

CLARIFICATION ON MEDIA REPORTS ON RAFFLES INTERNATIONAL TRAINING CENTRE VIETNAM

We refer to the various media reports in the Vietnam media concerning Raffles International Training Centre Vietnam and would like to put in perspective Raffles Education Corporation Limited's ("RafflesEducationCorp" or "the Group") operations in Vietnam.

Raffles International Training Centre ("RITC") Vietnam was incorporated on 6th December 2005 and subsequently secured all requisite permits and licences from the relevant Vietnam authorities. As RITC Vietnam is principally a design school, it operates on an investment licence and a vocational education licence (No: 411043001722 valid from 6th December 2005 and No: 06/2007/GCNDN valid from 7th December 2007) issued by the People's Committee of Ho Chi Minh City, and Department of Labour, Invalids and Social Affairs. Accordingly, RITC has delivered certificate programmes under the existing Vietnamese regulatory framework since its inception.

On 30 December 2011, the Ministry of Education and Training ("MOET" or "the Ministry") informed RITC to temporarily stop advertising, admission and training activities leading to the award of diplomas and degrees from overseas. It is regrettable that the Ministry has come to this decision, given that there are currently no clear regulations governing credit transfer processes leading to the award of diplomas and degrees from overseas; we have since been appealing and seeking clarification from the relevant departments. We are committed to find a working solution, within the laws and education regulations of Vietnam, to resolve the situation for the benefit of our students.

RafflesEducationCorp would like to emphasise that we take compliance with laws of countries where we operate in seriously and will do whatever needed to comply with local regulations. The Group is actively seeking dialogue with the relevant authorities to obtain additional approvals, if required and also proposing various options to the Ministry for their consideration and approval so that operations can resume quickly. These include applying for the approval of the credit transfer process in Vietnam, partnering with local universities to jointly offer diplomas and degrees to our students, and hastening the application process for our university license. We are working on this issue with utmost urgency in order to have clarity from the Ministry, so that our students' continual learning process will not be disrupted.

By Order of the Board

Chew Hua Seng
Chairman & CEO

January 16, 2012