

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 - ENTRY INTO AMENDMENT AGREEMENTS TO THE SHARE SUBSCRIPTION AGREEMENTS

1. INTRODUCTION

- 1.1. The Board of Directors (the “**Board**” or “**Directors**”) of Renaissance United Limited (the “**Company**”) refers to the Company’s earlier announcements dated 27 February 2019 (the “**Proposed Subscription Announcement**”) and 1 April 2019, in relation to the Proposed Subscription (together with the Proposed Subscription Announcements, the “**Previous Announcements**”).
- 1.2. Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Previous Announcements.

2. AMENDMENTS TO THE SUBSCRIPTION AGREEMENT

- 2.1. As stated in the Previous Announcements, the Board remains committed to completing the Proposed Subscription. In this connection, the Board wishes to announce that the Company and each of the Subscribers have, on 7 May 2019, entered into amendment agreements (the “**Entry into the Amendment Agreements**”) to amend the Issue Price and the Subscription Consideration set out in the original Subscription Agreements (the “**Amendment Agreements**”).
- 2.2. Pursuant to the Amendment Agreements, the Issue Price shall be revised to S\$0.0011 for each Subscription Share (the “**Revised Issue Price**”). Consequently, the aggregate cash consideration to be raised from the Proposed Subscription and the amount of consideration to be paid by each of the Subscribers shall be revised as follows:

| 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% | 946,000 |
| Mr. Tan Chek Meng | 370,000,000 | 4.993% | 407,000 |
| Total | 1,230,000,000 | 16.597% | 1,353,000 |

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.

- 2.3. Save as expressly amended by and provided in the Amendment Agreements, all provisions of the Subscription Agreements shall remain in full force and effect and binding on the parties thereto, in so far as the same are in full force and effect and binding on those parties immediately prior to the date of the Amendment Agreements, and the Amendment Agreements shall be construed together with, and form an integral and inseparable part of the Subscription Agreements.

3. THE REVISED ISSUE PRICE

- 3.1. The Revised Issue Price represents a premium of approximately 10% to the volume weighted average price of S\$0.001 for the Shares for trades done on the SGX-ST on 7 May 2019, being the full market day where Shares were traded on the SGX-ST and on which the Amendment Agreements were signed.
- 3.2. A new application will be made 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 Agreement as amended by the Amendment Agreements. 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.

4. RATIONALE FOR THE PROPOSED SUBSCRIPTION AND USE OF PROCEEDS

There are no amendments to the rationale for the Proposed Subscription and the proposed use of proceeds as disclosed in the Proposed Subscription Announcement, save for the increase in the amount of proceeds to be raised. For the avoidance of doubt, further to the Entry into the Amendment Agreements, the Company expects to receive estimated gross proceeds of approximately S\$1,353,000 from the issue of the Subscription Shares ("**Gross Proceeds**") on Completion. 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\$1,283,000 ("**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

Based on the Revised Issue Price, 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\$267,164,043.25 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 | 53,870 |
| 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) | 0.851 | 0.727 |

Note:

(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) | (0.485) | (0.402) |

Note:

(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 Entry into the Amendment Agreements. 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 Entry into the Amendment Agreements.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Amendment 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 as there is no certainty or assurance as at the date of this announcement that the Proposed Subscription will be completed. 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.

By Order of the Board

James Moffatt Blythman
Executive Director and Chief Financial Officer
7 May 2019