

For Immediate Release

Raffles Infrastructure Reports 2Q2019 Earnings of RMB24.5 million, Marks First Quarterly Profit After Business Diversification

- Revenue increased 556% to RMB33.8 million in the quarter boosted by the newly acquired Infrastructure segment
- Infrastructure segment delivered 2 out of 26 road parcels of Xingwen County rural road project that contributed to the Group returning to profitability
- Beyond the road project, also in 2Q2019 the Group and Consortium signed a framework agreement for building a tourist railway project worth estimated RMB6 billion

Singapore, 14 February 2019 – Raffles Infrastructure Holdings Limited (the “Company”) and together with its subsidiaries (the “Group”), is pleased to announce its financial results for the three/ six months ended 31 December 2018 (“2Q2019/ 1H2019”) today.

Financial Overview

RMB'000	Three months ended 31 December 2018 (“2Q2019”)	Three months ended 31 December 2017 (“2Q2018”)	Change (%)	Six months ended 31 December 2018 (“1H2019”)	Six months ended 31 December 2017 (“1H2018”)	Change (%)
Revenue	33,822	5,152	556	33,822	10,776	214
Gross Profit	12,709	513	2377	12,709	639	1,889
Operating Expenses**	(2,940)	(1,501)	95.9	(4,884)	(2,472)	97.6
Other Expenses	-	(4)	*n.m	(14,291)	(5)	*n.m
PATMI***	24,528	(974)	*n.m	8,293	(2,048)	*n.m

*n.m – not meaningful, **Operating Expenses is inclusive of Selling & Distribution expenses and General and Admin expenses, ***Net profit/(loss) attributable to equity holders

Note: The financial year end has been changed from 31 December to 30 June as per the announcement made on 1 February 2019

The Group's infrastructure segment registered revenue of RMB33.8 million in 2Q2019 and gross profit of RMB12.7 million, representing a gross profit margin of 37.6%, mainly attributable to the Group's delivery of 2 (out of 26) parcels of the Xingwen County rural road project.

The Group has decided to deconsolidate the Fabrics operations given the Group has not been able to get clarity of its operation as mentioned in the report announced in the previous quarter.

As a result of the deconsolidation of the Fabrics subsidiaries, Selling & Distribution expenses decreased by 76% from to RMB71,000 in 2Q2019.

General and administrative expenses increased 139% to RMB2.9 million in 2Q2019 mainly due to professional fees, director fees, rental fees, payroll expenses and office, fines & penalty.

The Group reported Other expenses of RMB14.3 million in 1H2019, which consisted mainly of impairment to the Fabric business segment's subsidiaries and liabilities in view of non-clarity to its state of affairs.

In tandem with the factors as mentioned above, with its new business direction, the Group reported a net profit attributable to shareholders of RMB24.5 million for 2Q2019, as compared to a net loss of RMB974,000 recorded in the same previous quarter a year back.

Commenting on the Group's financial results, Mr Eric Choo, Chief Executive Officer of the Group, said, **"We are extremely proud with the performance of the Group albeit still in the midst of restructuring and in the infancy stage of our new business direction. The revenue and profit contributions were a direct outcome of the successful completion and delivery of 2 parcels of the rural road project, and we still have 24 more of such parcels to be delivered.**

The rail infrastructure industry in PRC continues to provide the Group with opportunities to be involved in many large-scale projects, and we are committed to strengthening our working relations with our existing partners while seeking to

embark on new projects with more reputable partners. We will also increase our efforts in research and development and continue to capitalise on our technological edge to aim for more work not just in China, but also in other Asian regions.”

On 22 October 2018, the Group announced that it has, together with its consortium partners Tianfu Railtech Valley and China Railway 23rd Bureau Group Co. Ltd., signed a framework agreement for the building of a tourist railway project worth estimated RMB6 billion. The framework agreement is awarded by the Tourist Board of the People’s Government of Dengfeng City, People’s Republic of China, and involves 4 phases connecting scenic and tourist areas in Dengfeng City which will be completed by 2026.

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About Raffles Infrastructure Holdings Limited (“Raffles Infrastructure”)

Based in Singapore, Raffles Infrastructure (or the “Group”) is principally engaged in the business toward infrastructure investments and projects in the People’s Republic of China. With the one belt one road development initiative progressing rapidly in Asia, the Group will capitalise on the huge opportunities in the field of infrastructure investment in the region to achieve greater growth potential.

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