

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

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO
234,060,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY**

- IRREVOCABLE UNDERTAKING

1. Introduction

The board of directors (the “**Board**”) of Raffles United Holdings Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 9 January 2019, relating to the Proposed Rights Issue (the “**Prior Announcement**”).

Unless otherwise defined, all capitalised terms used herein shall have the same meaning as ascribed to them in the Prior Announcement.

2. Irrevocable Undertaking

2.1 Terms of the Irrevocable Undertaking

As at the date of this announcement, Teo Xian-Hui Amanda Marie (“**TXH**”) holds an aggregate of directly and indirectly, 153,928,533 Shares (“**TXH Entitled Shares**”) representing approximately 65.76% of the issued and paid-up share capital of the Company. Raffles United Pte Ltd (“**RUPL**”) has on 16 January 2019 given an irrevocable and unconditional renunciation of its entitlement to 153,418,633 Rights Shares in favour of TXH.

As an indication of commitment and support to the Company, TXH has, furnished an irrevocable undertaking (the “**Irrevocable Undertaking**”) to the Company dated 16 January 2019, *inter alia*:

- (a) that as at the Books Closure Date, she will own, directly no less than 509,900 Shares and indirectly no less than 153,418,633 Shares (the “**Undertaken Shares**”);
- (b) that she will not sell, transfer or otherwise dispose of the Undertaken Shares on or prior to the Books Closure Date;
- (c) to vote and procure her nominees/proxies or relevant persons to vote, in respect of the Undertaken Shares in favour of the resolutions to be proposed at the EGM to be convened to approve the Rights Issue; and
- (d) to, by way of acceptance, subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, an aggregate of 153,928,533 Rights

Shares to be provisionally allotted to it on the basis of Undertaken Shares as at the Book Closure Date.

The Irrevocable Undertaking is subject to and conditional upon the following:

- (a) the approval of Shareholders for the Rights Issue being obtained at the EGM to be convened;
- (b) the receipt of the approval in-principle from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST and such approval not having been withdrawn or revoked on or prior to the completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (c) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) in connection with the Rights Issue, with the Monetary Authority of Singapore.

TXH has furnished a confirmation of its financial resources from a financial institution that she has sufficient financial resources to fulfil her obligations under the Irrevocable Undertaking.

As TXH holds, in aggregate, a direct and indirect interest exceeding 50% of the existing issued and paid-up share capital of the Company as at the date of this announcement, TXH will not trigger an obligation under the Singapore Code on Takeovers and Mergers to make a mandatory general offer for the Shares as a result of her fulfilling her obligations under the Irrevocable Undertaking.

2.2 Resultant Shareholdings of TXH pursuant to the Irrevocable Undertaking

Pursuant to the Irrevocable Undertaking and immediately following the completion of the Rights Issue, the shareholding of TXH in the Company will be as follows:

- (a) assuming that TXH only subscribes and pays for in full the TXH Entitled Shares under the Maximum Scenario, she will own, directly and indirectly, 307,857,066 Shares representing approximately 65.76% of the enlarged share capital of the Company of 468,120,000 Shares; and
- (b) assuming that TXH subscribes and pays for in full the TXH Entitled Shares under the Minimum Scenario, she will own, directly and indirectly, 307,857,066 Shares representing approximately 79.35% of the enlarged share capital of the Company of 387,988,533 Shares.

3. Updated Use of Proceeds from the Rights Issue

On the assumption that all of the Entitled Shareholders subscribe in full for their provisional entitlements of Rights Shares, 234,060,000 Rights Shares will be issued pursuant to the Rights Issue (the “**Maximum Subscription Scenario**”). Under the Maximum Subscription Scenario, the net proceeds from the subscription of the

Rights Shares (the “**Net Proceeds**”) is approximately S\$11.6 million after deducting approximately S\$0.1 million for professional fees and related expenses estimated to be incurred in connection with the Rights Issue.

On the assumption that none of the Entitled Shareholders subscribe for the Rights Shares (other than TXH who subscribes for the Rights Shares in accordance with the terms of the Irrevocable Undertaking), 153,928,533 Rights Shares will be issued pursuant to the Rights Issue (the “**Minimum Subscription Scenario**”). Under the Minimum Subscription Scenario, the Net Proceeds is approximately S\$7.6 million after deducting approximately S\$0.1 million for professional fees and related expenses estimated to be incurred in connection with the Rights Issue. The Company intends to fund all the expenses in relation to the Rights Issue by internal resources.

The intended uses of such Net Proceeds are set out below:

Use of Net Proceeds	Minimum Subscription scenario		Maximum Subscription scenario	
	Amount S\$'000	Percentage Allocation	Amount S\$'000	Percentage Allocation
Repayment of bank borrowings	7,600	100	9,000	78
General working capital	-	-	2,600	22
TOTAL	7,600	100	11,600	100

Pending deployment of the Net Proceeds, such Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets or marketable securities or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the Net Proceeds in the annual report of the Company. Where there is a material deviation in the use of Net Proceeds, the Company will state the reason(s) for such deviation.

The Directors are of the reasonable opinion that, barring unforeseen circumstances and after taking into consideration:

- (i) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements and the Rights Issue is being undertaken to improve gearing, reduce its bank borrowings and finance the working capital requirements of the Company and its subsidiaries; and
- (ii) the present bank facilities and the Net Proceeds (based on the Minimum Subscription Scenario), the working capital available to the Group is sufficient to meet its present requirements.

4. Responsibility Statement

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

5. Cautionary Statement

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD

Tan Saik Hock
Chairman
17 January 2019