

RAFFLES UNITED HOLDINGS LTD

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

DISPOSAL OF EQUITY INVESTMENT IN SUBSIDIARY - ACEE ELECTRIC PTE LTD

A. 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 sale and purchase agreement dated 28 June 2019 to dispose of its entire 70% of the ordinary shares held by the Company in its Singapore subsidiary, Acee Electric Pte Ltd (“**Acee**”), at a nominal cash consideration of S\$1/- to Seow Koon Pang (“**SKP**”), the minority shareholder of Acee (the “**Disposal**”) as Acee has been dormant since November 2018.

The consideration was arrived at on a willing buyer willing seller basis, taking into account the Group’s share of the unaudited negative net book value of Acee as at 27 June 2019 of \$391,000.

B. Completion

Completion for the Disposal has taken place on 28 June 2019 (“**Completion**”).

C. Relative Figures Computed Pursuant to Rule 1006 of the Listing Manual

The relative figures for the Disposal computed on the bases set out in Rule 1006 (a) to (e) of the Listing Manual of the SGX-ST (the “**Listing Manual**”) are set out below, based on the Group’s audited financial statements for the financial year ended 31 December 2018:

Rule 1006 of the Listing Manual	Bases	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value	-0.08% ⁽¹⁾
(b)	The net profits attributable to the assets disposed of, compared with the Group’s net profits	16% ⁽²⁾
(c)	The aggregate value of the consideration received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	0% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable

Notes:

- (1) The unaudited negative net assets of Acee as at 27 June 2019, being the date before signing of the agreement was \$0.07 million. The audited net asset of the Group as at 31 December 2018, being the latest announced consolidated accounts was \$88.1 million.

- (2) The unaudited net profit before tax, minority interest and extraordinary items attributable to the Disposal is approximately S\$0.4 million. The audited net profit before tax, minority interest and extraordinary items attributable to the Group for the year ended 31 December 2018 is approximately S\$2.5 million.
- (3) On the basis that the aggregate value of the consideration for the Disposal is equivalent to the total sales consideration being approximately S\$1/-. The market capitalisation of the Company as at 27 June 2019 (being the last market day preceding the date of the Sale and Purchase Agreement during which trades were conducted) is approximately S\$20.2 million.

As the relative figure computed on the bases set out in Rule 1006 (b) of the Listing Manual exceeds 5% but does not exceed 20%, the Disposal would constitute a discloseable transaction under Chapter 10 of the Listing Manual.

The disposal is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 December 2019.

D. Financial Effects

The financial effects of the Disposal as set out below are for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Disposal nor a projection of the future financial performance or position of the Group after the Completion. The financial effects set out below are based on the Group's audited financial statements for the financial year ended 31 December 2018.

(i) Net tangible assets ("NTA") per share

Assuming the Sale of Property had been effected on 31 December 2018, the NTA per share of the Group would be as follows:

	Before the Disposal	After the Disposal
NTA (excluding non-controlling interest) (S\$'000)	79,098	79,489
Number of issued shares excluding treasury shares ('000)	234,060	234,060
NTA per share (Singapore cents)	33.79	33.96

(ii) Earnings per share ("EPS")

Assuming the Sale of Property had been effected on 1 January 2018, the EPS of the Group would be as follows:

	Before the Disposal	After the Disposal
Net profit after tax (S\$'000)	1,827	2,218
Weighted average number of issued shares ('000)	234,060	234,060
EPS (Singapore cents)	0.78	0.95

Based on the unaudited net book value of Acee as at 27 June 2019, the Disposal will result in a net gain of approximately S\$391,000 for the Group.

E. Interest of Directors and Controlling Shareholders

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

BY ORDER OF THE BOARD

Teh Geok Koon
28 June 2019