

For Immediate Release

Raffles Infrastructure reports turnaround performance- surge in revenue and profit

- 5Q2019 revenue surged to RMB155.9 million, up 6,536%
- Recorded net profit of RMB36.5 million in 5Q2019, reversing from a loss position
- The Group has delivered 5 out of 26 parcels of the first project, with 3 of the parcels being delivered in 5Q2019.

Singapore, 14 May 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 fifth quarter ending 31 March 2019 (“5Q2019”).

Financial Overview

RMB'000	5Q2019	5Q2018	Change (%)	15M2019	15M2018	Change (%)
Revenue	155,939	2,350	6,536	189,761	29,306	548
Gross Profit	50,859	155	32,712	63,568	3,128	1,932
Net Profit	36,545	(1,876)	N.M	40,938	(5,013)	N.M
Net Profit to Owners	33,074	(1,876)	N.M	36,600	(5,013)	N.M

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

Strong Revenue and Profit Growth

5Q2019 revenue surged 6,536% to RMB155.9 million, due to contributions from the infrastructure segment. Gross profit improved in 5Q2019 by 32,712% to come in at RMB50.8 million. The Group reported a net profit of RMB36.5 million in 5Q2019, reversing from a loss position.

To recapitulate, in 2018, the Group marked its first foray into the Asian infrastructure industry with its investment in Bo Dao Road Construction Co., Ltd. Its first project is the Xingwen County rural road infrastructure with an approximated value of RMB550.0 million, and is anticipated to be completed by FY2019. As at 31 March 2019, the Group has delivered 5 out of 26 parcels of the project, with 3 of the parcels being delivered in 5Q2019.

Selling and Distribution Expenses and Administrative Expenses

Selling and distribution expenses also decreased by 85% to RMB 0.02 million in 5Q2019. Administrative expenses increased 1% to RMB 1.68 million in 5Q2019 mainly attributable to professional fees, director fees, rental, payroll and other expenses.

Finance Cost and Income Tax Expenses

The finance cost was lower in 5Q2019 compared to 5Q2018 due to the nil loan borrowing during the period. The income tax expense was provided at 25% of the profit generated from the infrastructure during the period.

Commenting on its financial results, Mr Eric Choo, Chief Executive Officer of Raffles Infrastructure, said, ***“It is with great pride that we announce the strong financial performance of the Group as we continue to restructure our business with our turnaround plan. We will pursue growth by being involved in the infrastructure industry in Asia as it will provide the Group with opportunities to benefit from many large projects. We believe that the infrastructure development in Asia will give us numerous open doors to profit from the growth in the region. We will continue to fortify our existing partnerships and explore new opportunities to collaborate with other valuable partners.”***

A Transformation Journey

The Group has undergone a transformation since 2017, venturing into infrastructure investment as it aims to take on large projects in Asia. The Group’s new ventures has garnered support from investors including cornerstone and controlling shareholder, state-owned China Capital Investment Group. With additional new capital and a stronger financial position, this has allowed the Group to carry out its expansion plans in Asia. The Group will be engaging in large scale road and rail projects in Asia as it seeks to create environmentally friendly infrastructure developments in the region that will help boost its financial results and create value for its shareholders.

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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