

NEWS RELEASE

HARTFORD SEES TURNAROUND IN 3Q FY05, RECORDS NET PROFIT OF S\$39,000

- **Commencement of Hartford Institute Mongolia in March 2005 expected to contribute to Group's future performance**

Results Highlights for 3Q FY05:

- Group turnover increased 7% from S\$1.2 million to S\$1.3 million due to increase in student enrolments and new courses offered
- Turnaround in net profit to S\$39,371, reversing losses of S\$376,530 in the previous corresponding period following completion of the reorganisation in 1H FY05

Singapore, May 9, 2005 – Hartford Holdings Limited ("Hartford" or "the Group"), a quality education provider of business management programmes, today reported a 7% increase in turnover from S\$1.2 million to S\$1.3 million for the three months ended March 31, 2005 ("3Q FY05"). The increase was attributed to overall increase in student enrolments and new courses offered to students. In addition, following the completion of Hartford's reorganisation in the first half of financial year 2005 ("1H FY05"), the Group recorded a net profit of S\$39,371, reversing losses of S\$376,530 in the previous corresponding period.

For the nine months ended March 31, 2005 ("9M FY05"), Hartford recorded a 17% increase in turnover from S\$3.7 million in the previous corresponding period to S\$4.3 million. The Group showed a net loss attributable to shareholders of about S\$363,000, which arose during the first six months. The 3Q FY05 results showed that the Group had stemmed its operating losses and generated a small profit for the current quarter.

Mr Chew Hua Seng, Executive Chairman of Hartford, said: "We are delighted to report that Hartford has turned around this quarter. With our ability to now leverage on Raffles Education Corporation's regional marketing network, we are confident of attracting even more students to Hartford from both Singapore and the region."

For 3QFY05, the Group saw a 17% decrease in its personnel expenses as compared to that in 3QFY04 as a result of cost savings benefits derived from the organisational restructuring. The Group saw an overall 15% increase in personnel expenses for 9MFY05 due to an increase in lecturers' payroll resulting from the additional courses offered, as well as other payroll costs connected with the organisational restructuring completed in 1H FY05.

In addition, other operating expenses for 9MFY05 increased by 10% due mainly to higher advertising and promotional expenses incurred to boost student enrolment numbers. This, however, has shown positive results as student enrolment increased over the prior financial year.

The Group's fixed assets increased by about S\$278,000 as compared to the prior financial year end, mainly due to the re-location of Hartford Institute Singapore from Centrepoint to Cosmic Insurance Building (opposite the new National Library Building along North Bridge Road) in February 2005. The new office offers bigger space to accommodate the institute's future expansion.

The commencement of operations of Hartford Institute Mongolia in March 2005 also marks the Group's significant shift from pure agency business to proprietary college operations.

Moving ahead, the Group will continue to focus its resources on marketing efforts, as well as leverage on Raffles Education Corporation's regional marketing network to attract more students both locally and overseas. The completion of the reorganisation in 1H FY05 is also expected to continue to reap benefits to the Group in terms of cost savings.

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, Mongolia 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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