

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 28 July 2025 (“**SGX-ST Queries**”) in relation to the Company’s unaudited financial statements for the financial year ended 30 April 2025 (“**FY2025**”), which was announced on 29 June 2025.

SGX-ST Query 1

1. It is disclosed on page 2 of the unaudited financial statements that an amount of S\$6,693,000 was recognised as impairment loss on intangible assets for FY2025. We note that this impairment loss relates to the service concession arrangements, being HZLH Group’s 30-year exclusive contracts with cities in Hubei Province to supply natural gas.

Please disclose:

i) how the amount of impairment was determined;

The Company’s response:

Impairment is assessed in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under SFRS(I) 1-36 *Impairment of Assets*. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recorded in the statement of profit or loss for the financial year in which it is identified.

The Company engages an independent firm of professional valuers to assist the Company with their assessment.

ii) whether any valuation was conducted, the value placed on the intangible assets, the basis and the date of such valuation;

The Company’s response:

An independent firm of professional valuers was engaged at the end of financial year to assess the recoverable amount of cash-generating unit (“CGU”) of Hubei Zonglianhuang Energy Investment Group Management Inc. and its subsidiaries (“HZLH Group”) as at 30 April 2025 in accordance with SFRS(I) 1-36 *Impairment of Assets*. A draft valuation report has been provided and will support our assessment of the CGU’s carrying value. The service concession arrangement has been recognised in accordance with SFRS(I) INT 12 *Service Concession Arrangements*.

iii) the Board's confirmation as to whether it is satisfied with the reasonableness of the methodologies used to determine the amount of impairment; and

The Company's response:

The Board has reviewed the valuation methodology adopted by the independent firm of professional valuers in assessing the recoverable amount of the CGU. Considering the valuers' technical competency, professional qualifications, and industry experience, the Board is satisfied that the methodologies used are reasonable and appropriate for determining the amount of impairment in accordance with SFRS(I) 1-36 *Impairment of Assets*.

iv) the reasons for the impairment losses on the services concession arrangements in FY2024 and FY2025.

The Company's response:

Due to the unfavorable business performance of HLZH Group in FY2024 and FY2025, the carrying amount of its assets exceeded their recoverable amounts, resulting in the recognition of impairment losses.

SGX-ST Query 2

2. It is disclosed on page 4 of the unaudited financial statements that the Group recorded S\$14,635,000 of current trade and other receivables.

Please disclose:

- i) the breakdown of the Group's trade and other receivables for FY2024 and FY2025;
- ii) the underlying transactions of the other receivables;
- iii) the ageing profile of the Group's trade and other receivables in bands of 3 months; and
- iv) the Board's assessment on the recoverability of the Group's trade and other receivables, and the basis for such an assessment.

The Company's response:

(i) to (iii) The breakdown is as follows as at 30 April 2025:

	(Unaudited) Group as at 30/04/25 S\$000	Current	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days
Non-Current						
Non - Trade Receivables						
- advances to sub- contractors	13	13				
	13					
Current						
Trade Receivables						
- third parties	6,684	1,862	2,939	1,501	182	200
Less:						
Allowance for impairment	(7)					(7)
Non - Trade Receivables						
- third parties	18,343	3,028	65	6	-	15,244
- KMP	2,476	28	-	-	-	2,448
Less:						
Allowance for impairment	(17,683)					(17,683)
-Good and Services tax recoverable, net	154	154				
-Prepayments	3,543	3,543				
-Rental, utilities and other deposits	1,094	1,094				
-Staff advances	31	31				
Total current receivables	14,635					
Total trade and other receivables	14,648					

(i) to (iii) The breakdown is as follows as at 30 April 2024:

	Group as at 30/04/24 S\$000	Current	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days
Non-Current						
Non - Trade Receivables						
- advances to sub- contractors	14	14				
	<u>14</u>					
Current						
Trade Receivables						
- third parties	4,232	1,615	1,257	938	65	357
Less:						
Allowance for impairment	(73)					(73)
Non - Trade Receivables						
- third parties	18,209	2,560	-	-	-	15,649
- KMP	2,555					2,555
Less:						
-Allowance for impairment	(18,193)					(18,193)
-Good and Services tax recoverable, net	111	111				
-Prepayments	3,798	3,798				
-Rental, utilities and other deposits	145	145				
-Staff advances	44	44				
Total current receivables	<u>10,828</u>					
Total trade and other receivables	<u>10,842</u>					

- (iv) Trade receivables due from customers are assessed by the management team and where appropriate, provisions are made for slow or delayed settlements. Legal action may be pursued if necessary. From the table shown above, the majority of trade receivables are either current or less than 90 days past due.

The non-trade receivables due from third parties mainly arise from the disposal of 20% equity interest in HZLH to a third party which expired in 2019. The amount was impaired during the financial year ended 30 April 2018 based on the recoverability assessment performed by management.

The non-trade receivables due from KMP mainly arise from consideration receivable from the disposal of HZLH shares by China Environmental Energy Protection Investment Limited ("CEEP") in 2015 which remain unpaid. The amount was impaired during the financial year ended 30 April 2019.

SGX-ST Query 3

3. It is disclosed on page 24 of the unaudited financial statements that the change in net current liabilities of the Group was attributable in part to “an increase of S\$3.8 million in Trade and Other Receivables mainly due to decrease of S\$0.6 million from China subsidiaries offset by increase of S\$3.3 million from ESA, S\$1.0 million from a subsidiary, Renaissance United Assets Sdn. Bhd (“RUA”) as deposit for a Pelangi acquisition as disclosed in 26 June 2024 announcement and net S\$0.1 million increase from other subsidiaries in the Group;”

Please disclose the factors which led to an increase in trade and other receivables of S\$3.3m from ESA.

The Company’s response:

ESA had higher turnover in the last quarter of FY25 as compared to FY24 and higher receivables from its major customers.

SGX-ST Query 4

4. It is disclosed on page 4 of the unaudited financial statements that the Group recorded S\$16,772,000 of trade and other payables.

Please disclose:

- i) the breakdown of the Group's trade and other payables for FY2024 and FY2025. For other payables, please disclose the nature of these other payables and whether the counterparties are related parties; and

The Company’s response:

(i) The breakdown is as follows:

	(Unaudited) Group as at 30/04/25 S\$000	Group as at 30/04/24 S\$000
Trade Payables		
- third parties	9,526	7,942
Non-trade Payables		
- third parties	2,319	2,157
- KMP	941	982
Accrued operating expenses	3,986	3,187
Total trade and other payable	16,772	14,268

(ii) how the Company intends to fulfil its significant payment obligations, other than borrowings, in the next 12 months.

The Company's response:

- (ii) For HZLH Group, the Board believes the operational cash flow is sufficient to meet payments as and when they fall due as supported by cash flow from HZLH's customers who pay for gas in advance.

As announced, the Company's wholly owned subsidiary, Renaissance United Washington, LLC ("RUW") and Maxstar International Sdn. Bhd. ("Maxstar") signed an exclusive marketing representative agreement in June 2024 to appoint RUW as Maxstar's exclusive representative in the United States of America, the subsidiary is expected to generate future positive cash flows for the Group.

SGX-ST Query 5

5. It is disclosed on page 25 of the unaudited financial statements that "The Hubei provincial government has requested all gas companies to update their concession agreements with their respective governments. Local management and their lawyers have been in discussion with officials on the proposed amendments".

Please clarify the impact on the Group arising from the updating of concession agreements.

The Company's response:

To date, only Xiaochang and Anlu concessions have executed amendments to their respective agreements. The amendments focus on the local government's expectations on the safe supply of gas and how information is shared with relevant departments. It also provides some clarity on the process by which the assets would be evaluated and transferred if a renewal is not agreed upon.

By Order of the Board

James Moffatt Blythman
Executive Director and Chief Financial Officer
30 July 2025