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

DISPOSAL OF PROPERTY IN LANGFANG BY ORIENTAL UNIVERSITY CITY HOLDINGS (H.K.) LIMITED

The Board of Directors (the "Board") of Raffles Education Limited ("REL") wishes to announce that the Company's subsidiary, Oriental University City Holdings (H.K.) Limited ("OUCHK"), listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, has on 21 March 2023 announced the proposed disposal of OUCHK's subsidiary's property located in Langfang Development Zone, Hebei, the Peoples Republic of China, at the consideration of RMB100 million (equivalent to approximately HK$113.8 million or S$19.3 million), subject, inter alia, to OUCHK's shareholders' approval.

Please refer to the attached announcement by OUCHK, dated 21 March 2023, for more information.

Shareholders are advised to exercise caution when dealing in the shares of REL. Shareholders should consult their professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
Raffles Education Limited
21 March 2023

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ORIENTAL UNIVERSITY CITY HOLDINGS (H.K.) LIMITED
東方大學城控股(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8067)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF PROPERTY IN LANGFANG

THE DISPOSAL

On 21 March 2023 (after trading hours of the Stock Exchange), the Vendor, a subsidiary of the Company, as vendor and the Purchaser as purchaser entered into the Agreement, pursuant to which the Purchaser has agreed to purchase and the Vendor has conditionally agreed to dispose of the Property located in Langfang Development Zone, Hebei, the PRC, at the consideration of RMB100 million (equivalent to approximately HK$113.78 million).

Listing Rules Implications

As the highest applicable percentage ratio in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company pursuant to Rule 19.06(4) of the GEM Listing Rules and is, therefore, subject to reporting, announcement, circular and the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

General

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Agreement and the transaction contemplated thereunder. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the EGM.

A circular containing, among other things, further information relating to the Disposal, the notice of the EGM and other information is expected to be despatched to the Shareholders on or before 14 April 2023.

Completion of the Disposal is conditional upon the satisfaction of the Condition Precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE DISPOSAL

On 21 March 2023 (after trading hours of the Stock Exchange), the Vendor, a subsidiary of the Company, as vendor and the Purchaser as purchaser entered into the Agreement, pursuant to which the Purchaser has agreed to purchase, and the Vendor has conditionally agreed to dispose of, the Property located in Langfang Development Zone, Hebei, the PRC, at a total consideration of RMB100 million (equivalent to approximately HK$113.78 million).

The Agreement

Set out below are the principal terms of the Agreement

Date	:	21 March 2023		
Parties	:	(1) Vendor	:	Langfang Development Zone Oriental University City Education Consulting Co., Ltd.* (廊坊開發區東方大學城教育諮詢有限公司)
		(2) Purchaser	:	Hebei Oriental College* (河北東方學院)

Property

The Property consists of the land use right in relation to 4 plots of land located in Oriental University City, Langfang Development Zone, Hebei, the PRC with an estimated aggregate land area of approximate 62,000.47 sq. m. and an aggregate construction area of approximately 51,789.03 sq. m. as well as the buildings and ancillary facilities erected thereon.

The rental income and net profits (before and after taxation) attributable to the Property for each of the two financial years ended 30 June 2021 and 30 June 2022 are set out below:

	For the year ended 30 June	
	2021	**2022**
	RMB'000	*RMB'000*
Rental Income	9,336	8,592
Net Profits before taxation	6,533	5,640
Net Profits after taxation	5,728	4,853

Consideration and Payment Terms

The consideration of RMB100 million (equivalent to approximately HK$113.78 million) shall be paid by the Purchaser to the Vendor in the following manner:

(a) RMB70 million (equivalent to approximately HK$79.65 million) as advance payment (the "**Advance Payment**") shall be paid within 3 working days after entering into the Agreement; and

(b) RMB30 million (equivalent to approximately HK$34.13 million) (the "**Balance**") shall be paid by the Purchaser upon the Completion.

Payment by the Purchaser to the Vendor under the Agreement shall be made by bank transfer to the Vendor's designated account.

All taxes, costs and expenses arising from the Disposal shall be borne by the relevant parties in accordance with applicable laws and regulations.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the valuation of the Property of approximately RMB104.58 million (equivalent to approximately HK$118.99 million) as at 28 February 2023 conducted by Cushman & Wakefield Limited, an independent valuer, using income capitalization approach.

Condition Precedent

Completion is conditional upon the Shareholders having approved the Agreement and the transaction contemplated thereunder at the EGM. Should the Company fail to obtain the approval of the Shareholders, the Vendor shall return the Advance Payment without any interest to the bank account as designated by the Purchaser within 3 working days after the EGM.

Default in Payment

In the event of default by any party to the Agreement in payment of any sum due under the Agreement pursuant to the provisions thereof, the defaulting party shall pay a daily liquidated damage to the non-defaulting party at the daily rate of 0.05% based on the outstanding amount due and payable. If the delay is more than 30 days, the non-defaulting party is further entitled to terminate the Agreement.

Completion

Subject to the fulfillment of the Condition Precedent, the Parties shall apply to the Langfang Natural Resources and Planning Bureau, Hebei, the PRC for registration of the transfer of the Property so that the Property will be registered in the name of the Purchaser. Upon the Completion, the Purchaser shall pay the Balance to the Vendor.

Information of the Purchaser

The Purchaser is wholly owned by Mr. LIU Yan Wen* (劉彥文) through Langfang Development Zone Oriental University City Zhongxin Education Investment Co., Ltd.* (廊坊開發區東方大學城中新教育投資有限公司). The Purchaser is a private regular undergraduate college established and existing under the laws of the PRC, whose scope of business includes, among others, provision of undergraduate education.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, (i) each of the Purchaser and its ultimate beneficial owners is a third party independent of the Company and its connected persons; and (ii) there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Purchaser who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the Disposal).

Information of the Group and the Vendor

The Company is an investment holding company and its subsidiaries are principally engaged in the leasing of education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC, Malaysia and Indonesia; and to a much lesser extent, commercial leasing of buildings and premises to tenants, which operate supporting facilities, including grocery stores, laundry shops, Internet cafes and canteens.

The Vendor is a subsidiary of the Company, owned as to 99% by the Company, whose scope of business includes, among others, provision of education facilities rental services in the PRC.

Reasons for and Benefits of the Disposal

The Board considers that the Disposal provides an optimum opportunity for the Company to realise its investment in the Property, having considered the high vacancy rate of the Property, albeit at slight discount of 4.4% to its fair market value. Given the impact of the COVID-19 pandemic on the operating environment and liquidity of the Group, the Group is rationalising the usage of its assets to improve the overall return of its investment properties. The Disposal not only would save the Group on recurring operational and capital expenditures and Property-related taxes, but also enable the Group to reduce its borrowings.

The Directors consider that the terms of the Agreement are fair and reasonable and the Disposal is in the interest of the Company and the Shareholders as a whole.

Utilisation of Proceeds

The net proceeds from the Disposal, after deducting the relevant expenses and value-added tax, are estimated to be approximately RMB95.20 million (equivalent to approximately HK$108.32 million). Having considered the financial performance of the Group and in particular, the impact of the COVID-19 pandemic on the operating environment as well as the liquidity of the Group for its working capital, the Company intends to apply the net proceeds from the Disposal as follows:

Proposed Use	**Approximate amount** *(RMB'000)*
Repayment of outstanding borrowings	39,000
Construction and renovation/refurbishment of education facilities	20,000
General working capital	36,200

It is expected that the net proceeds of approximately RMB95.20 million (equivalent to approximately HK$108.32 million) would be fully utilized by 31 December 2023.

Financial effects of the Disposal

Following the Completion, the Group is expected to record an unaudited loss of approximately RMB9.38 million (equivalent to approximately HK$10.67 million) from the Disposal, which is the difference between the net proceeds in the amount of approximately RMB95.20 million (equivalent to approximately HK$108.32 million) to be received by the Vendor, after taking into account the value-added-tax payable by the Vendor, and the carrying amount of the Property in the sum of approximately RMB104.58 million (equivalent to approximately HK$118.99 million) as at 28 February 2023. The net book value attributable to the Property as at 30 June 2022 amounted to RMB111.96 million (equivalent to approximately HK$127.39 million). In this respect, the fair value loss attributable to the Property as at 28 February 2023 would be RMB7.38 million (approximately

HK$8.40 million). Shareholders should note that the actual loss of the Disposal will be calculated based on the relevant figures as at the date of Completion and subject to audit and therefore, might be different from the aforementioned amount.

Listing Rules Implications

As the highest applicable percentage ratio in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company pursuant to Rule 19.06(4) of the GEM Listing Rules and is, therefore, subject to reporting, announcement, circular and the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

General

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Agreement and the transaction contemplated thereunder. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the EGM.

A circular containing, among other things, further information relating to the Disposal, the notice of the EGM and other information is expected to be despatched to the Shareholders on or before 14 April 2023.

Completion of the Disposal is conditional upon the satisfaction of the Condition Precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following respective meanings:

"Advance Payment"	the meaning as defined in the section headed "The Agreement – Consideration and Payment Terms" above
"Agreement"	the sale and purchase agreement dated 21 March 2023 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Property
"Balance"	the meaning as defined in the section headed "The Agreement – Consideration and Payment Terms" above
"Board"	the board of Directors

"Company"	Oriental University City Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability and whose issued Shares are listed and traded on the GEM of the Stock Exchange (stock code: 8067)
"Completion"	completion of the Disposal
"connected person(s)"	has the meaning as ascribed to it under the GEM Listing Rules
"controlling shareholder"	has the meaning as ascribed to it under the GEM Listing Rules
"Condition Precedent"	the condition precedent to the Completion set out in the section headed "The Agreement" above
"Director(s)"	director(s) of the Company
"Disposal"	the sale and purchase of the Property under the Agreement
"EGM"	an extraordinary general meeting of the Company to be convened and held, at which resolutions will be proposed to consider, and, if thought fit, to approve the Agreement and the transaction contemplated thereunder
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"percentage ratio(s)"	has the meaning as ascribed to it under Rule 19.07 of the GEM Listing Rules
"PRC"	the People's Republic of China
"Property"	the property to be transferred by the Vendor to the Purchaser pursuant to the Agreement including land use rights, buildings and ancillary facilities
"Purchaser"	Hebei Oriental College* (河北東方學院), a private regular undergraduate college established and existing under the laws of the PRC
"Shares"	the ordinary shares of the Company

"Shareholder(s)"	the holder(s) of the Shares in issue
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning as ascribed to it under the Listing Rules
"Vendor"	Langfang Development Zone Oriental University City Education Consulting Co., Ltd.* (廊坊開發區東方大學城教育諮詢有限公司), a subsidiary of the Company
"working day(s)"	any day on which banks in the PRC are generally open for business (other than a Saturday, Sunday or public holiday in the PRC)
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"sq. m."	square meter(s)
"%"	per cent.

Unless otherwise specified in this announcement, translations of RMB into HK$ are made in this announcement, for illustration only, at the rate of RMB1.00 to HK$1.137829. No representation is made that any amounts in RMB or HK$ could have been or could be converted at that rate or at any other rates or at all.

* *For ease of reference, the names of the PRC established companies or entities have generally been included in this announcement in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.*

For and on behalf of
Oriental University City Holdings (H.K.) Limited
Liu Ying Chun
Chief Executive Officer and Executive Director

Hong Kong, 21 March 2023

As at the date of this announcement, the executive Directors are Mr. Chew Hua Seng (Chairman) and Mr. Liu Ying Chun (Chief Executive Officer); the INEDs are Mr. Tan Yeow Hiang, Kenneth and Mr. Wilson Teh Boon Piaw and Mr. Guo Shaozeng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its publication. This announcement will also be published and will remain on the website of the Company at www.oriental-university-city.com.