

**RAFFLES EDUCATION LIMITED
(FORMERLY KNOWN AS RAFFLES EDUCATION
CORPORATION LIMITED)**

(Incorporated in the Republic of Singapore)
(Company Registration No. 199400712N)
(the "Company")

ANNOUNCEMENT ON PROPOSED SALE OF PROPERTY THROUGH PUBLIC TENDER

The Board of Directors (the "**Board**") of Raffles Education Limited (the "**Company**") refers to the Company's announcement dated 16 August 2021 ("**Announcement**") stating, among other things, that the Company wishes to sell its property located at 51 Merchant Road, Singapore 058283 (the "**Property**").

The Board has further deliberated on the proposed sale and wishes to announce that the Company intends to sell the Property to a purchaser and at a purchase price to be determined through a public tender process (the "**Proposed Sale**").

The Property is currently unoccupied and the guide price for the Proposed Sale is S\$200 million ("**Guide Price**"). The Proposed Sale will be subject to the required approvals and consents being obtained.

The tender process and invitation for bids will commence on 22 June 2023 and will close on 1 August 2023 (Tuesday) at 3pm.

Knight Frank Singapore has been appointed as the sole marketing agent in the Proposed Sale and their Press Release, dated 21 June 2023, is attached to this announcement.

Shareholders should note that there is no certainty or assurance that the Proposed Sale will take place, or that the consideration for the Proposed Sale will be at the Guide Price. The Company will make further announcements as and when there are material developments on the above matter.

Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their investments, which may be prejudicial to their interests. If shareholders wish to deal in the shares of the Company, they should seek their own professional advice and consult with their own stockbrokers.

By Order of the Board
Raffles Education Limited
21 June 2023

News Release

FOR IMMEDIATE RELEASE

Raffles Education Square at Merchant Road Launched for Sale by Tender at S\$200 million

Singapore, 21 June 2023 – Knight Frank Singapore, as the sole marketing agent, is pleased to announce the launch of Raffles Education Square, a commercial building at 51 Merchant Road, for sale by tender. The property is located in prime District 1 at Clarke Quay, within the Singapore River precinct in the Central Area.

Raffles Education Square has a land area of 2,570.5 square metres (sqm) or approximately 27,669 square feet (sq ft), with a gross floor area of 6,606.41 sqm or approximately 71,111 sq ft. It comprises a main 4-storey building connected to two rows of conserved buildings and is served by two levels of basement carpark. The property has a leasehold tenure for an unexpired term of 69 years commencing from 15 May 1993. It is zoned “Commercial” under the Master Plan 2019.

Built in 1996, the property was extensively refurbished in 2013 to house the corporate office and college campus of Raffles Education. The premises is currently vacant following the relocation of the office and campus. This paves the way for divestment of the asset.

Raffles Education Square enjoys excellent connectivity to major expressways, and is conveniently located within walking distance to three MRT stations – Clarke Quay (North East Line), Fort Canning (Downtown Line) and Chinatown (Downtown and North East Line). In addition, there is direct access to the Singapore River via a pedestrian overhead bridge connection on Level 2 of the building.

Located along Merchant Road, one street from the iconic Singapore River, the property sits within an area that will witness major transformation with the proposed redevelopment of Central Square and Central Mall into an iconic mega mixed-use lifestyle hub with commercial, hospitality and serviced apartments. Within the Singapore River precinct, the redevelopment of the former Liang Court site into a large-scale new riverside landmark comprising CanningHill Piers, CanningHill Square with F&B and retail outlets, hotel and serviced residence will complement the revitalisation of the river promenade. These two landmark developments will catalyse the formation of new communities and inject a refreshed vibrancy to the area.

Ms Chia Mein Mein (谢敏敏), Head of Capital Markets (Land & Collective Sale), Knight Frank Singapore (主管, 房地产与集体销售, 资本市场部, 莱坊), said, "The property is strategically located in an area with great potential for an uplift in asset value from the revitalisation of the Singapore River precinct. This is a rare opportunity to acquire a commercial property that is set to benefit from the major urban renewal process that will transform the area into a new and vibrant lifestyle hub."

The property could potentially be redeveloped with the neighbouring The Riverside Piazza, a mixed-use strata commercial and residential development, which is currently in the process of obtaining the requisite 80% consensus from owners in a collective sale. This possibility may allow the combined site to enjoy an uplift in gross floor area to capitalise on the rejuvenation initiatives for the area under the Urban Redevelopment Authority's (URA) Strategic Development Incentive (SDI) Scheme, subject to the authorities' approval.

The guide price of S\$200 million works out to approximately S\$2,813 per square foot (psf) on existing gross floor area. For a proposed redevelopment, the land rate translates to approximately S\$2,660 per square foot per plot ratio (psf ppr) at a potential gross plot ratio of 2.8, inclusive of land betterment charge.

The commercial sector in Singapore has been resilient, on the back of Singapore's strong position as a trusted business hub and steady increase in tourism channelling optimism to the retail sector. Liberty House was sold at S\$92.2 million in April 2023, translating to S\$3,193 psf on the gross floor area.

Strata office transactions in the Central Business District have also registered record prices, where three floors at the Solitaire on Cecil were reportedly transacted for S\$162.8 million or S\$4,300 psf in April 2023, with the sale of level 20 at S\$4,325 psf. A retail strata unit in the same development registered a sale price of \$5,397 psf in the same month.

Ms Chia added, "Quality commercial assets are hard to come by as many are tightly held by institutional players and are not available for sale. Commercial assets are also sought after by private wealth as this asset class is not affected by the recent imposition of government cooling measures."

As the urban rejuvenation plans for the Clarke Quay and Singapore River precinct take place, new communities are expected to be formed as the multitude of commercial and communal amenities integrate. The property therefore presents an opportunity for the purchaser to acquire a prime commercial asset that will enjoy the growth in diverse human activity through the development of the precinct.

The tender will close on 1 August 2023 (Tuesday) at 3.00 pm.

Photo of 51 Merchant Road



Source: Knight Frank Singapore

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Notes to Editors

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