

RENAISSANCE UNITED LIMITED

(Company Registration No. 199202747M)

Incorporated in Singapore

RESPONSE TO SGX-ST QUERIES

The Board of Directors of Renaissance United Limited (the “**Company**”) would like to announce its responses to the queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 18 August 2021 (“**SGX-ST Queries**”) in relation to the Company’s financial results for the year ended 30 April 2021, which was announced on 30 June 2021.

It was disclosed in the FY2021 Financial Statements that the Group reported trade and other receivables amounting to S\$16,379,000 (FY2020: S\$7,584,000). In this regard, please disclose:

- (a) A breakdown of the Group’s trade and other receivables;
- (b) The nature and breakdown of the Group’s other receivables;
- (c) The underlying transactions and terms of the transactions (including contract sum) and payment terms of the underlying contracts;
- (d) Aging of the Group’s trade receivables; and
- (e) The Group’s plans to recover the trade and other receivables.

The Company’s response:

Query (a), (b) and (d)

As at 30 April 2021, the breakdown and nature is as follows:

	Group as at 30/04/21 S\$000	Current	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days
Trade Receivables						
- third parties	11,916	8,263	1,797	105	1,126	625
Less:						
Allowance for impairment	(488)					
Non - Trade Receivables						
- third parties	17,989					
- KMP	2,781					
Less:						
Allowance for impairment	(18,767)					

Good and Services tax recoverable, net	11
Prepayments	2,689
Rental, utilities and other deposits	171
Staff advances	77
	16,379

Query (c)

The Company's response:

Please see Company's SGX announcement of 3 November 2020 which sets out details of the partial sale of the Falling Water Plat/Planned Development District ("PDD") to KBHPNW LLC ("KB").

The other trade receivables of approximately S\$6.5 million are part of the normal course of ESA Electronics Pte Ltd's business where it offers payment terms to customers.

Query (e)

The Company's response:

Trade Receivables

1. The next payment due under the sale to KB does not fall due until the anniversary of the closing of the sale. A sum of US\$1.25 million is due to be paid to Capri on 2 November 2021.
2. Receivables due from ESA's customers are assessed by Management and where appropriate provisions are made for slow debt settlement. Legal Action may be pursued if deemed necessary.

Other Non-trade Receivables:

3. Xiaogan He Shun Investment Management Centre LLP - S\$5.5 million and Mr Wilson On (KMP) - S\$2.78 million

This relates to the purported 2015 Employee Share Scheme which details have been provided on pages 7-9 of the Company's FY18 Annual Report.

In March 2021, a legal demand letter was sent by the Company's attorneys Messrs. Alpha Leader, requesting return of the shares as the balance of the consideration was not made. To date, no formal reply has been received.

It appears that this transaction was the result of poor corporate governance by past management which has been raised with ACRA and SGX. No mechanism was included for the shares to be returned, and no penalties

clauses were stipulated for non-payment under the share disposal agreement. As a result, Shareholders' interests may not have been protected.

Also, any legal action would be counter-productive as such legal action would be against the Company's own management under the laws of the P.R. China.

4. Grand Prosper Limited ("**GP**") - S\$7.7 million

As GP has no assets, recovery is remote. GP was an entity used by former management to invest in Select Equity Growth Limited which held significant holdings in penny stocks linked to the 2013 crash. The debt has been fully impaired, and GP was deconsolidated in FY19.

5. Hudson Minerals Holdings Pte Ltd ("**Hudson**") - S\$1.6 million.

As announced on 13 April, the High Court of Singapore awarded judgment in favour of the Group's wholly-owned subsidiary, Nueviz Investment Private Limited, against Hudson for the sum of S\$1,545,296.71. Nueviz through its solicitors, Messrs. Ang Seah & Hoe, is pursuing the judgment debt. An examination of the judgment-debtor was heard on 26 July 2021, and the court ordered Mr Wong Chin Yong, the shareholder and director of Hudson, to provide certain documents and answers by 23 August 2021.

As announced on 26 May 2021, Nueviz commenced HC/S 458/2021 in the General Division of the High Court of Singapore on 21 May 2021 against Mr Carlson Clark Smith, a director of Nueviz at the material times when the said loan was made to Hudson and subsequently renewed. The Company will make further announcements as and when there are material updates in this matter.

6. Management Fees Receivable – S\$2.8 million

This relates to Management Fees receivable by the Company's former subsidiary, Sun Spirit Group Limited which was struck off the BVI registry in 2016. Management has assessed recovery to be extremely remote, and as such, it does not warrant the expenditure that would be incurred if the Company were to start legal proceedings in BVI. The amount has been fully impaired.

By Order of the Board

James Moffatt Blythman

Executive Director and Chief Financial Officer

20 August 2021