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**RAFFLES UNITED BOOKS \$39.2M in 1H17 REVENUE;
SEES IMPROVEMENT IN BOTTOM LINE**

SINGAPORE, 4 August 2017 – Raffles United Holdings Ltd (“RUH” or “the Group”) recorded \$39.2 million in revenue for the first half-year ended 30 June 2017 (“1H17”), a 4% increase compared to \$37.7 million in the corresponding period a year ago (“1H16”). On the back of the higher revenue and the Group’s success in managing its costs, net profit also improved to \$0.8 million in 1H17, versus \$0.1 million in 1H16.

The Group’s revenue was boosted by higher business activity in the Original Equipment Manufacturer (“OEM”) market in Singapore and Malaysia, along with maiden revenue from Acee Electric Pte Ltd (“ACEE”), a 70%-owned subsidiary which it had acquired in March this year. However, the increase in revenue was partially eroded by lower revenue contribution from the Western Markets amid stiff competition among the dealers. Along with this, the Group’s revenue also took into account the absence of revenue from its Taiwan operations following the disposal of its Taiwan subsidiary in November 2016, as well as by the higher revenue contribution in 1H16 arising from efforts to actively clear its inventory at reduced prices.

Taking into consideration the decreases in administrative, finance and operating costs, the smaller foreign exchange loss and the positive contribution from ACEE, the Group recorded an improvement in net profit before tax to \$1.1 million in 1H17, compared to \$0.3 million in 1H16. The bearings and seals and property segments continued to contribute positively to the Group’s revenue and net profit.

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In light of the improvement in revenue, the Group managed to maintain its gross profit margin at a decent 19.1%. Net cash generated from operating activities for 1H17 also remained healthy at \$5.6 million.

Looking ahead, continued volatility in the global market environment may affect the performance of the Group's bearings and seals business. On the other hand, the Group's property business is expected to deliver a stable performance. Overall, the bearings and seals and property segments are expected to contribute positively to the Group.

To ensure that it remains a viable market player with a healthy balance sheet, the Group will continue to exercise prudence in its business operations, particularly in the areas of overheads and inventory management. Barring unforeseen circumstances, the Group expects to be able to remain profitable for the full year 2017.

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. Raffles United also has the property and electrical products divisions. For more information, please visit <http://www.rafflesunited.com.sg>

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