RAFFLES UNITED HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No.: 197302030N)

INTEREST-FREE LOAN FROM CONTROLLING SHAREHOLDER

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1. The board of directors (the "**Board**") of Raffles United Holdings Ltd (the "**Company**") wishes to announce that the Company has entered into a shareholder's loan agreement with its controlling shareholder, Raffles United Pte Ltd ("**RU**"), in relation to the provision of an unsecured, interest-free loan of S$2,250,000 to the Company (the "**Shareholder's Loan**") on 14 March 2016.

   RU is a controlling shareholder of the Company, holding direct interests of 65.55% of the issued share capital of the Company as at the date of this announcement. RU is directly held by Ms. Teo Xian-Hui Amanda Marie and Mr Teo Teck Yao Glenn Ashley, who are in turn the daughter and son of Mr. Teo Teng Beng, the Managing Director and member of the Nominating Committee of the Company, respectively. Ms. Teo Xian-Hui Amanda Marie, who is also a Director of the Company, also holds direct interests of approximately 0.05% in the Company as at the date of this announcement.

   The receipt of the Shareholder's Loan from RU by the Company constitutes an "interested person transaction" under the Listing Manual of the Singapore Exchange Securities Trading Limited. However, as the Shareholder's Loan is interest-free, there is no value at risk to the Company. Thus, the requirements for announcement and/or shareholders' approval under Chapter 9 of the Listing Manual are not applicable to the Shareholder's Loan.

2. Repayment of the Shareholder's Loan shall be made by the Company upon request by RU.

3. The Company intends to use the Shareholder's Loan for general working capital purposes.

4. The Board of Directors and Audit Committee of the Company have reviewed the Shareholder's Loan and are satisfied on its terms and conditions, and are of the view that the Shareholder's Loan is not prejudicial to the interests of the Company and its minority shareholders.

5. Save as disclosed above, none of the directors and/or substantial shareholders of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company), in the Shareholder's Loan.

BY ORDER OF THE BOARD

Tan Saik Hock
Chairman
15 March 2016