ANNOUNCEMENT TO THE SINGAPORE EXCHANGE LTD (the "SGX")
DISPOSAL OF EQUITY INVESTMENT IN SUBSIDIARY
- KIAN HO GUANGZHOU CO. LTD

The Board of Directors of Raffles United Holdings Ltd (the "Company") wishes to announce that the Company has entered into a sale and purchase agreement to dispose 50% of the ordinary shares held by the Company in its subsidiary, Kian Ho Guangzhou Co., Ltd ("KHGZ") on 30 December 2015 at the consideration of S$981,000/- to the minority shareholder, Guangzhou Shuojin Mechatronics Co., Ltd ("Disposal"). The consideration for the Disposal to be paid by the Purchaser made up of the following:-

a) S$556,000/- in the form of inventory which had been received by the Company; and
b) S$425,000/- in the form of cash or inventory on or before 31 March 2016.

The Consideration was arrived at on a willing buyer willing seller basis, based on the unaudited net book value of KHGZ as at 30 November 2015.

Subsequent to the Disposal, the shareholding of the Company in KHGZ is reduced from 65% to 15% and KHGZ has thereby ceased to be a subsidiary of the Company as at 30 December 2015.

The Disposal is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 December 2015, and does not constitute a discloseable transaction under Chapter 10 of the Singapore Exchange Securities Trading Limited's Listing Manual.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the above transaction.