

RAFFLES UNITED HOLDINGS LTD

(Company Registration No.197302030N)
(Incorporated in the Republic of Singapore)

ACQUISITION OF 70% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACEE ELECTRIC PTE LTD (“ACEE”) VIA SUBSCRIPTION OF NEW SHARES IN ACEE

1. INTRODUCTION

The Board of Directors of Raffles United Holdings Ltd (the “**Company**” or the “**Group**”) wishes to announce that the Company has entered into a subscription agreement (the “**Agreement**”) with Acee in relation to the proposed subscription of 116,667 ordinary shares in the capital of Acee (the “**Subscription Shares**”), representing 70% of the total issued and paid-up share capital of Acee, for a total subscription price of S\$689,500 which will be satisfied through cash injection (the “**Acquisition**”).

The Acquisition is in the ordinary course of business, and does not change the risk profile of the Group, thus it does not fall under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”).

2. ACQUISITION

2.1 Information on Acee

Acee is an exempt private company limited by shares incorporated in Singapore on 18 July 2012. It is principally engaged in the business of distributing and trading electrical products.

As at the date of this announcement, Acee has S\$50,000 issued and paid-up share capital comprising 50,000 ordinary shares under the name of Seow Koon Pang (“**SKP**”). Upon the completion of the Acquisition, (“**Completion**”), the Company and SKP will hold 70% and 30% respectively of the entire issued and paid-up capital of Acee comprising 166,667 ordinary shares.

Based on the unaudited management accounts of Acee as at 31 January 2017, the value of the net tangible assets of Acee is S\$985,000 which is the difference between the total assets of S\$2,774,000 and the total liabilities of S\$1,789,000 (the “**Acee’s NTA**”).

2.2 Rationale of the Acquisition

The rationale for and benefits of the Acquisition is to diversify the Company’s business portfolio with the aim of increasing shareholder value.

2.3 Subscription Price

The purchase consideration for the Subscription Shares is S\$689,500 (“**Subscription Price**”), which is the equivalent of 70% of Acee’s NTA of S\$985,000 based on the unaudited management accounts of Acee as at 31 January 2017. The Subscription Price will be paid by the Company within one year from the Completion date.

The Subscription Price was arrived on a willing buyer-willing seller basis, after taking into account, *inter alia*, the net tangible assets of Acee as at the date of Acquisition.

2.4 Source of Funding

The Subscription Price, payable by the Company in cash through capital injection to Acee, will be funded through internal resources of the Company.

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2.5 Financial Effects of the Acquisition

The Acquisition is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

Teo Teng Beng
Managing Director
1 March 2017