



NEWS RELEASE

HARTFORD'S 1HFY2005 TURNOVER RISES 22% TO S\$3.0 MILLION

Results Highlights for 1HFY2005:

- Group turnover increases 22% from S\$2.5 million to S\$3.0 million due to increased student enrolments and new courses offered
- Overall net loss of S\$402,578 due to organisational restructuring costs in the current financial period, as well as refinements of accounting treatment of income and expenses to be consistent with holding company Raffles Education Corporation Ltd
- Group expects significant cost savings from completion of restructuring exercise
- Net tangible assets per share of 5.85 cents

Singapore, February 4, 2005 – Hartford Holdings Limited (“Hartford” or “the Group”), a quality education provider of business management programmes, today reported a 22% increase in turnover from S\$2.5 million to S\$3.0 million for the six months ended December 31, 2004 (“1HFY2005”). The Group’s completed restructuring and increased promotional activities resulted in an overall net loss of S\$402,578.

Said Mr Chew Hua Seng, Executive Chairman of Hartford: “We are pleased that Hartford enjoyed an increase in student enrolments in the past six months, resulting in an increase in our turnover. We have focused our efforts in introducing new courses and promoting our schools as we recognise that recruiting more students to Hartford is the best way to boost revenue. At the same time, we have leveraged on the regional marketing network of Raffles Education Corporation to attract more students both locally and regionally.”

The Group saw a 36% increase in personnel expenses during the period under review, as part of its efforts to strengthen its marketing capabilities and course offering. Advertising and promotional expenses incurred to improve student enrolments also resulted in an additional 23% increase in other operating expenses. The Group also made certain refinements in the accounting treatment of income and expenses so as to realign and be consistent with the more conservative method adopted by its holding company, Raffles Education Corporation Ltd.

The Group expects that its efforts in improving the effectiveness of its marketing and quality of its education, as well as the completion of its restructuring efforts, will result in significant cost savings and higher enrolment for its operations in FY2005. In addition, Hartford Institute Mongolia, which is expected to commence operations in March 2005, will mark a significant shift in the Group's direction from pure agency business to proprietary college operations. This is expected to contribute to the Group's performance.

About Hartford

Established in May 1999, Hartford Holdings Limited is a leading education provider of business management programmes. It has subsidiaries in Hong Kong, Malaysia and the PRC and has partnerships with seven foreign universities, namely University of Leicester, University of Huddersfield and University of Surrey in the United Kingdom; Central Queensland University, The University of Newcastle and Australian Maritime College in Australia; and California State University-Hayward in the United States of America.

Hartford also offers its own diploma programmes such as Diploma, Advanced Diploma and Professional Diploma in Business Administration that are developed by Hartford's team of local and foreign academics from overseas universities, polytechnics as well as industry professionals.

In April 2004, 60% of Hartford was acquired by Raffles Education Corporation - one of the leading creative and design management education groups in the Asia Pacific.

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