Registration No. 197302030N

FOR IMMEDIATE RELEASE

RAFFLES UNITED POSTS HIGHER REVENUE OF $82.1M FOR FY14

- ✓ **Declares Dividend of 0.1 Cent Per Share, Amounting to Payout Ratio of 57%**
- ✓ **New Property Business To Provide Additional Income Stream Going Forward**

Singapore, 25 February 2015 – **Raffles United Holdings Ltd** ("RUH" or "the Group"), formerly known as Kian Ho Bearings Ltd, has posted a 4% growth in revenue to S$82.1 million for full year ended 31 December 2014 ("FY14"), compared to $79.2 million recorded for the previous financial year ("FY13").

The improvement in revenue was mainly driven by higher demand from the Original Equipment Manufacturing ("OEM") market, particularly in Malaysia and China. However, this was partially undermined by intensive price competition in the dealers market in China and Europe as well as weakness in the Maintenance, Repair, and Overhaul ("MRO") market in Singapore. This resulted in downward pressure on selling prices and a consequent reduction in gross profit margin to 18%, from 21% in FY13.

Lifted by gains from the revaluation of investment properties, the Group's net profit attributable to shareholders was $0.4 million, versus $1.3 million in FY13, while earnings per share was 0.19 cent, compared to 0.55 cent for FY13.

Net cash from operating activities rose to $13.6 million in FY14, from $8.8 million in FY13, reflecting the Group's stringent control over inventory purchases and the active sales promotion of its existing inventories during the year.

RUH has declared a first and final cash tax-exempt dividend of 0.1 cent per share for the financial year FY14, which represents a payout ratio of about 57%.

RUH expects the global operating environment to remain challenging for the bearings and seals business division. Bearing this in mind, it will continue to diligently monitor market demand and manage its inventory mix efficiently.

FY14 marked a period of significant change due to a mandatory takeover of the Group by controlling shareholder Raffles United Pte Ltd, a company owned by the son and daughter of

the Group Managing Director Teo Teng Beng. Following the completion of the takeover on 17 July 2014, RUH embarked on an internal Group restructuring which resulted in the transfer of its bearings and seals business operations to a new subsidiary, Kian Ho Pte Ltd.

RUH has taken the additional step of expanding beyond the bearings and seals business into property investment. The Group is also closely monitoring the market for an opportune time to expand into property development. The Group has, in December 2014, sought and received shareholders' approval for the business expansion and for a name change to better reflect its business activities as well as rebranding effort.

RUH plans to leverage the property investment experience and network of its directors and controlling shareholder to enhance its growth prospects and provide an additional income stream, even as the Group continues with its existing business. In this respect, the Group has successfully completed its maiden acquisition, namely 10 shop units at 1 Sophia Road worth $15.7 million. The shop units will be held as investment properties, and should continue to yield recurring positive returns going forward. Accordingly, RUH will explore other suitable investment opportunities and build up a strong portfolio of properties for investment.

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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, 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, Raffles United 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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