

RENAISSANCE UNITED LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199202747M)

PROPOSED SUBSCRIPTION OF 1,230,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF RENAISSANCE UNITED LIMITED AT THE ISSUE PRICE OF APPROXIMATELY S\$0.0009 PER SUBSCRIPTION SHARE TO RAISE GROSS PROCEEDS OF S\$1,107,217.71

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of Renaissance United Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 27 February 2019 entered into subscription agreements (collectively, the “**Subscription Agreements**”) with each of Mr. Tan Chin Chuan and Mr. Tan Chek Meng (each a “**Subscriber**”, and collectively, the “**Subscribers**”).
- 1.2 Pursuant to the terms of the Subscription Agreements, the Company has agreed to allot and issue, and the Subscribers have agreed to subscribe for, an aggregate of 1,230,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) at an issue price of S\$0.000900177 (approximately S\$0.0009) per Subscription Share (“**Issue Price**”), for an aggregate cash consideration of S\$1,107,217.71, subject to the terms and conditions of the Subscription Agreements (the “**Proposed Subscription**”).
- 1.3 The Company will allot and issue the Subscription Shares pursuant to the general share issue mandate (“**General Mandate**”) approved by the shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company held on 30 October 2018. The allotment and issue of the Subscription Shares is within the limits of the General Mandate.
- 1.4 The Proposed Subscription will be carried out pursuant to the private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore (“**SFA**”). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

2. THE PROPOSED SUBSCRIPTION

2.1. The Subscription Shares and Issue Price

- 2.1.1 The Subscription Shares shall, when issued and fully paid-up, be free from all claims, charges, liens and other encumbrances whatsoever, and shall rank *pari passu* and shall carry all rights similar to, the existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of completion of the Proposed Subscription (“**Completion**”).
- 2.1.2 The Subscription Shares shall be allotted and issued to the Subscribers in the following proportions:

Subscriber	Number of Subscription Shares Subscribed for	Subscription Shares as a Percentage of the Enlarged Share Capital of the Company⁽¹⁾	Subscription Consideration (S\$)
Mr. Tan Chin Chuan	860,000,000	11.605%	774,152.22
Mr. Tan Chek Meng	370,000,000	4.993%	333,065.49
Total	1,230,000,000	16.597%	1,107,217.71

Notes:

(1) Based on the number of Shares held by each of the Subscribers divided by the enlarged issued and paid-up capital of 7,410,799,986 shares in the Company (“**Shares**”) after the Proposed Subscription. The Subscription Shares represent approximately 19.90% of the Company’s issued and paid-up capital of 6,180,799,986 Shares before the Proposed Subscription.

2.1.3 The Issue Price represents a discount of approximately 10% to the volume weighted average price of S\$0.001000196 for the Shares for trades done on the SGX-ST on 25 February 2019, being the date of the last market day on which Shares were traded on the SGX-ST prior to the date on which the Subscription Agreements were signed.

2.1.4 The Company will apply 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. The Company will make necessary announcements upon receipt of the approval-in-principle from the SGX-ST for the listing and quotation of the Subscription Shares.

2.2. Conditions Precedent

Completion of the Proposed Subscription is conditional upon, *inter alia*:

2.2.1 the submission of the additional listing application and the receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Subscription Shares on the Mainboard of the SGX-ST, and the same not being revoked or amended, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Subscribers, and to the extent that any conditions to such approval are required to be fulfilled on or before Completion, they are so fulfilled to the satisfaction of the SGX-ST and the Sponsor or so waived by them; and

2.2.2 the subscription, allotment and issue of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreements by any applicable legislative, executive or regulatory body or authority of Singapore.

If any of the conditions set forth in the Subscription Agreements are not satisfied or waived within 90 days from the date of the Subscription Agreements (or such other date as may be mutually agreed between the Parties), the Subscription Agreements shall terminate and the obligations of the Company to issue the Subscription Shares and the Subscribers to subscribe for the Subscription Shares shall ipso facto cease and determine thereafter, and no Party shall have any

claim against the others for costs, expenses, damages, losses, compensation or otherwise in respect of the Proposed Subscription, save for any antecedent breaches of the Subscription Agreements or the Parties' respective liabilities for the payment of costs and expenses under the respective Subscription Agreements.

2.3. Completion

Completion of the Proposed Subscription will occur 5 business days after the Company notifies the Subscribers of the satisfaction or waiver of the relevant conditions set out in the Subscription Agreements (or such other date as may be agreed between the parties).

3. INFORMATION RELATING TO THE SUBSCRIBERS

The Subscribers are Malaysian private investors who have experience in financial investing in private and public companies in Asia.

The Subscribers were introduced to the Company by Mr. James Moffatt Blythman, an executive director of the Company ("**Mr. Blythman**"). No introducer fees were paid or are payable to Mr. Blythman for introducing the Subscribers to the Company. The Subscribers are business acquaintances of Mr. Blythman, and were introduced to Mr. Blythman in the course of business. For the avoidance of doubt, the Subscribers are not related to Mr. Blythman nor any of the Directors or controlling shareholders of the Company or their respective associates. No placement agent has been appointed in relation to the Proposed Subscription.

The Subscribers have confirmed that they are not persons falling within Rule 812 of the Listing Manual of the SGX-ST. The Subscribers have further confirmed that none of the Subscription Shares will be held by them as a trustee or a nominee of a third party. Additionally, the Company will not allot or issue the Subscription Shares without the prior approval of the Company's shareholders in a general meeting if such allotment and issuance would bring about a transfer of controlling interest.

The Subscribers are willing investors who have entered into the Subscription Agreements purely for financial investment purposes. As at the date hereof, the Subscribers do not hold, directly or indirectly, any shares in the capital of the Company and neither the Subscribers nor their respective directors or substantial shareholders (where applicable) have any connection (including business relationship) with any Director or substantial shareholder of the Company.

4. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

The Company has decided to undertake the Proposed Subscription for general working capital purposes, and to strengthen the Group's financial position and flexibility to capitalise on growth opportunities. As set out in the Company's announcement dated 26 February 2019, the Company had entered into a non-binding memorandum of understanding in relation to negotiations for the proposed acquisition of a majority stake in the issued and paid-up share capital of a company in the business of garment manufacturing, distribution and retail ("**MOU**"). The Company had entered into the MOU with the objective of considering and evaluating opportunities to expand and/or diversify the business of the Company. To further this objective, the Company intends to apply a

portion of the proceeds of the Proposed Subscription towards the expenses incurred in connection with the transactions contemplated under the MOU.

On Completion, the Company expects to receive estimated gross proceeds of approximately S\$1,107,217.71 from the issue of the Subscription Shares (“**Gross Proceeds**”). After deducting from the Gross Proceeds the estimated expenses pertaining to the Proposed Subscription of approximately S\$70,000, the estimated net proceeds from the Proposed Subscription will be approximately S\$1,037,217.71 (“**Net Proceeds**”). The Company intends to apply such Net Proceeds in the following estimated proportions:

Proposed use of Net Proceeds	% of Net Proceeds from the issue of the Subscription Shares
(a) Working capital purposes	90%
(b) Funding of potential growth and expansion, such as expenses to be incurred in the process of due diligence for potential acquisitions of businesses (as and when opportunities arise)	10%
Total	100%

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed as deposits with banks and/or financial institutions, invested in short-term money market or debt instruments or for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the use of the Net Proceeds as and when the proceeds are materially disbursed, including whether the use is in accordance with the intended use and percentage allocated. The Company will also provide a status report on the use of the proceeds in the Company’s interim and full year financial statements and the Company’s annual report. The Company will disclose a breakdown with specific details on the use of proceeds for working capital in such announcements and annual reports. Where there is material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

5. **FINANCIAL EFFECTS**

The *pro forma* financial effects of the Proposed Subscription on the Group are set forth below and were prepared based on the latest announced audited consolidated financial statements of the Group for the financial year ended 30 April 2018 (“**FY2018**”), subject to the following assumptions:

- (a) the Subscription Shares are fully subscribed for;
- (b) the expenses incurred by the Company in connection with the Proposed Subscription is approximately S\$70,000;
- (c) for the purpose of calculating the net asset value (“**NTA**”) per share after the Subscription, it is assumed that the Proposed Subscription was completed on 30 April 2018; and

- (d) for the purpose of computing the earnings / (loss) per share of the Group after the Proposed Subscription, it is assumed that the Proposed Subscription was completed on 1 May 2018.

The *pro forma* financial effects are presented for illustration purposes only, and are not intended to reflect the actual future financial situation of the Company or the Group.

5.1 Share Capital

On the assumption that all the Subscription Shares are fully subscribed for, the Company's issued and paid-up share capital (excluding treasury shares) as at the date of this announcement (the "**Existing Share Capital**") will increase from S\$265,811,043.25 comprising 6,180,799,986 Shares to S\$266,918,260.96 comprising 7,410,799,986 Shares. The Subscription Shares represent approximately 19.90% of the Company's Existing Share Capital and approximately 16.60% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company after the Proposed Subscription.

5.2 NTA per Share

The effect of the Proposed Subscription on the Company's NTA per Share as at 30 April 2018 will be as follows:

	As at 30 April 2018	Immediately following issuance of the Subscription Shares⁽¹⁾
Consolidated NTA attributable to the shareholders of the Company (S\$'000)	52,587	53,624
Number of Shares (excluding treasury shares)	6,180,799,986	7,410,799,986
Consolidated NTA per Share attributable to the shareholders of the Company (Singapore cents)	0.85	0.72

Notes:

- (1) Assuming that all 1,230,000,000 Subscription Shares are fully subscribed for as at 30 April 2018, being the end of FY2018.

5.3 Earnings / (Loss) Per Share

The effect of the Proposed Subscription on the earnings / (loss) per share for FY2018 will be as follows:

	FY2018	Immediately following issuance of the Subscription Shares⁽¹⁾
Consolidated profit / (loss) after taxation and minority interests (S\$'000)	(28,473)	(28,543)
Weighted average number of Shares (excluding treasury shares)	5,869,786,287	7,099,786,287
Consolidated earnings / (loss) per Share (Singapore cents)	(0.4851)	(0.4020)

Notes:

- (1) Assuming that all 1,230,000,000 Subscription Shares are fully subscribed for as at 30 April 2018, being the end of FY2018.

6. DIRECTORS' CONFIRMATION

6.1 The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cash flows and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding the above, one of the purposes of the Proposed Subscription is to raise funds for general working capital of the Group as described in paragraph 4 of this announcement.

6.2 The Directors are of the opinion that, after taking into consideration the Group's present internal resources, operating cash flows, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors or substantial shareholders of the Company (other than in his capacity as Director or Shareholder as the case may be) has any interest, direct or indirect in the Proposed Subscription. To the best of the knowledge of the Board, there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Subscription.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Subscription Agreements is available for inspection at the Company's office at 7 Jalan Kilang, #07-01 Singapore 159407 during normal business hours for three (3) months from the date of this announcement.

9. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their shares in the Company. The Proposed Subscription is subject to numerous conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Subscription 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 on the Proposed Subscription and other matters contemplated by this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

10. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. 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.

By Order of the Board

James Moffatt Blythman
Executive Director and Chief Financial Officer
27 February 2019