
**RAFFLES UNITED HOLDINGS POSTS
1H15 NET PROFIT OF \$1.1M ON REVENUE OF \$39.8 M**

SINGAPORE, 14 August 2015 – Raffles United Holdings Ltd (“RUH” or “the Group”), formerly known as Kian Ho Bearings Ltd, has posted a sharp increase in net profit attributable to shareholders of \$1.1 million for the six months ended 30 June 2015 (“1H15”), compared to \$0.1 million for the six months ended 30 June 2014 (“1H14”). This was on the back of a 5% decline in revenue of \$39.8 million, compared to the \$41.9 million in 1H14. Earnings per share for 1H15 was 0.47 cent, versus 0.04 cent for 1H14.

The decline in revenue was mainly due to lower contribution from the Bearings and Seals division arising from the continued weak market conditions for Dealer segments in Greater China and Europe. This was partially mitigated by relatively stable Original Equipment Manufacturers (“OEM”) market conditions in Singapore, Malaysia, Greater China and certain export markets in ASEAN. In addition, higher rental income recorded by its Property division, which was mainly derived from the 10 shop units at 1 Sophia Road acquired in the second half of 2014, helped to moderate the decrease in Group revenue.

The higher proportion of business activity in the OEM segment as compared to the lower-margin Dealer segment, along with revenue contribution from the Property division also helped to lift gross profit margin to 24%, compared to 19% in 1H14.

Commenting on the Group’s 1H15 performance, Managing Director Mr Teo Teng Beng said, “2015 will be a year of transition for RUH, and we are encouraged that this has progressed smoothly through the first-half of the year. Our recent expansion into property investment was a timely move, in view of the current challenges faced by the bearings and seals industry. We are cautiously optimistic about the prospects for this new business segment.”

Taking a further step to build upon its Property business, the Group has sought and received shareholders’ approval yesterday to acquire a 51% stake in Raffles Capital Enterprise Pte. Ltd. (“RCE”), a property company owned by deemed controlling shareholders of RUH, Ms

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Teo Xian-Hui Amanda Marie and Mr Teo Teck Yao Glenn Ashley. Consequently, RCE will become a subsidiary of the Company, and should contribute additional revenue and profit streams to the Property division.

Moving forward, RUH plans to leverage its experience and business contacts in property investment and development, even as the Group continues with its core bearings and seals business. To this end, it will actively explore potential investment opportunities for its Property division and may undertake such transactions upon careful evaluation to build up a strong portfolio of properties for investment or sale.

Barring any unforeseen circumstances, the Directors expect the performance of the Group for the financial year 2015 to remain profitable.

About Raffles United Holdings Ltd

Raffles United Holdings Ltd (K22.SI / KH SP), formerly known as Kian Ho Bearings Ltd, is one of the largest professional stockist, distributor and retailer of bearings and seals products in the region. The Group carries a comprehensive product range of more than 35,000 product types across various brands in the bearings and seals business, and has extensive presence in South East Asia, Greater China, and Australia, enabling the Group to cater to the needs of resellers and OEM customers globally. Having also recently expanded into property investment, RUH currently owns 10 commercial shop units at 1 Sophia Road and is on the lookout for suitable opportunities to build upon its property portfolio. For more information, please visit <http://www.kianho.com.sg>

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