

# RENAISSANCE UNITED LIMITED

(Company Registration No. 199202747M)  
Incorporated in Singapore

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## QUARTERLY UPDATE UNDER RULE 1314(2) OF THE LISTING MANUAL

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### INTRODUCTION

The Singapore Exchange (SGX-ST) placed Renaissance United Limited (the "Company") on the minimum trading price Watch-List under Rule 1314(2) of the Listing Manual with effect from 5 June 2017. Accordingly, the Company must meet the requirements under Listing Rule 1314(2) within 36 months from 5 June 2017, failing which SGX-ST would delist the Company or suspend trading in the Company's shares. Listing Rule 1314(2) states that SGX-ST will assess the Company for removal from the Watch-List if it records a volume-weighted average price of at least S\$0.20 and an average daily market capitalisation of S\$40 million or more over the prior six months.

Rule 1313(2) of the Listing Manual requires the Company to provide quarterly updates on its efforts and the progress made in meeting the exit criteria of the watch-List, including where applicable, its financial situation, its future direction, or other material developments that may have a significant impact on its financial position.

This announcement is the quarterly update by the Company of its efforts to put itself in a position to apply to the SGX-ST for removal from the Watchlist.

The Company is an investment holding company with a portfolio of businesses and investments with growth potential that it hopes can deliver consistent profits and positive cash flow.

The Company's core businesses are those operated by its three principal operating subsidiaries as follows:

1. Hubei Zonglianhuan Energy Investment Management Inc., focusing on natural gas distribution in the Peoples' Republic of China;
2. Capri Investments L.L.C., engaged in real estate development in the State of Washington, USA;
3. ESA Electronics Pte Ltd, based in Singapore, and engaged in the electronics sector.

## **2QFY20 AND 1HFY20 UNAUDITED FINANCIAL PERFORMANCE AND FINANCIAL POSITION**

The Company released its unaudited financial results on 13 December 2019. For an update on the Group's financial performance and position, please go to the SGX-ST's website and the Company's website for the financial results released and uploaded on the said day.

## **TERMINATION OF NON-BINDING MEMORANDUM OF UNDERSTANDING**

The Company announced on 12 December 2019 it had terminated the non-binding memorandum of understanding with Broadland Garment Industries Sdn Bhd.

For further details please see SGXNET and the Company's website.

## **REJECTION OF PROPOSED SUBSCRIPTION OF 1,230,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY**

As previously announced, the Company had submitted a revised application to the SGX-ST for the admission of the Subscription Shares to the Official List of the SGX-ST and for the listing and quotation of the Subscription Shares on the SGX-ST, on the basis of the Revised Issue Price and pursuant to the terms and conditions of the Subscription Agreements as amended by the Amendment Agreements ("New ALA").

On 1 October 2019 the Company received a letter from the SGX-ST stating that it had rejected the New ALA on the following basis:

(a) The SGX-ST's earlier Rejection (as announced on 1 April 2019) in relation to the Proposed Subscription was due to its original issue price of S\$0.000900177 for each new Share, because any issue of Shares at or below the minimum trading price of S\$0.001 would artificially inflate the Company's market capitalization.

(b) In consideration of the Revised Issue Price and the new ALA, the SGX-ST has taken into account that the Shares have been trading at the minimum trading price of S\$0.001 or S\$0.002, which is one tick above the minimum trading price. A S\$0.001 price differential can cause the Company's market capitalization to double and increase by more than S\$6 million based on its 6,180,799,986 Shares (as at 31 July 2019). In this regard, the concerns on the possible artificial inflation of the Company's market capitalization have not been addressed.

Notwithstanding, the Company remains committed to an equity raising and is currently

exploring all options in relation to the Company's fund-raising efforts in order to continue with resolving legacy issues and forging a new direction forward for the Company and its shareholders

For further details please see SGXNET and the Company's website.

## **FUTURE DIRECTION**

The Company will continue its efforts on improving the performance of its existing real estate, manufacturing and gas distribution businesses will renew the interest of its current shareholders and new investors in its shares.

In addition, on 27 November 2019, the SGX-ST announced that it was seeking public consultation regarding a possible scrapping of the minimum trading price rule under Rule 1314(2). In the meantime, a moratorium is placed on the three-year period for delisting pending a final decision to be made by the SGX-ST.

The Company bases its outlook on reasonable assumptions made, using available information concerning the Company's present and future business strategies and the environment in which the Group will operate. These views necessarily involve risks, uncertainties and assumptions. Actual performance can differ materially from the Company's outlook. Shareholders are advised to trade with caution if they intend to acquire or dispose of their shares.

The Company will also work with the Exchange on new initiatives to revitalise the equity market generally.

## **By Order of the Board**

Allan Tan  
Company Secretary  
13 December 2019