

EARNINGS RELEASE

RAFFLESEDUCATIONCORP POSTS REVENUE OF S\$36.0 MILLION AND NET PROFIT OF S\$4.9 MILLION FOR FY2012Q3

- Revenue of S\$36.0 million
- Net Profit of S\$4.9million
- Earnings per share at 0.18 cents
- Net Asset Value per share of 69.71 cents
- Cash position of S\$48.5 million
- Net gearing ratio of 0.27 times

Singapore, May 9, 2012 - Raffles Education Corporation Limited (“RafflesEducationCorp” or “the Group”), the largest private education provider in the Asia Pacific region, today reported a revenue of S\$36.0 million and a net profit of S\$4.9 million respectively for its third quarter FY2012, ended 31 March 2012 (“FY2012Q3”).

FY2012Q3 revenue decreased 5% from the third quarter FY2011 due mainly to the reduced 50% contribution from Zhongfa College following the disposal of 50% interest in Value Vantage Pte Ltd and the suspension of the Group’s operations in Vietnam as disclosed in the Group’s announcement dated 16 March 2012.

During the quarter, the Group incurred \$2.3 million in refunds to students in Raffles Vietnam. The onset of regulatory changes in Vietnam is beyond the Group’s control. To fulfil its obligation as a responsible educator, the Group has processed the transfer of over 400 Vietnam students to other Raffles Education Corporation colleges, offering to bear student air fares and contribute partially to their living expenses in these cities. The Group is continuing to process final refunds in FY2012Q4, which is estimated to cost a further S\$5 million inclusive of costs and allowances for transferring students.

In FY2012Q3, the Group recorded income tax expense of \$14.9 million due mainly to deferred taxes on fair valuation gain on investment properties of OUC and the provision of taxes for prior periods of \$7.5 million relating to foreign-sourced dividends as assessed by the Inland Revenue Authority of Singapore (“IRAS”) in the quarter. This was disclosed in the Group’s FY2010 and FY2011 Annual Reports. In addition, the Group incurred \$8.2 million in foreign exchange translation loss due mainly the depreciation of Chinese Renminbi against its reporting Singapore Dollar currency.

Commenting on the results, Mr Chew Hua Seng, Chairman and CEO of RafflesEducationCorp, said, “We see some positive outcomes from our investments into the new markets in the region. The recent divestment of some non-core assets is in line with the Group’s intention to streamline its assets and realise returns on investments for redeployment into our core education business. This validates our investment strategy in prior years which has enabled the Group to benefit from realised gains and appreciation in investment value.”

About Raffles Education Corporation

Raffles Education Corporation Limited (“RafflesEducationCorp”) is the largest private education group in Asia-Pacific. Since establishing its first college in Singapore in 1990, the Group has grown to operate 33 colleges in 30 cities across 13 countries in Asia Pacific: Australia, Bangladesh, Cambodia, China, India, Indonesia, Malaysia, Mongolia, New Zealand, Philippines, Singapore, Sri Lanka and Thailand.

More than 21,500 students enrolled in RafflesEducationCorp’s tertiary programmes benefit from a quality education that provides graduates with a well-rounded hands-on experience relevant to the industry.

The Group also owns the Oriental University City in Langfang, Hebei Province, China – a 2.8 million square metre self-contained campus. Within this campus, Oriental University City provides education services to 9 colleges with an additional student population of over 24,000.

Headquartered in Singapore, RafflesEducationCorp employs close to 2,500 academic and administrative staff, and is listed on the Mainboard of the Singapore Exchange. For more information on the Group, please visit the RafflesEducationCorp’s website at www.raffles-education-corporation.com

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