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FOR IMMEDIATE RELEASE

RAFFLES UNITED REPORTS 1H18 REVENUE OF \$37.2M

SINGAPORE, 1 August 2018 – Raffles United Holdings Ltd (“RUH” or “the Group”) has turned in a slight improvement in net profit attributable to shareholders of \$710,000, for the six months ended 30 June 2018 (“1H18”), compared to \$578,000 for the six months ended 30 June 2017. This was despite a slight decline in revenue to \$37.2 million versus revenue of \$39.2 million recorded in 1H17.

The 5% decline in revenue reflected intense competition in the dealers’ market, notably in the ASEAN and other Asian countries, along with longer delivery lead time from certain suppliers, resulting in the delay in the fulfilment of certain customers’ back orders. Nevertheless, this was partially mitigated by contribution from Acee Electric Pte Ltd, which the Group had acquired in March 2017.

Gross profit improved to 22% in 1H18, compared to 19% in 1H17, on the back of a general improvement in the operating market conditions in Malaysia.

Taking into account the higher gross profit and a net write-back of provisions for slow-moving inventories, a net increase in provision for doubtful debts and a higher foreign exchange translation loss, the Group’s profit before tax was relatively unchanged at \$1.02 million in 1H18, compared to \$1.07 million in 1H17.

The Group generated net cash of \$0.9 million from operating activities during the period. As at 30 June 2018, cash and cash equivalents stood at \$6.42 million.

Looking ahead, the Group is mindful of the need for prudence amid a competitive and challenging operating environment, particularly in the dealers’ market. On this note, it will continue to work to generate positive cash flow to maintain a healthy balance sheet and working capital position. Barring unforeseen circumstances, the Group expects to remain profitable in the 2018 financial year.

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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 and Greater China enabling the Group to cater to the needs of resellers and OEM customers globally. Having also expanded into property investment, Raffles United currently owns 7 units of 2-storey shophouses along Lavender Street and 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.rafflesunited.com.sg>

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