

EARNINGS RELEASE

RAFFLESEDUCATIONCORP POSTS REVENUE OF S\$131.1 MILLION AND NET LOSS OF S\$84.8 MILLION FOR FY2012

- Revenue of S\$131.1 million
- Other operating income of S\$126.6 million
- Net Loss of S\$84.8 million
- EPS at (8.98) cents
- Net Asset Value per share of 58.56 cents
- Cash position of S\$42.1 million
- Net gearing ratio of 0.35 times

Singapore, 24 August 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\$131.1million and a net loss of S\$84.8 million for the financial year ended 30 June 2012 (“FY2012”).

Revenue for FY2012 decreased from S\$146.4 million in FY2011 to S\$131.1 million due mainly to a decline in PRC revenues as a result of lower enrolments and the reduced 50% contribution from Zhongfa College following the disposal of 50% interest in Value Vantage Pte Ltd. This was offset by an increase in Asia Pacific (Ex-People’s Republic of China “PRC”) revenues notwithstanding the suspension of the Group’s operations in Vietnam as disclosed in the Group’s prior announcements.

The Group recorded other operating income of S\$126.6 million in FY2012 due mainly to gains on disposal of 50% equity interests in Value Vantage Pte Ltd, gains on disposal of available-for-sale financial assets in Langfang Development Bank as well as a government grant receivable from Langfang Development Zone Treasury Authority to offset land restructuring costs in Oriental University City (“OUC”).

FY2012 net loss was S\$84.8 million from a net profit of S\$51.3 million reported in FY2011 due primarily to the non-cash impairment of goodwill arising from certain past acquisitions, a non-cash provision for the loss on disposal of the land use rights of approximately 670 mu of land in OUC resulting from the difference between the book value of the Land and the consideration for the disposal (as announced on 20 April 2012 and 21 June 2012) and cash expenses incurred as a result of the restructuring of its Vietnam operations. This is notwithstanding that the disposal of the Land has not been completed and is subject to, among others, the approval of shareholders of RafflesEducationCorp during the Extraordinary General Meeting to be convened on 31 August 2012.

Chew Hua Seng, Chairman and CEO of RafflesEducationCorp, said, "From June 2011, the Group has been systematically realising approximately RMB 1.511 billion in the value of its non-core assets. The divestment of these non-core assets, particularly in OUC, is in line with the Group's intention to streamline its assets and realise returns on investments for redeployment into our core education business and to strengthen our balance sheet."

"We have seen encouraging results from our expansion strategy in the Asia Pacific (Ex-PRC) region. These investments in the region have diversified our portfolio, expanded our footprint and will generate returns in the future," added Mr Chew.

The launch of Raffles University Iskandar ("RUI") and Raffles American School ("RAS") in July 2012 demonstrate the Group's focused efforts to grow its education business. RUI as a full-fledged university, raises the profile of the Group. The formation of RAS marks the Group's entry into the international school business and opens a new demographic market for the Group.

Outlook and Prospects

The Group will continue to build on its strong fundamentals including building depth at its existing colleges, expanding its network of institutions, developing its university group, value creation of OUC, education asset enhancement and strengthening its academic capability.

About Raffles Education Corporation Limited

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 21,300 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 seven colleges with an additional student population of over 24,000.

Headquartered in Singapore, RafflesEducationCorp employs close to 2,300 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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