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**RAFFLES UNITED RECORDS FY16 REVENUE OF \$71.4M**

**SINGAPORE, 21 February 2017 – Raffles United Holdings Ltd** (“RUH” or “the Group”) has registered \$71.4 million in revenue for the twelve months ended 31 December 2016 (“FY16”), 6% lower than that of the previous corresponding period (“FY15”). The Group registered net loss of \$6.7 million in FY16, compared to a net profit of \$0.4 million in FY15.

RUH’s results reflect a year of intense industry competition and demanding operating conditions. This was evidenced by the stiff pricing competition faced by the Bearings and Seals division in the dealers’ markets in ASEAN and Western countries, and compounded by lower business activity in the Maintenance, Repair and Overhaul (“MRO”) markets in Singapore and Malaysia. The results also took into account the absence of revenue from Taiwan, following the disposal of the Group’s subsidiary there in the second half of FY16, as well as the translation effect of a weaker Malaysia ringgit against the Singapore dollar.

Nevertheless, the lower revenue was partially mitigated by an upswing in the Original Equipment Manufacturer (“OEM”) market in the fourth quarter of FY16, along with the active promotion of inventory by the Group. The Group also generated higher rental income from the Group’s Property division.

Revenue contribution from the Bearings and Seals division amounted to \$69.4 million, compared to \$74.7 million a year ago, eroded by weak demand and stiff price competition. On the other hand, revenue from its Property division improved to \$2.1 million, from \$1.7 million in FY15, on acquisition of Raffles Capital Enterprise Pte Ltd in second half of FY15.

Net cash generated from operating activities improved significantly to \$13.9 million in FY16, from \$3.4 million in FY15. This was mainly the result of RUH’s proactive efforts to promote its inventory in view of the difficult market conditions.

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# Raffles United Holdings Ltd

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In 2017, the property business is expected to remain relatively stable and contribute positively to the Group. In contrast, amid weak global market conditions and persistently subdued demand, the bearings and seals industry will continue to operate in a difficult and intensely competitive environment. Going forward, the Group remains committed to exercising prudence in the management of its cash and inventory. It will also keep an eye out for any growth opportunity that may arise.

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### **About Raffles United Holdings Ltd**

*Raffles United Holdings Ltd (K22.SI / KH SP) 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 and Greater China enabling the Group to cater to the needs of resellers and OEM customers globally. The Group is also engaged in property investment. For more information, please visit <http://www.rafflesunited.com.sg>*

For media enquiries, please contact **Ark Advisors Pte Ltd:**

#### **Alvina Tan**

DID: +65 6221 0081

H/P: +65 9787 7267

Email: [alvina.tan@arkadvisors.com.sg](mailto:alvina.tan@arkadvisors.com.sg)