

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

**THE PROPOSED DISPOSAL OF THE PROPERTY LOCATED AT 51 MERCHANT ROAD
SINGAPORE 058283**

1. Introduction

- 1.1 The board of directors (**"Board"** or **"Directors"**) of Raffles Education Limited (**"Company"**), and together with its subsidiaries, the **"Group"**) wishes to announce that its subsidiary, Raffles Assets (Singapore) Pte. Ltd. (**"Vendor"**), had on 1 December 2025 entered into a sale and purchase agreement (**"SPA"**) with 51 Merchant Road Pte. Ltd., an independent third-party purchaser (**"Purchaser"**, and together with the Vendor, the **"Parties"**) in respect of the proposed sale of its property located at 51 Merchant Road Singapore 058283 (**"Property"**) for a consideration of S\$121,800,000.00 (exclusive of GST) (**"Purchase Price"**) (**"Proposed Disposal"**). The sale of the Property shall be free from all encumbrances.
- 1.2 As the Proposed Disposal is likely to constitute a major transaction pursuant to Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) (**"Listing Manual"**), a circular setting out information relating to, *inter alia*, the rationale for, the tangible benefits and the financial effects of, the Proposed Disposal will be issued to the shareholders of the Company (**"Shareholders"**) to seek Shareholders' approval for the same at an extraordinary general meeting (**"EGM"**) to be convened at a later date.

2. Principal Terms of the Proposed Disposal

Information on the Property

- 2.1 The Property comprises a main 4-storey commercial building with two (2) levels of basement carpark annexed to two (2) rows of conserved buildings. The Property has an approximate land area of 2,570.5 square metres, with a gross floor area of 6,606.43 square metres. The Property has a 99-year lease expiring on 14 May 2092. The registered owner of the Property is the Vendor, a subsidiary of the Company incorporated in Singapore that is primarily engaged in the business of property investment.

Information on the Purchaser

- 2.2 The Purchaser is a company incorporated in Singapore in the business of letting of self-owned or leased real estate property such as office/exhibition space, shopping mall and self-storage facilities.

The Purchaser does not have any shareholding interest, direct or indirect, in the Company, and the directors and shareholders of the Purchaser are not related to any of the directors, or substantial shareholders of the Company, or their respective associates.

Purchase Price and Deposit

- 2.3 The Purchase Price will be fully satisfied in cash and was arrived at by agreement between the Company and the Purchaser at arm's length, on a "willing-buyer, willing-seller" basis, taking into account, amongst others, the book value of the Property of approximately S\$68,267,000 as at 30 June 2025, the market value of the Property of S\$152,700,000 based on a desktop valuation report dated 25 June 2025 ("**Valuation Report**") which the Group had commissioned for financial reporting purposes, and prevailing market conditions.

The Purchase Price shall be paid in the following manner:

- (a) Upon signing of the SPA, the Purchaser shall pay to the Vendor's solicitors' conveyancing account the sum of S\$6,090,000.00 being the amount equivalent to 5% of the Purchase Price ("**Deposit**") by way of cheque or cashier's order. The Deposit shall be held by the Vendor's solicitors' until (i) Completion when the Deposit shall be released to the Vendor, or (ii) released to the Vendor upon the Vendor being entitled to forfeit the Deposit in accordance with the terms of the SPA, or (iii) released to the Purchaser upon the Purchaser being entitled to full refund of the Deposit in accordance with the terms of the SPA; and
- (b) on Completion, the Purchaser shall pay the balance sum of the Purchase Price being the amount equivalent to 95% of the Purchase Price ("**Balance Purchase Price**"), by way of cashier's order(s) (and/or any other means as may be agreed between the Parties) to the Vendor or such other mortgagee(s)/chargee(s) of the Property as the Vendor may direct, together with GST on the Purchase Price.

Conditions Precedent

- 2.4 The Proposed Disposal is conditional upon the fulfilment or waiver, as the case may be, of the following conditions:

- (a) execution of the SPA by the Parties, the execution and performance of the SPA by the Parties not being prohibited, by any law, statute, order, directive or regulation promulgated by any legislative, executive or regulatory body or authority having jurisdiction over the matter;
- (b) properly deduced title to the Property which shall be free from encumbrances;
- (c) requisite approval being obtained from the shareholders of the Vendor at a duly convened general meeting of the Vendor by no later than fifteen (15) business days prior to the Completion Date (as defined below), and in this regard, the Vendor shall procure Chew Hua Seng to vote in favour of the sale of the Property to the Purchaser;
- (d) requisite approval being obtained by the Purchaser from the Purchaser's Board by no later than thirty (30) days from the date of the SPA, or such extended date as may be agreed upon by the Vendor in writing;
- (e) written consent from the head lessor to the Vendor's sale of the Property or written confirmation from the head lessor that such consent is not required being obtained by the Vendor no later than by fifteen (15) business days prior to the Completion Date;
- (f) written confirmation from the head lessor that (i) there is no breach of any of the terms of the head lease; (ii) there is no pending action by the head lessor to re-enter or terminate the lease granted under the head lease; and (iii) there are no outstanding sums due to the head lessor and that all annual rent, quit rent and ground rent have been paid to-date, or similar confirmation to the effect of the foregoing customarily given by the head lessor,

being obtained by the Vendor no later than by fifteen (15) business days prior to the Completion Date, Provided that in the event that the head lessor informs the Vendor that it will not provide such a confirmation (and does not inform the Vendor that there are any breaches of the terms of the head lease, or any pending action by the head lessor to re-enter or terminate the lease granted under the head lease or that there are any outstanding sums due to the head lessor), the Vendor's written confirmation of the same shall suffice as fulfilment of this condition;

- (g) satisfactory replies to legal requisitions being obtained no later than fourteen (14) days before the Completion Date;
- (h) completion of the vendor's obligations pursuant to the SPA by the Vendor; and
- (i) (where applicable) completion of the rectification works identified by the periodic façade inspection report by the Vendor and the Vendor obtaining written confirmation or acknowledgement from the Building and Construction Authority that the rectification works have been completed.

Completion

- 2.5 Subject to the fulfilment or waiver (as the case may be) of the conditions precedent, the completion of the Proposed Disposal shall take place on 30 January 2026, or such extended date as may be decided by the Vendor in its sole discretion by giving not less than fifteen (15) business days' prior written notice to the Purchaser ("**Completion Date**"), provided, for the avoidance of doubt, that the Vendor shall be entitled to extend the Completion Date up to a maximum of two (2) times, and the final extended Completion Date shall be no more than three (3) months from 30 January 2026.

3. Rationale for the Proposed Disposal, Gain on Proposed Disposal and Use of Proceeds

The disposal of the vacant Property is a decisive move to optimize our balance sheet and capital structure. This transaction enables the full extinguishment of the Property's associated loan, eliminating a significant liability and its related interest burden. The released capital will be strategically redeployed to bolster working capital and fund higher-yielding initiatives, transforming a non-income-generating asset into flexible liquidity to drive operational priorities and strategic growth.

The net proceeds from the Proposed Disposal, after deducting transaction costs of approximately S\$500,000, is estimated to be approximately S\$121,300,000. Based on the book value of the Property as at 30 June 2025, the Purchase Price represents an excess of approximately S\$53,033,000 over the book value of the Property. The Proposed Disposal is expected to result in the Company recording a gain on disposal of property, plant & equipment of approximately S\$53,033,000.

The Board is of the view that the Proposed Disposal is in the best interests of the Company and its shareholders as a whole.

4. Relative Figures Computed on the Bases Set Out in Rule 1006 of the Listing Manual

- 4.1 The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal and based on the Group's latest announced consolidated

financial statements, being the audited financial statements for the financial year ended 30 June 2025 are set out below:

Rule 1006	Bases	Relative figures (%)⁽¹⁾
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	10.7%
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	- 63.4%
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation of approximately S\$153.1 million based on the total number of issued shares in the Company, excluding treasury shares	79.6%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽²⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽²⁾

Notes:

(1) Percentage figures are rounded to the nearest one (1) decimal place.

(2) Rules 1006(d) and (e) are not applicable as this relates to a disposal and the Company is not a mineral, oil and gas company.

4.2 As the relative figure under Rule 1006(c) exceeds 20%, the Proposed Disposal would constitute a "major transaction" under Chapter 10 of the Listing Manual and is subject to the approval of the Shareholders at the EGM.

5. Financial Effects of the Proposed Disposal

5.1 Book Value, Net Tangible Asset Value and Market Value of the Property

The book value of the Property as at 30 June 2025 was S\$68,267,000 based on the latest announced consolidated audited financial statements of the Group for FY2025.

Based on the Valuation Report, the market value of the Property is S\$152,700,000.

5.2 Illustrative Nature of Financial Effects

The financial effects of the Proposed Disposal on the net tangible assets (“NTA”) per share and earnings per share (“EPS”) of the Company have been prepared based on the Group’s audited financial statements for FY2025. The financial effects below are purely for illustrative purposes and are not intended to reflect the actual future financial performance or position of the Group after completion of the Proposed Disposal.

5.3 NTA

Assuming that the Proposed Disposal had been effected on 30 June 2025 (being the end of the most recently completed financial year of the Group), the effects on the NTA per share of the Company would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	544,345	597,378
Number of ordinary shares (million)	1,390.461	1,390.461
NTA per ordinary share (cents)	39.15	42.96

5.4 EPS

Assuming that the Proposed Disposal had been effected on 1 July 2024 (being the beginning of the most recently completed financial year of the Group), the effects of the Proposed Disposal on the EPS of the Company would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to shareholders (S\$'000)	7,696	66,271
Weighted average no. of ordinary shares (million)	1,389.320	1,389.320
EPS (cents)	0.55	4.77

6 Directors’ Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal.

7 Directors’ and Controlling Shareholders’ Interests

None of the Directors or the controlling shareholders or their associates has any interest, direct or indirect, in the Proposed Disposal, otherwise than through their respective interests (if any) arising by way of their directorships and/or shareholdings in the Company.

8 Circular to Shareholders

The Company will be seeking specific Shareholders’ approval for the Proposed Disposal at the EGM to be convened in due course. A circular to Shareholders setting out, amongst other things, the details of, and other relevant information pertaining to the Proposed Disposal, together with the notice of the EGM, will be issued by the Company in due course.

9 Documents Available for Inspection

A copy of the SPA and Valuation Report will be available for inspection during normal business hours at the Company's registered office at 111 Somerset Road, #15-22, 111 Somerset, Singapore 238164 for a period of three (3) months from the date of this announcement.

10 Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11 Further Announcements

The Company will make further announcements on the Proposed Disposal as appropriate or when there are further developments on the same.

12 Caution in Trading

Shareholders are advised to exercise caution in trading their shares of the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will proceed to completion, as the completion is subject to, *inter alia*, fulfilment of all the conditions precedent in the SPA. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

By Order Of The Board
Raffles Education Limited
1 December 2025