the Company (that is, persons holding 5% or more of the issued and paid-up share capital of the Company) in the Shares as recorded in the Register of Substantial Shareholders' Shareholdings, as at the Latest Practicable Date were as follows:-

Name of Shareholder	-----Direct Interest-----		-----Deemed Interest-----	
	No. of Shares	%	No. of Shares	%
Chew Hua Seng ⁽¹⁾⁽²⁾	274,738,214	32.15	21,822,539	2.55
Doris Chung Gim Lian ⁽¹⁾⁽²⁾	156,444,183	18.31	140,116,570	16.40
Oei Hong Leong	50,240,000	5.88	11,075,000	1.30

Notes:-

- (1) Ms Doris Chung Gim Lian is the spouse of Mr Chew Hua Seng. In this regard, Ms Doris Chung Gim Lian is deemed to have an interest in the shareholdings of Mr Chew Hua Seng and *vice versa*.
- (2) Includes 134,621,644 shares which are held jointly by Mr. Chew Hua Seng and Ms Doris Chung Gim Lian.

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- 9(f) Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;

Three of the Company's subsidiaries namely, Raffles Assets (Singapore) Pte Ltd, Raffles International Training Limited Company and Raffles International Training Centre Hanoi are currently involved in legal proceedings. Due to inherent uncertainties, no accurate quantification of any costs or damages can be made. Be that as it may, the Company considers none of these matters, either individually or in aggregate, will have a material effect on the financial position of the Company.

- 9(g) Provide information on, where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –
- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or
 - (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests;

The Company has not issued any securities or equity interests within the twelve (12) months immediately preceding the Latest Practicable Date.

- 9(h) Provide a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

Save for the following contracts disclosed below, neither the Company nor any of its subsidiaries have entered into any material contract (not being contracts entered into in the ordinary course of business) within the past two (2) years preceding the date of this Offer Information Statement:

- (i) Pursuant to the Company's announcement dated 13 January 2011, on 12 January 2011, the Company exercised an option dated 15 December 2010 between the Company as the purchaser and Merchant Square Pte Ltd as the vendor ("MS") in connection with the acquisition of 51 Merchant Road, 2, 4 and 6 Fisher Street, 1, 3 and 5 Angus Street, Singapore (the "**Merchant Square Property**"). The consideration for the purchase of the Merchant Square Property was satisfied by the payment of the aggregate sum of S\$65,000,000 to MS.
- (ii) Pursuant to the Company's announcement dated 30 May 2011, its wholly-owned subsidiary, REM, entered into a joint venture and shareholders agreement with Education@Iskandar to establish a self-accrediting university, RUI. A joint venture company known as Raffles Iskandar Sdn. Bhd. ("**RISB**"), incorporated in Malaysia under Companies Act 1965, would be responsible for the establishment, operation and management of RUI.

Simultaneous with the signing of the said joint venture and shareholders agreement, RISB entered into a sale and purchase agreement with Education@Iskandar for the purchase of 2,831,400 square feet of land ("**Property**") in EduCity@Iskandar to construct, build and

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develop the RUI. RISB and Education@Iskandar also entered into a deed of covenants to regulate and govern the post-completion obligations of both parties vis-à-vis the maintenance, administration, management and use of the Property and provision of shared facilities and services by Education@Iskandar.

Pursuant to the terms of the said joint venture and shareholders agreement, REM and Education@Iskandar shall, in aggregate, contribute a total of RM175,000,000 as issued and paid-up capital of RISB, of which RM140,000,000 shall be contributed by REM and RM35,000,000 by Education@Iskandar, resulting in REM and Education@Iskandar holding 80% and 20% of the shareholding respectively in RISB. Pursuant to the terms of the said sale and purchase agreement, RISB shall purchase the Property from Education@Iskandar for RM90,604,800, arrived at a willing-buyer willing-seller basis.

- (iii) Pursuant to the Company's announcement dated 23 June 2011, a wholly-owned subsidiary Page 8 Consulting Pte. Ltd. ("**Page 8**") entered into a sale and purchase agreement with Mr. Ding Fu Ru ("**DFR**"). Pursuant to the said agreement, Page 8 will sell and DFR will purchase 22,109,501 ordinary shares in the capital of Value Vantage Pte. Ltd. ("**Value Vantage**"), representing 50% of the issued and paid-up share capital of Value Vantage completion. Subsequent to the completion, Page 8 and DFR would each hold 50% of the issued and paid up share capital of Value Vantage. The consideration paid by DFR to Page 8 was S\$46,000,000.00, arrived at on a willing-buyer, willing-seller basis. The said consideration was to be satisfied by DFR in cash.
- (iv) Pursuant to the Company's announcement dated 19 July 2012, a subsidiary of the Company, Hebei Oriental Zhuyun Property Development Co., Ltd. (the "**HOZPD**"), had entered into an overall land use rights transfer agreement (the "**LUR Agreement**") with Langfang Tianying Trading & Commercial Co., Ltd. (the "**LTTCC**") pursuant to which HOZPD had agreed to sell to LTTCC the land use rights to a plot of land located in Langfang Development Zone, Hebei Province, the PRC, with an area of approximately 118 mu (the "**Hebei Land**"), together with the car park and the other structures (of which property ownership and change of ownership registration are not required) thereon situated (the car park and the other structures hereinafter collectively referred to as "**Above-Ground Structures**") on an "as is, where is" basis, free from encumbrances. Under the LUR Agreement, HOZPD and LTTCC have agreed that the sale of the Land and the Above-Ground Structures shall be effected through the transfer (the "**Transfer**") by HOZPD to LTTCC of 100% of the equity interest (the "**Equity Interest**") in a wholly-owned project company and subsidiary of HOZPD (the "**New Company**"), which shall be incorporated as soon as possible after the date of the LUR Agreement and into which HOZPD will inject the land use rights of the Land and ownership of the Above-Ground Structures.

The consideration to be paid by LTTCC to HOZPD for the Equity Interest shall be the aggregate of RMB159,300,000 (approximately S\$31,828,000 based on an illustrative exchange rate of S\$1 = RMB5.005) and the amount of cash contributed by HOZPD to the New Company as registered capital.

- (v) Pursuant to the Company's announcement dated 23 July 2012, on 20 July 2012, HOZPD and Langfang Development Zone Oriental University City Sino-Singapore Education Investment Co., Ltd ("**ZX**") entered into a framework agreement with Mr. Liu Yanwen ("**Mr. Liu**") in relation to the setting up of a degree education college through Langfang Oriental Institute of Technology ("**OIT**"). Pursuant to the terms of the framework agreement and subject to the definitive agreements to be entered into between the parties, it is intended in principle that:
 - (a) Mr. Liu will swap his 10% shareholding in each of Oriental University City Higher Education Co., Ltd., Oriental University City Education Development Co., Ltd. and Oriental University City Education Consultancy Co., Ltd. for a 49% shareholding in ZX (subject to the result of a valuation exercise to be conducted), and consequently, ZX will be converted into a joint venture company, with HOZPD (or its nominee) and LYW (or his nominee) as its shareholders;

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- (b) HOZPD and Mr. Liu will transfer certain land and properties as well as other educational resources necessary to satisfy the requirement of setting up and operate a degree granting education college to OIT; and
 - (c) HOZPD (or its nominee) and ZX will also enter into a management services agreement with Mr. Liu (or his nominee) for Mr. Liu (or his nominee) to provide management services to ZX and OIT.
- (vi) Pursuant to an extraordinary general meeting of the Company held on 31 August 2012, the Company had obtained Shareholders' approval for the disposal of four (4) land parcels with a total area of approximately 635 mu located in the Langfang Development Zone, Hebei Province, the PRC, and properties thereon by HOZPD, to Langfang Fenghe International Golf Club Co., Ltd. ("**LFIGCC**") through the transfer (the "**Equity Transfer**") of 100% of the equity interest in Langfang Taitu Real Estate Development Co., Ltd for the consideration of RMB1,047,005,000, comprising:
- (a) the novation of debts owing to Oriental University Development Co., Ltd ("**OUCDC**") amounting to RMB702,625,736.72 by HOZPD to LFIGCC on the terms and subject to the conditions of the debt transfer agreement dated 29 March 2012 entered into between HOZPD, LFIGCC and OUCDC; and
 - (b) the payment of RMB344,379,263.28 in cash by LFIGCC to HOZPD on the terms and subject to the conditions of the equity transfer agreement dated 19 April 2012 for the Equity Transfer.
- (vii) Pursuant to the Company's announcement dated 30 September 2011, a subsidiary of the Company, Raffles K12 Sdn. Bhd., had on 29 September 2011 accepted a letter of offer from Education@Iskandar in relation to the purchase of the land situated on part of H.S(D) 274365 PTD No. 100809, Mukim Pulai, Daerah Johor Bahru, Negeri Johor.

Pursuant to the Company's subsequent announcement dated 19 September 2012, the relevant parties had on 19 September 2012 executed the sale and purchase agreement. The purchase consideration of RM74,487,600.00 was arrived at on a willing-buyer willing-seller basis, based on RM38.00 per square foot on an as-is where-is basis. The transfer and registration of the Land from Iskandar Investment Berhad to Education@Iskandar is still pending.

The Company purchased the land to construct and develop an American system school in Johor Bahru, Malaysia, catering to students from kindergarten to Year 12, in line with the Company's expansion plans and strategic directions to expand into the international school business.

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PART V

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

1. Provide selected data from –
 - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
 - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

The audited consolidated profit and loss statements of the Group for the last three financial years ended 30 June 2011, 2010 and 2009, and the unaudited consolidated profit and loss statements of the Group for financial year ended 30 June 2012 are set out below:

RAFFLES EDUCATION CORPORATION LIMITED AND ITS SUBSIDIARIES

Statement of comprehensive income for the financial year ended 30 June

	2012	2011	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	131,135	146,353	177,934	193,833
Other operating income	126,581	5,072	39,918	45,494
Personnel expenses	(54,758)	(57,764)	(54,122)	(49,073)
Depreciation and amortisation expenses	(19,521)	(16,181)	(14,590)	(14,367)
Other operating expenses	(120,184)	(67,906)	(80,320)	(65,610)
Fair value gain on investment properties	(6,327)	76,795	5,775	2,165
Negative goodwill	-	-	-	18
Impairment of goodwill	(51,634)	(4,648)	(2,366)	-
Allowance for impairment in an associate	-	-	-	(33,073)
Finance costs	(16,008)	(11,382)	(14,267)	(10,436)
Share of results of associates	361	360	379	335
(Loss)/profit before income tax	(10,355)	70,699	58,341	69,286

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RAFFLES EDUCATION CORPORATION LIMITED AND ITS SUBSIDIARIES

Statement of comprehensive income for the financial year ended 30 June

	2012	2011	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax expense	(61,508)	(25,006)	(7,286)	(21,295)
(Loss)/profit after tax from continuing operations	(71,863)	45,693	51,055	47,991
Discontinued operations				
(Loss)/profit after tax from discontinued operations	(12,955)	5,578	4,765	3,600
Net (loss)/profit for the financial year	(84,818)	51,271	55,820	51,591
Other comprehensive income:				
Revaluation gain on transferring owner occupied property to investment property	1,549	-	-	-
Currency translation differences arising from consolidation of foreign operations	18,547	(31,988)	(10,282)	9,043
Total comprehensive income for the financial year	(64,722)	19,283	45,538	60,634
Attributable to:				
Equity holders of the Company	(76,756)	41,917	52,560	51,120
Non-controlling interests	(8,062)	9,354	3,260	471
Net (loss)/profit for the financial year	(84,818)	51,271	55,820	51,591
Attributable to:				
Equity holders of the Company	(59,286)	13,201	42,834	58,597
Non-controlling interests	(5,436)	6,082	2,704	2,037
Total comprehensive income for the financial year	(64,722)	19,283	45,538	60,634
Dividends declared per share (cents)				
Dividends per share	-	0.9	-	6.0
Earnings per share (cents)				
Basic	-8.98	4.89	6.04	2.17
Diluted	-8.98	4.89	6.04	2.17
After adjustment to reflect the Rights Issue* (cents)				
Basic	-7.49	4.08	5.05	2.03
Diluted	-7.49	4.08	5.05	2.02

*On the assumption that the rights issue are fully taken up at the beginning of the financial year

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3. In respect of –

(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

A summary of the operations, business and financial performance of the Group for FY2009, FY2010, FY2011 and FY2012 is as follows:

FINANCIAL REVIEW OF FY2012 VERSUS FY2011

Consolidated Statement of Comprehensive Income

1. Group's revenue decreased by 10% from S\$146.4 million in FY2011 to S\$131.1 million in FY2012 taking into account the following:

A. Increase in Asia Pacific (Ex-PRC) revenue by S\$5.7 million from S\$47.3 in FY2011 to S\$53.0 million in FY2012.

B. Decrease in the PRC's revenue by S\$20.9 million from S\$99.1 million in FY2011 to S\$78.2 million in FY2012 mainly due to:

i) Absence of contribution by Shaanxi Electronic Information Institute and 50% contribution from Zhongfa College following the disposal of 50% interest in Value Vantage Pte. Ltd. ("**VVPL**"); These two colleges contributed S\$8.8 million in FY2011 and S\$2.0 million in FY2012

ii) Lower enrolments in PRC's Private Education System ("**PES**") institutions due to:

a. the continuing decline in university-going students as a result of demographic changes because of the one-child policy;

b. increase in the overall acceptance rate into National Education System ("**NES**") universities and institutions; and

c. increasing number of students choosing to pursue higher education overseas.

C. The revenue from the colleges in Vietnam has been excluded in both the comparative and current year amounting to S\$6.9 million (FY2011: \$11.2 million). The loss from discontinued operations has been reflected in item 9 below.

2. The increase in other operating income from S\$5.1 million for FY2011 to S\$126.6 million for FY2012 was mainly due to:

A. Government grant receivable of S\$90.1 million from Langfang Development Zone Treasury Authority to offset the cost arising from the restructuring of land according to the town planning requirements of the local government in Oriental University City ("**OUC**"). The cost was recorded in other operating expenses and income tax expenses as discussed in item 4A below;

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- B. Gain of S\$16.0 million on sale of 50% equity interest in Value Vantage Pte. Ltd., and 50% equity interest in Raffles-Wuhan Design Institute during the year; and
 - C. Gain of S\$8.9 million on disposal of an available-for-sale financial assets in an unquoted equity interests acquired as part of the previous acquisition of OUC.
3. Personnel expenses decreased from S\$57.8 million in FY2011 to S\$54.8 million in FY2012.
4. Increase in other operating expenses from S\$67.9 million for FY2011 to S\$120.2 million for FY2012 is due to the following:
- A. Provision for land restructuring cost in OUC which include revenue tax, stamp duty and deed tax amounting to S\$39.7 million; a further provision of S\$50.4 million was recorded in income tax expense in item 8 below. The total of these is S\$90.1 million which will be recoverable from the Langfang Development Zone Treasury Authority as reflected in item 2A above; and
 - B. Compensation to tenants in OUC amounting to S\$6.9 million for early termination of tenancy agreement, in relation to the sale of 670mu land and properties thereon, as announced previously.
5. Fair value net loss of S\$6.3 million (FY2011: S\$76.8 million gain) was recognized in FY2012 and includes:
- A. The fair value loss of S\$50.6 million in relation to the proposed disposal of 670 mu land and properties thereon which OUC has agreed to sell to Langfang Fenghe International Golf Club Co., Ltd, approved by shareholders during the Extraordinary General Meeting on 31 August 2012;
- The proposed disposal of 670 mu land and properties thereon are non-core assets of the Group, and the divestment of which is in line with the Group's intention to streamline its assets and realise returns on investments in the Oriental University City for redeployment into the core education business of the Group.
- This transaction is also expected to significantly strengthen the Group's financial position as:
- i) the outstanding balance of purchase consideration payable for OUC amounting to S\$130.9 million will be fully settled during the financial year ending 30 June 2013;
 - ii) the Group has received S\$24.6 million as reflected in the statements of financial position, item 8C below; and
 - iii) the Group will also realise cash amounting to S\$59.3 million during the financial year ending 30 June 2013, which the Group can re-invest into its education business.
- B. S\$33.6 million gain from the other investment properties in OUC;
 - C. S\$2.8 million gain from the land in Iskandar; and
 - D. S\$7.9 million gain from Merchant Square in Singapore.
6. Impairment of goodwill consists mainly of goodwill arising from previous acquisition of Hartford Education Corporation Pte. Ltd. of S\$43.1 million (a S\$7.3 million goodwill impairment was included under loss from discontinued operations in relation to our college in Hanoi, Vietnam).

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7. Increases in finance costs from S\$11.4 million for FY2011 to S\$16.0 million for FY2012 was mainly due to provision of the remaining amortization of finance charge for non-current purchase consideration in OUC.
8. The increase in income tax expense from S\$25.0 million in FY2011 to S\$61.5 million in FY2012 is mainly attributable to the:
 - A. Provision of tax amounting to S\$50.4 million on land restructuring in OUC; and
 - B. Provision of taxes for prior periods amounting to S\$7.5 million relating to foreign sourced dividends as assessed by the Inland Revenue Authority of Singapore (“IRAS”) during the year. Despite this provision, the Company is continuing to engage IRAS on this matter with assistance from its tax lawyers.
9. Loss from discontinued operations pertains to the results of subsidiaries in Vietnam (“**Raffles Vietnam**”). The current year loss includes goodwill impairment of S\$7.3 million as discussed in item 6 above. As disclosed in the Group’s announcement on 16 March 2012, the Group has suspended operations in Vietnam.
10. The Group enjoyed a gain of S\$18.5 million in currency translation differences arising from consolidation of foreign operations mainly due to the strengthening of Renminbi against Singapore Dollar as the presentation currency of the Group is in Singapore dollar.
11. Non-controlling interests represent mainly the non-controlling shareholders’ share of loss in OUC.

FINANCIAL REVIEW OF FY2011 VERSUS FY2010

Consolidated Statement of Comprehensive Income

1. The Group’s revenue decreased by 17.7% from S\$177.9 million for FY2010 to S\$146.4 million for FY2011. The decrease in the Group’s turnover was mainly due to the following:
 - A. The strengthening of the Singapore dollar against the Renminbi which adversely affected the Renminbi-denominated revenue; and
 - B. Lower enrolments resulting from a reduction in the allocation of National Education System (“NES”) students as a result of a decline in the number of students in the PRC taking the “Gao Kao” (the “Gao Kao” or National Higher Education Entrance Examination is an academic examination held annually for students seeking admission into institutions of higher learning in the PRC).
2. The decrease in other operating income from S\$39.9 million for FY2010 to S\$5.1 million for FY2011 was mainly due to the absence of a S\$36.7 million government grant received from Langfang Development Zone Treasury Authority as funds for education development in OUC.
3. The increase in personnel expenses from S\$54.1 million for FY2010 to S\$57.8 million for FY2011 was mainly attributed to the new Institutions set up since FY2009. The personnel expenses of the new Institutions increased from S\$3.1 million in FY2010 to S\$5.8 million in FY2011.
4. Depreciation and amortisation expenses increased from S\$14.6 million for FY2010 to S\$16.2 million for FY2011 and this was mainly due to additional depreciation charges on assets taken over by OUC from a local school and certain assets converted from investment properties in OUC.
5. The decrease in other operating expenses from S\$80.3 million for FY2010 to S\$67.9 million for FY2011 was due to the following:

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- A. Absence of S\$2.3 million of preparation expenses for an initial public offering written off in FY2010 as the previous project to list the PRC operations (excluding OUC) had been discontinued;
 - B. Absence of S\$5.9 million allowance for doubtful debts and S\$3.7 million bad debts written off in FY2010 as well as a write back of doubtful debts of S\$2.7 million in FY2011; and
 - C. Offset by an increase in operating costs of S\$1.5 million due to the new Institutions set up since FY2009 (S\$3.9 million in FY2010 compared to S\$5.4 million in FY2011).
6. Fair value gain of S\$76.8 million (compared to S\$5.8 million in FY2010) related to the investment properties in OUC. In July 2011, the Land Bureau of the PRC confirmed that the disposal of land by OUC was part of the resumption for the re-zoning of land by the PRC government. Instead of treating this as disposal of land, the Group has continued to recognise it as investment property of the Group and the fair value gain of S\$42.8 million arising from this land has been included in the S\$76.8 million fair value gain.
 7. The decrease in finance costs from S\$14.3 million for FY2010 to S\$11.4 million for FY2011 was due to interest savings arising from repayment of a loan with high interest rate in the PRC using credit lines in Singapore.
 8. The increase in income tax expense from S\$7.3 million in FY2010 to S\$25.0 million in FY2011 was due mainly to the deferred tax of S\$19.2 million on fair valuation gain on investment properties of OUC. Excluding this deferred tax, the income tax expense has declined to S\$5.8 million for FY2011 compared to S\$7.3 million for FY2010. This is in line with the overall decrease in profits.
 9. The increase in currency translation differences arising from consolidation of foreign operations was mainly due to the strengthening of the Singapore dollar against the Renminbi as the presentation currency of the Group is in Singapore dollar.
 10. Non-controlling interests represent mainly the non-controlling shareholders' share of profits in OUC.
 11. The profit attributable to shareholders declined by 20% from S\$52.6 million for FY2010 to S\$41.9 million for FY2011.

FINANCIAL REVIEW OF FY2010 VERSUS FY2009

Consolidated Statement of Comprehensive Income

1. The Group's turnover decreased by 8.2% from S\$193.8 million in FY2009 to S\$177.9 million in FY2010. The decrease in the Group's turnover was due mainly to lower enrolments resulting from a reduction in the allocation of NES students as a result of a decline in the number of students in the PRC taking the "Gao Kao", as well as the cumulative effect of reduction in students recruited over the last few quarters due to the impact of the global financial crisis.
2. The decrease in other operating income from S\$45.5 million in FY2009 to S\$39.9 million in FY2010 was mainly due to a decrease in unrealised foreign exchange gain from S\$4.9 million in FY2009 to S\$1.0 million in FY2010. Other income of S\$36.7 million in FY2010 related to a government grant received from Langfang Development Zone Treasury Authority as funds for education development in OUC.

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3. The increase in personnel expenses from S\$49.1 million in FY2009 to S\$54.1 million in FY2010 was mainly due to increased headcount from expanded operations, numbering 2,996 in FY2010 (as compared to 2,742 in FY2009), and from the eight new Institutions set up in FY2010 (compared to the five colleges set up in FY2009). The personnel expenses of these new Institutions increased from S\$0.5m in FY2009 to S\$3.1m in FY2010.
4. The increase in depreciation and amortisation expenses from S\$14.4 million in FY2009 to S\$14.6 million in FY2010 was mainly due to additional depreciation from newly set up Institutions.
5. The increase in other operating expenses from S\$65.6 million in FY2009 to S\$80.3 million in FY2010 was mainly attributable to the following:
 - A. Increase in operating costs of S\$3.1 million due to the new Institutions set up since FY2009 (S\$3.9 million in FY2010 compared to S\$0.8 million in FY2009);
 - B. Increase in property tax of OUC of S\$3 million in the absence of tax incentives;
 - C. Preparation expenses for an initial public offering amounting to S\$2.3 million written off as the previous project to list the PRC operations (excluding OUC) was discontinued;
 - D. Higher allowance for doubtful debts and bad debts written off amounting to S\$3.5 million mainly from OUC as the management took a more conservative approach in view of current economic climate; and
 - E. Increase in unrealised foreign exchange loss of S\$2.3 million mainly due to the depreciation of Renminbi in FY2010.
6. Fair value gain of S\$5.8 million in FY2010 arose from the revaluation of investment properties in OUC.
7. The increase in finance costs from S\$10.4 million in FY2009 to S\$14.3 million in FY2010 was due to:
 - A. An additional loan taken in the PRC in FY2010; and
 - B. Higher amortisation of finance charge on long-term payables of S\$5.3 million in FY2010 (compared to S\$4.2 million in FY2009) related to the amortisation of fair value discounting of the deferred purchase consideration of OUC, over the period of payment for this purchase consideration.
8. The Group's income tax expense decreased from S\$21.3 million in FY2009 to S\$7.3 million in FY2010 due to lower taxable profits for FY2010, inclusion of a tax expense of about S\$6.7 million relating to the disposal of land in FY2009 and a sum of S\$6.5 million for the under provision of tax for prior years in FY2009 (compared to the under provision of tax for prior years of S\$0.2 million in FY2010).
9. Non-controlling interests represented mainly the non-controlling shareholders' share of profits in OUC. Profit attributable to shareholders increased by 2.8% from S\$51.1 million in FY2009 to S\$52.6 million in FY2010.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recent completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

The Group's audited consolidated balance sheet as at 30 June 2011 (FY2011) and unaudited consolidated balance sheet as at 30 June 2012 (FY2012) are set out below:

RAFFLES EDUCATION CORPORATION LIMITED AND ITS SUBSIDIARIES

Statement of Financial Position as at 30 June	FY2012	FY2011
	S\$'000	S\$'000
Non-current assets		
Property, plant and equipment	169,379	163,147
Investment properties	411,821	592,548
Investments in associates	1,262	1,242
Investment in available-for-sale financial assets	609	4,411
Intangible assets	131,609	205,161
Other receivables	21,888	-
	<u>736,568</u>	<u>966,509</u>
Current assets		
Inventories	128	122
Trade and other receivables	135,239	77,068
Cash and cash equivalents	42,143	64,768
	<u>177,510</u>	<u>141,958</u>
Assets classified as held for sale	255,847	27,391
	<u>433,357</u>	<u>169,349</u>
Less:		
Current liabilities		
Trade and other payables	289,508	69,557
Course and education service deferred income	15,405	11,583
Income tax payable	79,687	10,989
Borrowings	167,960	164,370
	<u>552,560</u>	<u>256,499</u>
Net current (liabilities)/assets	<u>(119,203)</u>	<u>(87,150)</u>
Less:		
Non-current liabilities		
Trade and other payables	24,613	185,458
Borrowings	47,450	66,394
Deferred tax liabilities	3,975	20,758
	<u>76,038</u>	<u>272,610</u>
Net assets	<u><u>541,327</u></u>	<u><u>606,749</u></u>

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

RAFFLES EDUCATION CORPORATION LIMITED AND ITS SUBSIDIARIES

Statement of Financial Position as at 30 June	FY2012 S\$'000	FY2011 S\$'000
Capital and reserves		
Share capital	458,079	458,079
Treasury shares	(21,383)	(21,383)
Reserves	63,713	125,198
Equity attributable to equity holders of the Company	500,409	561,894
Non-controlling interests	40,918	44,855
	<u>541,327</u>	<u>606,749</u>

Statements of Financial Position

1. Property, plant and equipment (“PPE”) increased from S\$163.1 million in FY2011 (“**ended 30 June 2011**”) to S\$169.4 million in FY2012 (“**ended 30 June 2012**”) mainly due to:
 - A. Reclassification from investment property of S\$31.4 million;
 - B. Net addition of PPE of S\$46.1 million for the financial year;
 - C. Foreign currency translation gain of S\$4.8 million.

The increase was partially offset by reclassification to investment properties of S\$15.3 million in OUC and S\$17.9 million in Raffles Iskandar, reclassification to assets held for sale of S\$26.8 million by VVPL and depreciation charge of S\$17.1 million.

2. The decrease for investment properties from S\$592.5 million in FY2011 to S\$411.8 million in FY2012 was mainly due to:
 - A. Reclassification to assets held for sale of S\$214.8 million by OUC;
 - B. Transfer to PPE from investment properties of S\$31.4 million; and
 - C. Fair value net loss to investment properties of S\$6.3 million, refer to **FINANCIAL REVIEW OF FY2012 VERSUS FY2011**, Consolidated Statement of Comprehensive Income, item 5.

The decrease was partially offset by the reclassification from PPE to investment properties of S\$33.2 million, foreign currency translation gain of S\$29.1 million and reclassification from prepayment to investment property of the land in Thailand for S\$9.5 million.

3. Available-for-sale financial assets decreased from S\$4.4 million to S\$0.6 million as a result of the disposal of the unquoted equity interests acquired as part of the previous acquisition of OUC.
4. Intangible assets decreased from S\$205.2 million in FY2011 to S\$131.6 million mainly due to impairment of goodwill of S\$59.0 million as explained in **FINANCIAL REVIEW OF FY2012 VERSUS FY2011**, Consolidated Statement of Comprehensive Income, item 6.
5. Non-current other receivable of S\$21.9 million relates to receivable on sale of 50% equity interest in VVPL which is due in FY2014. Another S\$13.4 million which is due in FY2013 was recorded in the current other receivable.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

6. Current trade and other receivables increased from S\$77.1 million in FY2011 to S\$135.2 million in FY2012 mainly due to:
 - A. Government grant receivable of S\$92.0 million from Langfang Development Zone Treasury Authority to offset the cost arising from the restructuring of land according to the town planning requirements of the local government in OUC;
 - B. S\$13.4 million receivable in relation to sale of 50% equity interest in VVPL; and
 - C. Reduction of S\$25.5 million by offsetting the receivable from the previous owner of OUC with the outstanding purchase consideration due to them.
7. Assets classified as held for sale of S\$255.8 million in FY2012 mainly relates to the 670 mu land and properties thereon in OUC, approved by Shareholders on 31 August 2012's extraordinary general meeting of the Company ("**EGM**").
8. Trade and other payables increased from S\$69.6 million in FY2011 to S\$289.5 million in FY2012 mainly due to:
 - A. Reclassification of S\$130.9 million from non-current portion of the outstanding balance of purchase consideration payable for OUC,
 - B. Provision for land restructuring cost in OUC which include revenue tax, stamp duty and deed tax amounting to S\$40.5 million; and
 - C. S\$24.6 million of deposit received from Langfang International Golf Club for the proposed disposal of 670 mu land and properties thereon in OUC.
9. Income tax payable increased from S\$11.0 million in FY2011 to S\$79.7 million in FY2012 mainly due to the provision of income tax in relation to land restructuring in OUC.
10. Current borrowings increased from S\$164.3 million in FY2011 to S\$168.0 million in FY2012 mainly due to draw down of S\$18.0 million, partially offset by repayment of S\$16.0 million and translation loss of S\$1.6 million.
11. The decrease in non-current trade and other payables from S\$185.5 million in FY2011 to S\$24.6 million in FY2012 was mainly due to the repayment of S\$20.9 million and reclassification of S\$130.9 million to current trade and other payables for the remaining balance of purchase consideration of OUC.
12. The decrease in non-current borrowings from S\$66.4 million in FY2011 to S\$47.5 million in FY2012 was mainly due to the S\$19.5 million repayment during the year.
13. Deferred tax liabilities decreased to S\$4.0 million in FY2012 as compared to S\$20.8 million in FY2011, mainly due to movement of deferred tax arising from the fair value on investment properties in OUC.
14. Non-controlling interests as at 30 June 2012 represent mainly the non-controlling shareholders' equity interests in OUC.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

For illustrative purposes only, the following is an analysis of the financial effects of the Rights Issue on the NAV per Share of the Group based on the Group's audited consolidated balance sheet as at 30 June 2011 and the unaudited consolidated balance sheet as at 30 June 2012:

	As at 30 June 2011	As at 30 June 2012
Before the Rights Issue		
NAV (S\$'000)	561,894	500,409
Total number of Issued Shares (Excluding Treasure Shares)	854,469,361	854,469,361
NAV per share (cents)	65.76	58.56
After adjusting for the Rights Issue		
NAV (S\$'000)	585,639	524,154
Total number of Issued Shares (Excluding Treasure Shares)	1,025,363,233	1,025,363,233
NAV per share (cents)	57.12	51.12

Notes:

- (1) Based on the assumption that the Rights Issue is completed at the end of the respective periods and taking into account the estimated net proceeds from the Rights Issue.
- (2) NAV per Share is based on the NAV and the number of Shares as illustrated.

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.

The audited and unaudited consolidated cash flow statements for the Group for FY2011 and FY2012, respectively, are as follows:

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE	2012 \$'000	2011 \$'000
Cash flows from operating activities		
(Loss)/profit before income tax from continuing operations	(10,355)	70,699
(Loss)/profit before income tax from discontinued operations	(12,985)	5,910
	(23,340)	76,609

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE	2012 \$'000	2011 \$'000
Adjustments for:		
Allowance/(write back) for doubtful trade receivables	306	(2,749)
Bad trade receivables written off	353	554
Amortisation of intangible assets	2,619	1,869
Depreciation for property, plant and equipment	17,108	14,557
Gain on disposal of interest in subsidiaries	(15,964)	(131)
Gain on disposal of available-for-sale financial assets	(8,856)	-
Fair value gain/(loss) on investment properties	6,327	(76,795)
Impairment on investment properties	-	51
Loss on exchange of land	-	170
Net loss on disposal of plant and equipment	174	15
Property, plant and equipment written down	46	-
Impairment of goodwill	58,978	4,648
Interest expense	16,008	11,382
Interest income	(1,864)	(1,332)
Share of results of associates	(361)	(360)
Share-based payments	357	293
Operating profit before working capital changes	51,891	28,781
Working capital changes:		
Trade and other receivables	(94,326)	9,292
Inventories	(6)	402
Course fees and management fees received in advance	3,823	2,568
Trade and other payables	69,076	1,220
Cash generated from operations	30,458	42,263
Interest paid	(5,648)	(5,015)
Interest received	975	1,332
Income and withholding tax paid	(12,017)	(9,031)
Net cash from operating activities	13,768	29,549
Cash flows from investing activities		
Proceeds from sale of plant and equipment	234	28
Proceeds from sale of available-for-sale financial assets	12,836	-
Purchases of property, plant and equipment	(19,673)	(29,133)
Deposit from disposal of interest in subsidiaries	-	9,590
Disposal of interest in subsidiaries, net of cash disposed off	(1,629)	3,783
Advance payment for development cost of new projects	(751)	-
Deposits from disposal of investment properties	17,507	-
Payment of remaining purchase consideration for acquisition of subsidiaries	(20,895)	(25,716)
Acquisition of investment properties	-	(68,140)
Acquisition of non-controlling interest	(43)	-
Additions of development costs	(2,474)	(1,987)
Additions of computer software	(428)	(500)
Additions of trademarks	(35)	(64)

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE	2012 \$'000	2011 \$'000
Investment in available-for-sale financial asset	(1)	(9)
Investment in subsidiary by non-controlling interests	2,172	42
Dividends received from associate	341	362
Net cash used in investing activities	(12,839)	(111,744)
Cash flows from financing activities		
Purchase of treasury shares	-	(4,585)
Draw down of borrowings	18,000	54,920
Draw down of long term mortgage borrowing facility for investment properties financing	-	54,650
Repayment of borrowings	(35,490)	(46,680)
Dividend payments to non-controlling interests	-	(2,527)
Dividend payments to equity holders of the Company	(3,845)	(3,845)
Net cash from/(used in) financing activities	(21,335)	51,933
Net change in cash and cash equivalents	(20,406)	(30,262)
Cash and cash equivalents at beginning of financial year	64,768	101,638
Effect of exchange rate changes on cash and cash equivalents	(2,219)	(6,608)
Cash and cash equivalents at end of financial year	42,143	64,768

7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**

The Executive Directors are of the reasonable opinion that taking into account the present banking facilities and the net proceeds of the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**
- (a) **a statement of that fact;**
 - (b) **details of the credit arrangement or bank loan; and**
 - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
-

The Group through its Executive Directors confirm that to the best of their knowledge, they are not aware of breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Company.

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
-

Please refer to section entitled “**Risk Factors**” of this Offer Information Statement.

Prospects

The Group has seen its PRC revenue declining and is expected to continue to be affected by the challenging operating conditions in PRC.

Despite these, the Group is seeing some positive outcome of its expansion strategy in the Asia Pacific (Ex-PRC) region.

The launch of RUI and RAS in July 2012 demonstrate the Group's focused efforts to grow its education business. RUI as a full-fledged university, raises the profile of the Group. The formation of RAS marks the Group's entry into the international school business and opens a new demographic market for the Group.

As and when the opportunity arises, the Group will continue to divest its non-core assets to realise returns on investments for redeployment into our core education business.

10. **Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
-

Not applicable as no profit forecast is disclosed.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.
-

Not applicable as no profit forecast or profit estimate is disclosed.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.
-

Not applicable as no profit forecast is disclosed.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
-

Not applicable as no profit forecast is disclosed.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
-

Not applicable as no profit forecast is disclosed.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

15. Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period,
- to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.
16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.
-

Save for the events disclosed in this Offer Information Statement, the Directors are not aware of any event which has occurred from 30 June 2012 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VI

OFFER AND LISTING

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**
-

Issue Price : S\$0.14 for each Rights Share, payable in full on acceptance and/or application.

The expenses incurred in the Rights Issue will not be specifically charged to subscribers of the Rights Shares.

Certain administrative fees will be charged by the relevant Participating Banks in relation to the subscription of the Rights Shares.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
-

The Shares are traded on the Official List of the SGX-ST.

The issue price of S\$0.14 of each Rights Share represents a discount of approximately 61% from the price of S\$0.365 per Share on the SGX-ST on 24 August 2012, being the last transacted price preceding the date of the Announcement. As at the Latest Practicable Date, the Issue Price represents a discount of approximately 62% to the closing price of S\$0.375 per Share on the SGX-ST.

3. **If –**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
 - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
 - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
 - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.
-

The price range and volume of the Shares traded on the SGX-ST over the last 12 months immediately preceding this Offer Information Statement are as follows:

Month	Price Range*		Share Volume (million)
	High (S\$)	Low (S\$)	
August 2011	0.645	0.415	70.951
September 2011	0.505	0.440	20.619
October 2011	0.490	0.400	50.058
November 2011	0.460	0.420	21.633
December 2011	0.475	0.410	12.423
January 2012	0.480	0.415	52.237
February 2012	0.535	0.445	145.867
March 2012	0.495	0.450	49.133
April 2012	0.465	0.420	15.412
May 2012	0.425	0.365	13.849
June 2012	0.405	0.360	8.698
July 2012	0.435	0.380	18.299
August 2012	0.405	0.340	20.244
1 September 2012 to the Latest Practicable Date	0.401	0.268	156.842

Source: Bloomberg

* Based on closing market prices

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Paragraph 4 (b) is not applicable as the Shares have been listed and quoted for more than 12 months immediately preceding the Latest Practicable Date.

There has not been any significant trading suspension that has occurred on the Official List of the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.

Based on the information set out in the table on price range and volume above, the Shares are regularly traded on the Official List of the SGX-ST.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**

(a) The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares for any dividends, rights, allotments or other distributions.

(b) The Rights Shares are to be issued pursuant to the general mandate obtained from Shareholders at the Company's annual general meeting held on 21 October 2011.

6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

Basis of Provisional Allotment : The Rights Issue is made on a renounceable non-underwritten basis, based on one (1) Rights Share for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements being disregarded.

Fractional entitlements to Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy excess applications for Rights Shares (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders will rank last in priority.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Provisional allotments which are not taken up for any reason shall be used to satisfy applications for excess Rights Shares

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

(if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Foreign Shareholders : As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the Section entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” of this Offer Information Statement for further details.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.

Not applicable. The Rights Issue is not underwritten.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VII

ADDITIONAL INFORMATION

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
-

Not applicable. There is no statement or report made by an expert in this Offer Information Statement.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**
- (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not applicable.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26 (2) or (3) applies.**
-

Not applicable.

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
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Not applicable.

- 5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity's business operations or financial position or results; or**
 - (b) investments by holders of securities in the relevant entity.**
-

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matter which could materially affect, directly or indirectly, the Group's business operations, financial position, or results or investments by holders of securities in the Company.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VIII

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Not Applicable

PART IX

ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not Applicable

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART X

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

1. Provide –

(a) the particulars of the rights issue;

Number of Rights Shares to be issued	:	Up to 170,893,872 Rights Shares.
Issue Price	:	S\$0.14 per Rights Share, payable in full on acceptance and/or application.
Discount	:	The Issue Price of S\$0.14 for each Rights Share represents a discount of approximately 61% to the closing price of S\$0.365 per Share on the SGX-ST on 24 August 2012, being the last trading day of the Shares on the SGX-ST prior to the date of the Announcement.
Basis of Provisional Allotment	:	<p>The Rights Issue is made on a renounceable non-underwritten basis, based on one (1) Rights Share for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements being disregarded.</p> <p>In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders will rank last in priority.</p>
Status of the Rights Shares	:	The Rights Shares, when allotted and issued, will rank <i>pari passu</i> in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.
Eligibility to participate in the Rights Issue	:	Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement.
Acceptance, excess application and payment procedures	:	The procedures for acceptance, excess application and payment by Entitled Shareholders are set out in Appendices I, II and III to this Offer Information Statement.
Listing and Trading	:	<p>The SGX-ST has granted approval in-principle for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue or the Rights Shares.</p> <p>Upon the listing of and quotation for the Rights Shares on the SGX Main Board, the Rights Shares will be traded under the book-entry (scripless) settlement system.</p>

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- Use of CPF Funds : Shareholders who participated in the CPF investment scheme (“**IS Shareholders**”) may use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts (“**CPF Funds**”) for the payment of the Issue Price to subscribe for the Rights Shares. Such IS Shareholders who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct the respective approved banks, where such IS Shareholders hold their CPF Investment Accounts, to accept the provisional allotment of Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with this Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.
- Estimated Net Proceeds : Assuming full subscription of the Rights Issue, the estimated net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$180,000, will amount to approximately S\$23,745,000.
- Governing Law : Laws of the Republic of Singapore.

(b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;

10 October 2012 at 5:00 p.m.

(c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;

16 October 2012 at 5:00 p.m. (9.30 p.m. for Electronic Applications)

(d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;

16 October 2012 at 5:00 p.m.

(e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;

The allotment and issue of the Rights Shares pursuant to the Rights Issue are governed by the terms and conditions as set out in this Offer Information Statement, in particular, Appendices I, II and III of this Offer Information Statement and in the ARE and the ARS.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**
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As at the Latest Practicable Date, the Company has obtained the Undertakings from each of the Undertaking Shareholders, who hold an aggregate of 296,560,753 Shares, representing approximately 34.71% of the existing issued share capital of the Company, *inter alia*:

- (a) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of their respective interests in the Shares during the period between the date of their respective Undertakings and the Books Closure Date; and
- (b) to subscribe and pay for and/or procure subscriptions and payment in full for such number of Rights Shares under the Rights Issue in respect of their respective interests (direct and indirect) in the Shares as at the Books Closure Date in accordance with the terms and conditions of the Rights Issue.

The Undertakings are nevertheless subject to any scale down of subscription and/or excess applications by the Company such as to avoid placing the relevant Undertaking Shareholders and parties acting in concert with them (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully.

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- (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**
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The Issue Price of S\$0.14 for each Rights Share represents a discount of approximately 62% from the price of S\$0.375 per Share on the SGX-ST on the Latest Practicable Date.

Hence, in view of the above and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER
APPENDIX 8.2 OF THE SGX-ST LISTING MANUAL**

Provide a review of the working capital for the last three (3) financial years and the latest half year, if applicable.

The working capital of the Group as at FY2009, FY2010, FY2011 and FY2012 are set out below:

(S\$'000)	FY2009	FY2010	FY2011	FY2012
Total current assets	278,031	207,969	169,349	433,357
Total current liabilities	311,297	257,417	256,499	552,560
Working Capital	(33,266)	(49,448)	(87,150)	(119,203)

FY2012 versus FY2011

The Group's total current assets increased by S\$264.1 million from S\$169.3 million as at 30 June 2011 to S\$433.4 million as at 30 June 2012. This is mainly due to an increase of (i) S\$228.5 million in assets classified as held for sale and (ii) S\$58.2 million in trade and other receivables. These increases were partially offset by the decrease of S\$22.6 million in cash and cash equivalents as at 30 June 2012.

The Group's total current liabilities increased by S\$296.1 million from S\$256.5 million as at 30 June 2011 to S\$552.6 million as at 30 June 2012. This is mainly due to increase of (i) S\$223.8 million in trade and other payables, (ii) S\$68.7 million in income tax payable and (iii) S\$3.6 million in short-term borrowings.

As a result of above, the Group's working capital decreased by S\$32.0 million from a negative S\$87.2 million as at 30 June 2011 to a negative S\$119.2 million at 30 June 2012.

FY2011 versus FY2010

The Group's total current assets decreased by \$38.7 million from S\$208.0 million as at 30 June 2010 to S\$169.3 million as at 30 June 2011. This is mainly due to a decrease of (i) S\$0.5 million in inventories, (ii) S\$28.6 million in trade and other receivables, and (iii) S\$36.9 million in bank balances and cash. These decreases were partially offset by the increase of S\$27.4 million in non-current assets held for sale as at 30 June 2011.

The Group's total current liabilities decreased by S\$0.9 million from S\$257.4 million as at 30 June 2010 to S\$256.5 million as at 30 June 2011. This is mainly due to decrease of (i) S\$5.6 million in trade and other payables and (ii) S\$3.3 million in taxation. These decreases were partially offset by the increase of \$8.0 million in short-term borrowings.

As a result of above, the Group's working capital decreased by S\$37.7 million from a negative S\$49.4 million as at 30 June 2010 to a negative S\$87.1 million at 30 June 2011.

FY2010 versus FY2009

The Group's total current assets decreased by S\$70.0 million from S\$278.0 million as at 30 June 2009 to S\$208.0 million as at 30 June 2010. This is mainly due to a decrease of (i) S\$56.4 million in trade and other receivables and (ii) S\$13.7 million in cash and cash equivalents.

The Group's total current liabilities decreased by S\$53.9 million from S\$311.3 million as at 30 June 2009 to S\$257.4 million as at 30 June 2010. This is mainly due to decrease of (i) S\$86.3 million in trade and other payables and (ii) S\$0.7 million in taxation. These decreases were partially offset by the increase of S\$33.1 million in short-term borrowings.

As a result of above, the Group's working capital decreased by S\$16.1 million from a negative S\$33.3 million as at 30 June 2009 to a negative S\$49.4 million at 30 June 2010.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER
APPENDIX 8.2 OF THE SGX-ST LISTING MANUAL**

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- (a) where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832;
 - (b) where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price-fixing formula, to state the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences
-

- (a) Not Applicable. The Rights Issue does not involve an issue of convertible securities.
 - (b) Not Applicable. The Rights Issue does not involve an issue of convertible securities.
-

A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.

Not applicable.

APPENDIX I

PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.

1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if this ARE is not accurately completed and signed or if the "Free Balance" of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed,

APPENDIX I

unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix III of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part A of Section (II) of the ARE the number of Rights Shares provisionally allotted to him which he wishes to accept, in Part (B) of Section (II) of the ARE the number of excess Rights Shares applied for and in Section (II) of the ARE the respective and total amounts to be made payable to **“CDP — REC RIGHTS ISSUE ACCOUNT”**; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for:

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- (i) by hand to **RAFFLES EDUCATION CORPORATION LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807**; or
- (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **RAFFLES EDUCATION CORPORATION LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. ON 16 OCTOBER 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — REC RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix I which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

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The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 1,000 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARE AT AN ISSUE PRICE OF S\$0.14)

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 2,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

- | | |
|--|--|
| (a) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for excess Rights Shares. | (1) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 16 October 2012 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or |
| | (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 2,000 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$280.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to " CDP — REC RIGHTS ISSUE ACCOUNT " and crossed " NOT NEGOTIABLE, A/C PAYEE ONLY " for the full amount due on acceptance and (if applicable) application, by hand to RAFFLES EDUCATION CORPORATION LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807 or by post, at his own risk, in the self-addressed envelope provided to RAFFLES EDUCATION CORPORATION LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 5.00 p.m. on 16 October 2012 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. |

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Alternatives

Procedures to be taken

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

(b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST.

- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30p.m. on **16 October 2012**; or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$140.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than 5.00 p.m. on **16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 1,000 Rights Shares or any other board lot size which the SGX-ST may require.

(c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, and reject the balance.

- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on **16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$140.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 16 October 2012** or if an acceptance is not made through CDP by **5.00 p.m. on 16 October 2012**.

APPENDIX I

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 16 OCTOBER 2012 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.**
- (B) 5.00 P.M. ON 16 OCTOBER 2012 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE; AND**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix I, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Right Shares, he acknowledges that, in the case where:
 - (i) the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, or
 - (ii) the amounts as stated in Parts (A) and (B) of Section (II) in the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for the excess Rights Shares,

the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable)

APPENDIX I

towards payment of all amounts payable in respect of his application for excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to an Entitled Depositor is less than the number of excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for excess Rights Shares through CDP).

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5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — REC RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **RAFFLES EDUCATION CORPORATION LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **RAFFLES EDUCATION CORPORATION LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.00 p.m. on 16 October 2012** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

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It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

APPENDIX II

PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Acceptances of the provisional allotment of and any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed with, and form part of this Offer Information Statement:-

PAL incorporating:-

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

The provisional allotment of the Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the enclosed PAL. The PAL shows the number of Rights Shares, which Entitled Scripholders have been provisionally allotted (fractional allotments, if any, having been disregarded) and contains full instructions with regard to acceptance and payment and the procedures to be followed should such Entitled Scripholders wish to renounce, transfer or split all or any part of their provisional allotment pursuant to the Rights Issue. Entitled Scripholders may accept their allotment in whole or in part.

Entitled Scripholders who wish to accept their entire provisional allotments or to accept any part of it and decline the balance, should complete Form A of the PAL for the number of Rights Shares which they wish to accept and forward the PAL in its entirety together with payment in the prescribed manner to the Share Registrar, so as to arrive not later than 5:00 p.m. on **16 October 2012**.

Entitled Scripholders who intend to trade any part of their provisional allotment of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PAL will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Scripholders who wish to accept part of their provisional allotments and renounce the balance, or who wish to renounce all or part of their provisional allotments in favour of more than one person, should first, using Form B of the PAL, request to have their provisional allotments under the PAL split into separate PAL (“**Split Letters**”) according to their requirements. Split Letters will then be issued to the Entitled Scripholders in accordance with their request. No Split Letters will be issued to the Entitled Scripholders if Form B is received after 5:00 p.m. on **16 October 2012**. The Split Letter(s), in respect of the provisionally allotted Rights Shares which Entitled Scripholders wish to accept, should be forwarded together with respective Form A, duly completed and signed, and payment in the prescribed manner to **RAFFLES EDUCATION CORPORATION LIMITED, c/o THE SHARE REGISTRAR, INTERTRUST SINGAPORE CORPORATE SERVICES PTE. LTD., 3 ANSON ROAD #27-01, SPRINGLEAF TOWER, SINGAPORE 079909** so as to arrive not later than 5:00 p.m. on **16 October 2012**.

The Split Letter(s), in respect of the provisionally allotted Rights Shares which Entitled Scripholders wish to renounce, may be renounced by completing the Form C enclosed with such Split Letter(s) and delivering such Split Letter(s) together with the duly completed Form C to the renounees.

Entitled Scripholders who wish to renounce their entire provisional allotment of Rights Shares, or to renounce any part of it and decline the balance, should complete Form C for the number of Rights Shares which they intend to renounce and deliver the PAL to the renounee(s).

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Unless acceptance and payment in the form of a remittance in Singapore currency for the full amount due on acceptance in the form of a Banker's Draft or a Cashier's Order drawn on a bank in Singapore and made payable to "**RAFFLES EDUCATION CORPORATION LIMITED**" for the Rights Shares, and crossed "**Not Negotiable, A/C Payee Only**" and with the name and address of the accepting party clearly written on the reverse side is received by **RAFFLES EDUCATION CORPORATION LIMITED, C/O THE SHARE REGISTRAR, INTERTRUST SINGAPORE CORPORATE SERVICES PTE. LTD., 3 ANSON ROAD #27-01, SPRINGLEAF TOWER, SINGAPORE 079909** by the Closing Date, the provisional allotment will be deemed to have been declined and shall forthwith lapse and become void. Such provisional allotments of Rights Shares not accepted will be allotted to satisfy excess applications or disposed of in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned to Entitled Scripholders by ORDINARY POST without interest or share of revenue or other benefit arising therefrom within fourteen (14) days from the Closing Date at their own risk. **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

The Excess Rights Shares Application Form contains full instructions with regard to excess Rights Shares application, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares. Applications in excess of each Entitled Scripholder's provisional allotment may be made by completing and forwarding the Excess Rights Shares Application Form, attached to the enclosed PAL. Each application, to be accompanied by a **SEPARATE REMITTANCE** for the full amount payable on the excess Rights Shares applied for strictly in the form and manner set out above, must be forwarded to **RAFFLES EDUCATION CORPORATION LIMITED, C/O THE SHARE REGISTRAR, INTERTRUST SINGAPORE CORPORATE SERVICES PTE. LTD., 3 ANSON ROAD #27-01, SPRINGLEAF TOWER, SINGAPORE 079909** so as to arrive not later than the Closing Date at your own risk. Payment for the excess Rights Shares applied for must be made in Singapore currency in the form of a Banker's Draft or Cashier's Order drawn on a bank in Singapore and made out in favour of "**RAFFLES EDUCATION CORPORATION LIMITED**", and crossed "**Not Negotiable, A/C Payee Only**" with the name and address of the Entitled Scripholder clearly written on the reverse side of the remittance. **APPLICATIONS ACCOMPANIED BY ANY OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.** Applications for excess Rights Shares by the Entitled Scripholders are subject to the terms and conditions contained in the PAL, the Excess Rights Shares Application Forms and this Offer Information Statement. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares which are not validly taken up by Entitled Scripholders or their respective renounee(s), Entitled Depositors, or the Purchaser(s) of the provisional allotments (including the unsold "nil-paid" provisional Rights Shares allotments (if any) of Foreign Shareholders and the aggregated fractional entitlements). In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors in their absolute discretion deem fit. The Company reserves the right to allot the excess Rights Shares applied for under the Excess Rights Shares Application Form in any manner they deem fit and to reject or to refuse, in whole or in part, any application for excess Rights Shares without giving any reason whatsoever therefor.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application for excess Rights Shares or the surplus of the application monies for excess Rights Shares received by the Company (as the case may be) will be returned to such Entitled Scripholders BY ORDINARY POST and at their own risk without interest or share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date.

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

APPENDIX III

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “Steps”). Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept and (if applicable) apply for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “Applicant” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or the purchaser of the provisional allotment who accepts or (as the case may be) who applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM Card issued to him in his own name. Using his own Securities Account number with an ATM Card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:-

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:-
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF, the SGX-ST and the Company (the “Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act (Chapter 19) of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.

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- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record. In the event that the Company decides to allot any lesser number of excess Rights Shares or not to allot any number of excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final.
- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of Rights Shares accepted and/or excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or excess Rights Shares applied for that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares both by way of ARE and/or ARS (as the case may be) through CDP and by Electronic Application through an ATM, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of ARE and/or ARS (as the case may be) and by Electronic Application through an ATM, and CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Banker's Draft or Cashier's Order drawn on a bank in Singapore accompanying the ARE and/or ARS or by way of the acceptance through Electronic Application through an ATM.
- (6) If applicable, in the event that the Applicant applies for excess Rights Shares both by way of ARE through CDP and by Electronic Application through an ATM, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of ARE through CDP and by Electronic Application through an ATM. CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of Banker's Draft or Cashier's Order drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through an ATM of a Participating Bank.
- (7) The Applicant irrevocably requests and authorises the Company to:-
 - (a) register, or to procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return (without interest or any share of revenue or other benefit arising therefrom) the subscription monies, should his Electronic Application in respect of the Rights Shares accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date; and
 - (c) return (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**

APPENDIX III

- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks and/or the Company) and any events whatsoever beyond the control of CDP, the Participating Banks and the Company and if, in any such event, CDP and/or the Participating Banks and/or the Company do not record or receive the Applicant's Electronic Application by 9.30 p.m. on the Closing Date, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks and the Company for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays between **7.00 a.m. to 9.30 p.m** (excluding public holidays).
- (11) Electronic Applications shall close at **9.30 p.m. on 16 October 2012** or such other time as the Directors may, in their absolute discretion, decide.
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the subscription monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within fourteen (14) days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of subscription monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 16 October 2012** or such later time or date as the Directors may, in their absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:-
- (a) his Electronic Application is irrevocable;
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) neither the Company nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) acceptance of his application for excess Rights Shares; and

APPENDIX III

- (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for excess Rights Shares, as the case may be, by way of ARE or ARS or by way of Electronic Application through ATMs, the provisionally allotted Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date by any one or a combination of the following:-
- (a) by means of a crossed cheque sent BY ORDINARY POST at his own risk if he accepts and (if applicable) applies through CDP; and
- (b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled and the Applicant hereby authorises the Company and CDP to take into consideration:-
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE or any other form of application (including Electronic Application through an ATM) for the Rights Shares;
- (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the Entitled Depositor's Securities Account which is available for acceptance; and
- (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Entitled Depositor.
- The Applicant hereby acknowledges that CDP's and the Company's determination shall be conclusive and binding on him.
- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.

APPENDIX IV

LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM:-

DBS Bank Ltd (including POSB)

United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

For and on behalf of Raffles Education Corporation Limited

Chew Hua Seng
Chairman

Chew Kok Chor
Director

Chong Ee Yong
Director

Lim Tien Lock, Christopher
Director

Henry Tan Song Kok
Director

Tan Chin Nam
Director

Teo Cheng Lok John
Director

