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Raffles Infrastructure Reports 1QFY20 Results

- The Group will maintain profitability and deliver sustained growth for the full fiscal year- with remaining revenue from the Xingwen County project expected to be recognised in subsequent quarters
- Exploring new partnerships and smart city projects with major shareholder, KOSDAQ-listed, Magic Micro

Singapore, 14 November 2019 – Raffles Infrastructure Holdings Limited (SGX: LUY) (“Raffles Infrastructure” or the “Company”), together with its subsidiaries (the “Group”), today is pleased to announce its financial results for the financial quarter ending 30 September 2019 (“1QFY2020”).

Confident of full year profitability FY2020

Raffles Infrastructure reported an earnings turnaround in FY2019 mainly due to the earnings contribution from its Xingwen County Rural Road Infrastructure Project, which is estimated to be worth about S\$110 million. The local authorities have accepted 5 out of the 26 parcels of project to be delivered to date- the rest of the parcels and revenue expected to be delivered and recognised by the end of FY2020.

Annotating on its financial results, Mr Eric Choo, Chief Executive Officer of Raffles Infrastructure, said, ***“In FY2019, we demonstrated our capabilities to improve our profitability. The construction for the Xingwen County Rural Road Infrastructure Project is ongoing, we are on track to deliver the rest of the road parcels to local authorities by the end of FY2020. Based on its current view of the business, we are optimistic that the Company will maintain profitability and while delivering sustained growth for the full fiscal year. We’re also continuing to advance our strategy and***

continue building new opportunities, pursues the appropriate strategies to create value for our shareholders.”

Financial Overview

S\$ million	1QFY2020	1QFY2019	Change (%)
Revenue	-	-	-
Gross Profit	-	-	-
Gross Profit Margin (%)	N/A	N/A	N/A
Net Profit	(3.28)	(18.47)	-82%
Net Profit Margin (%)	N/A	N/A	N/A
Net Profit to Owners	(3.28)	(18.47)	-82%

Xingwen County Rural Road Infrastructure Project are still under construction, therefore there is no revenue recognition in 1QFY2020. Other operating expenses decreased by RMB16.5 million as a result of the absence of impairment loss of the legacy Fabric subsidiaries. Accordingly, the Group’s net loss narrowed from RMB18.5 million in 1QFY2019 to RMB3.3 million in 1QFY2020.

Business Outlook

KOSDAQ-listed, Magic Micro, emerged as the Group’s second major shareholder with a 20.3% stake, following its acquisition of 13.8 million shares for about S\$6.9 million (or S\$0.50 per share). Tapping on Magic Micro’s technological expertise, both Raffles Infrastructure and Magic Micro are exploring potential partnerships in infrastructure and Smart City Projects. According to the Asian Development Bank¹, Developing Asia will need to invest US\$26 trillion from 2016 to 2030 on infrastructure to maintain current growth rates.

As a Singapore based infrastructure investment company, Raffles Infrastructure is well positioned to ride on Asia’s booming infrastructure development supported by its network of strategic partners and tapping on Singapore’s comprehensive infrastructure ecosystem including financiers, professional services and other supporting services.

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¹ <https://www.pwc.com/sg/en/publications/assets/cpi-mas-1-infrastructure-opporuntities-in-asean-201709.pdf>

About Raffles Infrastructure Holdings Limited

Based in Singapore, Raffles Infrastructure Holdings Limited is principally engaged in the business toward infrastructure investments and projects in Asia. With infrastructure growth progressing rapidly in Asia, Raffles Infrastructure will capitalise on the huge opportunities in the field of infrastructure investment in the region to achieve greater growth potential.

Issued for and on behalf of Raffles Infrastructure Holdings Limited by GEM COMM

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