



Renaissance United Limited

(Incorporated in Singapore. Registration Number. 199202747M)

Condensed Interim Financial Statements and Dividend Announcement

For the Second Quarter ("2QFY22) and Six Months ended 31 October 2021 ("1HFY22").

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RENAISSANCE UNITED LIMITED

(Registration No. 199202747M)

Condensed Interim Financial Statements and Dividend Announcement
For the Second Quarter ("2QFY22) and Six Months ended 31 October 2021 ("1HFY22").

1(a)(i): A condensed interim consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

A. Unaudited condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		3 Months to 31/10/21 S\$'000	3 Months to 31/10/20 S\$'000	% Increase/ (Decrease)	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	% Increase/ (Decrease)
Revenue							
Sale of goods	4	4,863	4,722	3.0	9,023	9,192	(1.8)
Natural gas installation, connection, delivery and usage	4	11,640	9,009	29.2	21,826	18,188	20.0
		16,503	13,731	20.2	30,849	27,380	12.7
Other items of income							
Fair value gain of financial assets, at fair value through profit or loss		-	1	nm	-	8	nm
Interest income		8	26	(69.2)	15	62	(75.8)
Other income		327	157	nm	720	335	nm
		335	184	82.1	735	405	81.5
Total revenue		16,838	13,915	21.0	31,584	27,785	13.7
Operating expenses							
Changes in inventories		(482)	(645)	(25.3)	504	(748)	nm
Raw materials and consumables used		(11,119)	(9,007)	23.4	(22,428)	(17,909)	25.2
Amortisation of intangible assets		(335)	(338)	(0.9)	(664)	(684)	(2.9)
Depreciation of property, plant and equipment		(983)	(940)	4.6	(1,922)	(1,860)	3.3
Fair value loss of financial assets, at fair value through profit or loss		(18)	-	nm	(21)	-	nm
Impairment loss of trade and other receivables and convertible loan		(6)	(26)	(76.9)	(24)	(106)	(77.4)
Foreign exchange loss, net		-	(1,274)	nm	-	(2,043)	nm
Employee benefits expenses		(1,653)	(1,489)	11.0	(3,154)	(2,852)	10.6
Finance Costs		(285)	(692)	(58.8)	(548)	(938)	(41.6)
Lease expenses		(5)	(5)	-	(8)	(18)	(55.6)
Other expenses		(1,147)	(433)	nm	(1,879)	(1,392)	35.0
Total expenses		(16,033)	(14,849)	8.0	(30,144)	(28,550)	5.6
Profit/(loss) before income tax	5	805	(934)	nm	1,440	(765)	nm
Income tax expense	6	(268)	(1)	nm	(426)	(83)	nm
Profit/(loss) for the financial period		537	(935)	nm	1,014	(848)	nm
Other comprehensive income :							
Items that may be reclassified subsequently to profit or loss :							
Exchange differences on translation of foreign operations arising from consolidation		590	1,546	(61.8)	1,437	1,283	12.0
Items that will not be reclassified subsequently to profit or loss :							
Exchange differences on translation of foreign operations arising from consolidation		1	(4)	nm	5	(5)	nm
Other comprehensive income for the financial period, net of tax		591	1,542	(61.7)	1,442	1,278	12.8
Total comprehensive income for the financial period		1,128	607	85.8	2,456	430	nm

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A. Unaudited condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	Note	Group			Group		
		3 Months to 31/10/21 S\$'000	3 Months to 31/10/20 S\$'000	% Increase/ (Decrease)	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	% Increase/ (Decrease)
Profit/(loss) attributable to :							
Equity holders of the Company		297	(1,131)	nm	583	(1,401)	nm
Non-controlling interests		240	196	22.4	431	553	(22.1)
		537	(935)	nm	1,014	(848)	nm
Total comprehensive income for the financial period							
Equity holders of the Company		887	415	nm	2,020	(118)	nm
Non-controlling interests		241	192	25.5	436	548	(20.4)
		1,128	607	85.8	2,456	430	nm
Earnings/(loss) per share attributable to equity holders of the Company							
Basic and diluted (in cents)					0.009	(0.023)	
nm-not meaningful							

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For the Second Quarter ("2QFY22) and Six Months ended 31 October 2021 ("1HFY22").

1(b)(i): A condensed interim consolidated statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

B. Unaudited condensed interim statements of financial position

	Note	Group As at 31/10/21 S\$'000	Group As at 30/04/21 S\$'000	Company As at 31/10/21 S\$'000	Company As at 30/04/21 S\$'000
Non-current assets					
Intangible assets	7	13,032	13,193	-	-
Property, plant and equipment	8	80,489	76,945	17	15
Investment in subsidiaries		-	-	48,508	48,508
Trade and other receivables		2,859	2,794	-	-
Deferred tax assets		472	459	-	-
		96,852	93,391	48,525	48,523
Current assets					
Inventories		2,154	1,651	-	-
Development property	9	4,320	4,209	-	-
Trade and other receivables		13,961	13,744	52	51
Financial assets, at fair value through profit or loss		532	553	501	502
Cash and cash equivalents	10	21,913	18,203	862	1,258
		42,880	38,360	1,415	1,811
Total Assets					
		139,732	131,751	49,940	50,334
Current liabilities					
Trade and other payables		16,414	16,746	6,344	6,778
Provisions		35	71	6	6
Current income tax payable		961	953	-	-
Borrowings	11	12,433	13,340	4	4
Contract liabilities	12	22,631	19,536	-	-
		52,474	50,646	6,354	6,788
Net current liabilities					
		9,594	12,286	4,939	4,977
Non-current liabilities					
Borrowings	11	13,083	9,503	7	9
Deferred tax liabilities		3,084	2,967	-	-
		16,167	12,470	7	9
Total Liabilities					
		68,641	63,116	6,361	6,797
NET ASSETS					
		71,091	68,635	43,579	43,537
Equity					
Share capital	13	265,811	265,811	265,811	265,811
Other reserves	14	(17,469)	(18,809)	1,961	1,961
Accumulated losses		(193,929)	(194,512)	(224,193)	(224,235)
Equity attributable to equity holders of the Company					
		54,413	52,490	43,579	43,537
Non-controlling interests		16,678	16,145	-	-
TOTAL EQUITY					
		71,091	68,635	43,579	43,537

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1(c) A condensed interim consolidated statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

C. Unaudited condensed interim consolidated statement of cash flows

	3 Months to 31/10/21 S\$'000	3 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000
Cash flows from operating activities				
Profit/(loss) before income tax	805	(934)	1,440	(765)
Adjustments for:				
Impairment loss of trade and other receivables and convertible loan, net	6	26	24	106
Amortisation of intangible assets	335	338	664	684
Depreciation of property, plant and equipment	983	940	1,922	1,860
Interest expenses	331	667	511	880
Interest income	(8)	(26)	(15)	(62)
Interest expenses on lease liabilities	10	19	21	31
Provisions made during the financial period	66	65	76	68
Fair value gain/(loss) on financial assets, at fair value through profit or loss	18	(1)	21	(8)
Unrealised foreign exchange (gain)/loss	(298)	1,259	(651)	2,014
Operating cash flows before working capital changes	2,248	2,353	4,013	4,808
Changes in working capital :				
Inventories	485	650	(497)	(368)
Development property	(2)	1	(6)	(19)
Trade and other receivables	(477)	(2,773)	(41)	(3,958)
Trade and other payables and contract liabilities	(65)	(691)	1,799	2,490
Provisions	(90)	(100)	(112)	(140)
Cash generated from/(used in) operations	2,099	(560)	5,156	2,813
Interest received	8	6	15	21
Interest paid on bank overdrafts	(24)	(21)	(46)	(34)
Net income tax paid	(268)	(182)	(426)	(410)
Net cash generated from/(used in) operating activities	1,815	(757)	4,699	2,390
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,582)	-	(2,348)	(1,064)
Proceeds from disposals of property, plant and equipment	-	1	-	1
Net cash (used in)/generated from investing activities	(1,582)	1	(2,348)	(1,063)
Cash flows from financing activities				
Proceeds from borrowings	4,165	995	4,165	1,606
Repayments of borrowings	(182)	(2,153)	(1,963)	(6,331)
Repayment of lease liabilities	(4)	(52)	(6)	(150)
Interest paid on borrowings	(318)	(646)	(465)	(846)
Interest paid on lease liabilities	(91)	(18)	(186)	(30)
Net cash generated from/(used) in financing activities	3,570	(1,874)	1,545	(5,751)
Net increase/(decrease) in cash and cash equivalents	3,803	(2,630)	3,896	(4,424)
Cash and cash equivalents at beginning of financial period	13,161	7,019	12,872	8,933
Effects of exchange rate changes in cash and cash equivalents	141	109	337	(11)
Cash and cash equivalents at end of the financial period	17,105	4,498	17,105	4,498

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1(d)(i) A condensed interim statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

D. Unaudited condensed interim statements of changes in equity

Group	Share capital S\$'000	Foreign exchange translation reserve S\$'000	Capital reduction reserve S\$'000	Equity - Non-controlling interests S\$'000	Accumulated losses S\$'000	Equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 May 2021	265,811	(15,519)	1,961	(5,251)	(194,512)	52,490	16,145	68,635
Profit for the financial period	-	-	-	-	583	583	431	1,014
Other comprehensive income for the financial period:								
Exchange differences on translation of foreign operations	-	1,437	-	-	-	1,437	5	1,442
Total comprehensive income for the financial period	-	1,437	-	-	583	2,020	436	2,456
Transactions with non-controlling interests	-	-	-	(97)	-	(97)	97	-
Balance at 31 October 2021	265,811	(14,082)	1,961	(5,348)	(193,929)	54,413	16,678	71,091
Balance at 1 May 2020	265,811	(17,088)	1,961	(5,251)	(189,110)	56,323	15,277	71,600
(Loss)/profit for the financial period	-	-	-	-	(1,401)	(1,401)	553	(848)
Other comprehensive income/(loss) for the financial period:								
Exchange differences on translation of foreign operations	-	1,283	-	-	-	1,283	(5)	1,278
Total comprehensive (loss)/income for the financial period	-	1,283	-	-	(1,401)	(118)	548	430
Transactions with non-controlling interests	-	-	-	98	-	98	(98)	-
Balance at 31 October 2020	265,811	(15,805)	1,961	(5,153)	(190,511)	56,303	15,727	72,030

Company	Share capital S\$'000	Capital reduction reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance at 1 May 2021	265,811	1,961	(224,235)	43,537
Profit and total comprehensive income for the financial period	-	-	42	42
Balance at 31 October 2021	265,811	1,961	(224,193)	43,579
Balance at 1 May 2020	265,811	1,961	(224,902)	42,870
Loss and total comprehensive income for the financial period	-	-	(167)	(167)
Balance at 31 October 2020	265,811	1,961	(225,069)	42,703

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E. Notes to the condensed interim consolidated financial statements

1. General corporate information

The Company (Co. Reg. No. 199202747M) is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 16 Kallang Place, #05-10/18 Kallang Basin, Industrial Estate, Singapore 339156.

The Company is listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the Company are those of an investment holding company and performing the functions of the corporate headquarter of the Company and its subsidiaries (the "Group").

The principal activities of the significant subsidiaries are:

- Trading and providing consultancy services in semi-conductor industry;
- Residential estate development;
- Natural gas distribution.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 October 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 April 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 *New and amended standards adopted by the Group*

In the current financial period, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial period.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

2.2 *Use of judgements and estimates*

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the financial year. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 April 2021.

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E. Notes to the condensed interim consolidated financial statements

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

Going concern assumption

The Group had a profit of \$1,014,000 during the six months ended 31 October 2021. As at 31 October 2021, the Group's and the Company's current liabilities exceeded the current assets by \$9,594,000 (30 April 2021: \$12,286,000) and \$4,939,000 (30 April 2021: \$4,977,000) respectively.

The Board of Directors of the Company are of the view that the going concern assumption is appropriate for the preparation of these condensed interim financial statements based on the following assessment on the Group's major segments. Meanwhile, the Company is seeking to resolve its legacy issues with the SGX-ST to enable fund raisings.

(a) Capri Investments L.L.C. ("Capri")

Capri closed on a partial sale of the Falling Water Plat/Planned Development District ("PDD") to KBHPNW LLC ("KB"), a subsidiary of USA national home builder KB Home. The aggregate purchase price for that certain tract of real property known as "Tract C, Falling Water/PDD – Tracts" ("Tract C") within the Falling Water Plat/PDD is US\$8,030,000, with the initial payment of US\$4,000,000. From the funds received, Capri paid fees due to its consultants, title company as well as real estate excise tax. The net amount received in Capri's bank account was US\$3,619,000.

On 3 November 2021, Capri received the next fixed payment of US\$1,250,000 (Approximately S\$1,687,000) due under the Sale and Purchase Agreement. The remainder of US\$2,779,800 (Approximately S\$3,751,000) is due upon KB sales to third parties over the next 12 to 24 months.

(b) Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH")

Due to the up-front capital required for gas network infrastructure, HZLH does have significant borrowings from local financial institutions. The People's Republic of China ("PRC") has already reduced interest rates with cuts being passed on to HZLH. HZLH has good rapport with the local governments and its banks. Its banks are unlikely to "call in" loans without a long notice period as this may cause disruption to civic services.

Banks in the PRC do recognise such arrangements as it is an increasing popular way for local governments to fund infrastructure projects. As such, the maturing principals due within 12 months can be successfully negotiated for further repayment terms with a longer tenure. The majority of short-term debt obligations are secured in nature either by cash or by property, plant and equipment collaterals, and HZLH will be able to obtain additional fundings, if necessary, from the banks or financial institutions. The Board believes the operational cash flow is sufficient to meet payments when they fall due.

China's gas industry continues to improve however supply concerns still remain especially during the Winter period.

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E. Notes to the condensed interim consolidated financial statements

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

Going concern assumption (cont'd)

For these reasons, the condensed interim financial statements have been prepared on the assumptions that the Group and the Company will continue as going concerns. The condensed interim financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the condensed interim statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the financial year are disclosed in Note 3 in the financial year ended 30 April 2021 Annual Report.

3. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies disclosed in Note 2 in the financial year ended 30 April 2021 Annual Report. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

Management considers the business from both business and geographical segment perspective. The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies. There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Income taxes are managed by the management of respective entities within the Group.

The Group accounts for inter-segment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

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E. Notes to the condensed interim consolidated financial statements

3. Segment information (cont'd)

Business segments

The Group is organised into five main business segments:

- Infrastructure development and turnkey construction;
- Property development;
- Gas distribution;
- Electronics and trading; and
- Investment securities trading.

Other operations of the Group mainly comprise investment holding and other management services, neither of which constitutes a separately reportable segment.

Geographic segments

The Group's business segments operate in five main geographical areas:

- Singapore
- People's Republic of China
- United States of America
- Taiwan and Europe
- Other countries

Sales are based on the geographical area in which the customer is located. Total assets and capital expenditure are shown by the geographical area where the assets are located.

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E. Notes to the condensed interim consolidated financial statements

3. Segment information (cont'd)

Business Segments	Infrastructure development and turnkey construction		Property development		Gas distribution		Electronics and trading		Investment securities trading		Corporate and others		Total	
	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000
Revenue														
Sales to customers	-	-	-	-	21,826	18,188	9,023	9,192	-	-	-	-	30,849	27,380
Other revenue	277	2	15	-	713	64	33	274	(184)	42	(119)	23	735	405
Total external revenue	277	2	15	-	22,539	18,252	9,056	9,466	(184)	42	(119)	23	31,584	27,785
Segment profit/(loss)	186	(418)	(74)	(22)	1,561	1,367	962	289	(209)	157	(469)	(1,319)	1,957	54
Interest income	-	-	-	-	14	10	1	11	-	41	-	-	15	62
Interest expenses	(1)	(1)	-	-	(465)	(846)	(66)	(34)	-	-	-	-	(532)	(881)
Profit/(loss) before income tax	185	(419)	(74)	(22)	1,110	531	897	266	(209)	198	(469)	(1,319)	1,440	(765)
Income tax expense	-	-	-	-	(426)	(83)	-	-	-	-	-	-	(426)	(83)
Profit/(loss) for the financial period	185	(419)	(74)	(22)	684	448	897	266	(209)	198	(469)	(1,319)	1,014	(848)
Non-controlling interests	-	-	-	-	(274)	(514)	(157)	(39)	-	-	-	-	(431)	(553)
Profit/(Loss) attributable to equity holders of the Company	185	(419)	(74)	(22)	410	(66)	740	227	(209)	198	(469)	(1,319)	583	(1,401)

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E. Notes to the condensed interim consolidated financial statements

3. Segment information (cont'd)

Business Segments	Infrastructure development and turnkey construction		Property development		Gas distribution		Electronics and trading		Investment securities trading		Corporate and others		Total	
	As at 31/10/21 S\$'000	As at 31/10/20 S\$'000	As at 31/10/21 S\$'000	As at 31/10/20 S\$'000	As at 31/10/21 S\$'000	As at 31/10/20 S\$'000	As at 31/10/21 S\$'000	As at 31/10/20 S\$'000	As at 31/10/21 S\$'000	As at 31/10/20 S\$'000	As at 31/10/21 S\$'000	As at 31/10/20 S\$'000	As at 31/10/21 S\$'000	As at 31/10/20 S\$'000
Segment assets	2,726	582	9,922	12,374	111,140	104,113	14,502	15,074	17	16	1,425	562	139,732	132,721
Segment liabilities	379	423	897	1,405	58,555	48,125	5,946	7,432	1,710	2,447	1,154	859	68,641	60,691
Capital expenditure	1	-	-	-	3,088	1,523	9	10	-	-	4	17	3,102	1,550
Impairment loss of trade and other receivables	-	-	-	-	-	-	24	65	-	41	-	-	24	106
Amortisation of intangible assets	-	-	-	-	664	684	-	-	-	-	-	-	664	684
Depreciation of property, plant and equipment	5	5	-	-	1,645	1,524	270	330	-	-	2	1	1,922	1,860

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E. Notes to the condensed interim consolidated financial statements

3. Segment information (cont'd)

Geographic Segments	Singapore		People's Republic of China		United States of America		Taiwan		Europe		Others		Total	
	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000
Sales to external customers	1,815	2,177	26,979	21,677	203	184	419	2,664	410	405	1,023	273	30,849	27,380
Others	(203)	338	713	65	15	-	-	-	-	-	210	2	735	405
Total external revenue	1,612	2,515	27,692	21,742	218	184	419	2,664	410	405	1,233	275	31,584	27,785
Segment assets	15,929	15,659	111,140	104,113	9,922	12,374	-	-	-	-	2,741	575	139,732	132,721
Segment liabilities	8,831	10,760	58,555	48,125	897	1,405	-	-	-	-	358	401	68,641	60,691
Capital expenditure	13	27	3,088	1,523	-	-	-	-	-	-	1	-	3,102	1,550
Non-current assets	945	1,257	92,557	95,133	-	-	-	-	-	-	19	28	93,521	96,418

Non-current assets consist of intangible assets and property, plant and equipment.

During the financial periods of 2022 and 2021, there were no inter-segment sales between the geographic segments.

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E. Notes to the condensed interim consolidated financial statements

4. Revenue

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market, major product lines and timing of revenue recognition:

	Property development S\$'000	Gas distribution S\$'000	Electronics and trading S\$'000	Total S\$'000
6 Months to 31/10/21				
Primary geographical markets				
Singapore	-	-	1,815	1,815
PRC	-	21,826	5,153	26,979
Taiwan	-	-	419	419
USA	-	-	203	203
Others	-	-	1,433	1,433
	-	21,826	9,023	30,849
Major product lines				
Semi-conductor components	-	-	9,023	9,023
Gas installation and connection	-	5,015	-	5,015
Gas delivery and usage	-	16,811	-	16,811
Property development	-	-	-	-
	-	21,826	9,023	30,849
Timing of revenue recognition				
At a point in time	-	5,015	9,023	14,038
Over time	-	16,811	-	16,811
	-	21,826	9,023	30,849
6 Months to 31/10/20				
Primary geographical markets				
Singapore	-	-	2,177	2,177
PRC	-	18,188	3,489	21,677
Taiwan	-	-	2,664	2,664
USA	-	-	184	184
Others	-	-	678	678
	-	18,188	9,192	27,380
Major product lines				
Semi-conductor components	-	-	9,192	9,192
Gas installation and connection	-	6,323	-	6,323
Gas delivery and usage	-	11,865	-	11,865
Property development	-	-	-	-
	-	18,188	9,192	27,380
Timing of revenue recognition				
At a point in time	-	6,323	9,192	15,515
Over time	-	11,865	-	11,865
	-	18,188	9,192	27,380

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5. Profit/(loss) before income tax

5.1 Significant items

Profit/(loss) before income tax is arrived at after charging the following:

	Group	
	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000
Provision for Directors' fees		
- Directors of the Company	76	18
General repair and maintenance	182	144
Professional and consultancy fees	650	126
Travelling expenses	62	40
Utilities	159	157
Safety production expenses	169	437

5.2 Significant related party transactions

Some of the Group's and the Company's transactions and arrangements are between entities of the Group and with related parties, the effects of which, on basis determined between the parties, are reflected in these condensed interim consolidated financial statements. The balances with these parties are unsecured, interest-free and repayable on demand unless stated otherwise.

Apart from the related party information disclosed elsewhere in these condensed interim financial statements, the Group does not have any other related party transactions.

5.3 Other income

	Group	
	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000
Foreign exchange gain, net	598	-
Job Support Scheme	-	244
Sundry income	122	91
	<u>720</u>	<u>335</u>

6. Income tax expense

Income tax expense for the financial year consist of:

	Group	
	6 Months to 31/10/21 S\$'000	6 Months to 31/10/20 S\$'000
- current income tax	426	410
- deferred income tax	-	(327)
	<u>426</u>	<u>83</u>

Domestic income tax is calculated at 17% (31 October 2020: 17%) of the estimated assessable profit for the financial year. The Group's subsidiaries in PRC are subject to corporate income tax rate of 25% (31 October 2020: 25%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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7. Intangible assets

There are no significant additions and disposals of intangible assets during the six months ended 31 October 2021. The amortisation of intangible assets during the period amounts to \$664,000 (31 October 2020: \$684,000).

8. Property, plant and equipment

During the six months ended 31 October 2021, the Group acquired property, plant and equipment amounting to \$3,102,000 (31 October 2020: \$1,550,000). There are no significant disposals during the six months ended 31 October 2021 and 31 October 2020. The depreciation of property, plant and equipment during the period amounts to \$1,922,000 (31 October 2020: \$1,860,000).

9. Development property

The development property comprises a parcel of land which is located near the cities of Seattle and Tacoma in the state of Washington, USA.

The development property that Capri has for sale are Tax Parcels which are "sewn together" to form the PDD. Further details are disclosed in Note 16 in the financial year ended 30 April 2021 Annual Report.

10. Cash and cash equivalents

	Group	
	As at 31/10/21 S\$'000	As at 30/04/21 S\$'000
Cash and cash equivalents as per statement of financial position	21,913	18,203
Bank overdrafts (Note 11)	(2,208)	(2,731)
Cash pledged for bank facilities (Note 11)	(2,600)	(2,600)
As per condensed interim consolidated statement of cash flows	<u>17,105</u>	<u>12,872</u>

The cash amounting to \$2,600,000 (30 April 2021: \$2,600,000) were pledged to banks to secure credit facilities granted to the subsidiaries.

Significant restriction

Cash and bank balances of approximately \$13,123,000 (30 April 2021: \$8,127,000), equivalent to RMB62,207,000 (30 April 2021: RMB39,737,000) held with the subsidiaries in the PRC are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

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11. Borrowings

	Group		Company	
	As at 31/10/21 S\$'000	As at 30/04/21 S\$'000	As at 31/10/21 S\$'000	As at 30/04/21 S\$'000
<i>Secured</i>				
Bank borrowings	22,229	18,874	-	-
Bank overdrafts	2,208	2,731	-	-
	24,437	21,605	-	-
<i>Unsecured</i>				
Loan from a third party	550	537	-	-
Lease liabilities	529	701	11	13
Total borrowings	25,516	22,843	11	13
<i>Less: Amount due for settlement within 12 months</i>	(12,433)	(13,340)	(4)	(4)
<i>Amount due for settlement after 12 months</i>	13,083	9,503	7	9

- (a) The bank borrowings of the Group included amount of \$22,229,000 (30 April 2021: \$18,874,000) which are secured by property, plant and equipment (Note 8). Interest is charged at 4.35% to 7% (30 April 2021: 4.35% to 7%) per annum.
- (b) Bank overdrafts are secured by cash pledged and interest is charged at 5% (30 April 2021: 5%) per annum.
- (c) The loan from a third party is unsecured, interest-free and repayable on demand.

12. Contract liabilities

The Group receives payments from customers who purchase or reloads prepaid cards, which are used to pay for the consumption of natural gas provided by the Group. These payments received in advance are recognised as contract liabilities. Contract liabilities are recognised as revenue based on the usage of the value in the prepaid cards to pay for the consumption of natural gas.

13. Share capital

The Company has one class of ordinary shares which carries no right to fixed income. The equity holders of ordinary shares of the Company are entitled to receive dividends as and when declared by the Company.

All ordinary shares of the Company have no par value and carry one vote per share without restriction. There is no change in the Company's share capital and its issued shares remained at 6,180,799,986 ordinary shares as at 31 October 2021 and 31 October 2020 respectively.

As at 31 October 2021 and 31 October 2020, the Company does not hold any treasury shares and the Company's subsidiaries do not hold any shares in the Company.

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14. Other reserves

14.1 Foreign exchange translation reserve

The foreign exchange translation reserve is used to record exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

14.2 Capital reduction reserve

The capital reduction reserve arose from a capital reduction exercise in year 2006 to reduce the par value of each issued and paid-up share capital of the Company from \$0.20 to \$0.05 to cancel an aggregate amount of \$123,867,000 of the issued and paid-up share capital of the Company, of which \$121,906,000 represents issued and paid-up share capital which had been lost and unrepresented by available assets, and the balance of \$1,961,000 was credited to capital reduction reserve.

14.3 Equity - NCI

The Equity - NCI is the effect of transaction with non-controlling interests without loss of control and these transactions will no longer result in goodwill or gains or losses.

15. Financial instruments

15.1 Categories of financial instruments

Financial instruments at their carrying amounts at end of reporting period are as follows:

	Group		Company	
	As at 31/10/21 S\$'000	As at 30/04/21 S\$'000	As at 31/10/21 S\$'000	As at 30/04/21 S\$'000
Financial assets				
Financial assets, at fair value through profit or loss	532	553	501	502
Financial assets at amortised cost	35,243	32,017	896	1,294
	35,775	32,570	1,397	1,796
Financial liabilities				
Financial liabilities at amortised cost	41,930	39,589	6,355	6,791

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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15. Financial instruments (cont'd)

Group	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31/10/2021				
Financial assets				
At fair value through profit or loss	532	-	-	532
30/4/21				
Financial assets				
At fair value through profit or loss	553	-	-	553
Company				
31/10/2021				
Financial assets				
At fair value through profit or loss	501	-	-	501
30/4/21				
Financial assets				
At fair value through profit or loss	502	-	-	502

16. Subsequent events

There are no known subsequent events which have led to adjustments to these condensed interim financial statements.

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F. Other information required by Listing Rule Appendix 7.2

OTHER INFORMATION

1. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed interim consolidated statements of financial position of Renaissance United Limited and its subsidiaries as at 31 October 2021 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six months then ended and certain explanatory notes have not been audited or reviewed.

2. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not Applicable.

3. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

The Group's auditors Messrs Baker Tilly have issued a qualified opinion on the Group's Financial Statements for the financial year ended 30 April 2021 due to the issues set out in the Annual Report pages 10-12.

(a) Updates on efforts taken to resolve each outstanding audit issue.

3.1 Financial information of Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries ("HZLH group")

As stated on Page 35 of the FY21 Annual Report, the Company believes the adoption of SFRS(I) INT12 is not appropriate.

The assessment of whether such exclusive contracts fall within scope of Singapore Financial Reporting Standard (International) Interpretation 12 Service Concession Arrangements ("Interpretation") requires significant amount of judgement. The Group had previously applied Singapore Financial Reporting Standard 112 Service Concession Arrangements, which was effective for annual periods beginning on or after 1 January 2008, and had then assessed that such exclusive contracts did not fall within scope of Interpretation. The key considerations, amongst others are:

- (i) industry peers, whereby operations are governed by comparable agreements, have adopted similar accounting treatment as the Group's;
- (ii) whilst China Price Bureaus approve pricing, the pricing is agreed upon by negotiations with local governments; and
- (iii) the Group's subsidiaries are able to make decisions on investment on infrastructure especially if there is little or no economic benefit in doing so, which was illustrated by actual business practice.

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3. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**
- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
 - (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**
- This is not required for any audit issue that is a material uncertainty relating to going concern.**

(a) Updates on efforts taken to resolve each outstanding audit issue (cont'd)

The Group believes that this assessment remain appropriate and accordingly, the Group recognises revenue from these natural gas supply contracts based on the accounting policy as described in Note 2.4 of the FY21 Annual Report.

3.2 Fair value of intangible assets

Management is attempting to confirm the underlying assumptions of the allocation of Intangible Assets following the acquisition into natural gas distribution in China as well as subsequent periods. An external report was commissioned by the Company in 2007 which formed the basis of allocation.

3.3 Development property

Management is continuing to collate the required documents and information required to substantiate the carrying amount of the development property.

3.4 Contingent liabilities

The Board has discussed the legal claims with its lawyers in Seattle and Singapore and based on the professional legal advice received, the Board believes the claims are without merit and hence supporting the view that no provisions are required.

Although delays brought about by the COVID19 virus have caused trial dates to be postponed, the professional legal advice still remains unchanged. The Group's auditors continue to be updated on the on-going legal proceedings during Audit Committee meetings.

(b) Confirmation from the board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Directors of the Company confirm that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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F. Other information required by Listing Rule Appendix 7.2

4. **Earnings per ordinary share of the group (in cents) for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

Earnings per ordinary share of the group (in cents):

	Group	
	Basic	Diluted
4(a) current financial period 31/10/21 and (Based on 6,180,799,986 basic and diluted weighted average number of ordinary shares in issue at 31/10/21)	<u>0.009</u>	<u>0.009</u>

	Group	
	Basic	Diluted
4(b) immediately preceding financial period 31/10/20 (Based on 6,180,799,986 basic and diluted weighted average number of ordinary shares in issue at 31/10/20)	<u>(0.023)</u>	<u>(0.023)</u>

5. **Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the**
(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31/10/21 S\$	As at 30/04/21 S\$	As at 31/10/21 S\$	As at 30/04/21 S\$
Net asset value per ordinary share	<u>0.009</u>	<u>0.008</u>	<u>0.007</u>	<u>0.007</u>

Based on 6,180,799,986 issued shares at 31/10/21 and 30/04/21 respectively.

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F. Other information required by Listing Rule Appendix 7.2

6. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**
- a) any significant factors that affected the revenue, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of performance of the Group

Unaudited Condensed Interim Consolidated Income Statement Items: 2QFY2022 vs 2QFY2021

In the second financial quarter ended 31 October 2021 ("2QFY22"), the Group achieved a Turnover of S\$16.5 million, which was S\$2.8 million or 20.2% higher than the Turnover of S\$13.7 million recorded for the corresponding quarter ended 31 October 2020 ("2QFY21"). The Group's Turnover was attributable to the following subsidiaries:

- ESA Electronics Pte. Ltd. ("ESA") recorded a 3.0% increase in Turnover of S\$0.2 million to S\$4.9 million in 2QFY22, as compared to a Turnover of S\$4.7 million recorded in 2QFY21. The increase was mainly due to increased demand of burn-in boards by semi-conductor manufacturers in the current quarter.
- Capri Investments L.L.C. ("Capri") did not record any Turnover in 2QFY22 and 2QFY21 as there was no finalised sales agreement with home builders in the current and previous quarter.
- Excellent Empire Limited ("EEL"), via its wholly-owned subsidiary, China Environmental Energy Protection Investment Limited ("CEEP"), which in turn through its China subsidiaries supplies natural gas to households, commercial and industrial users in Anlu, Dawu, XiaoChang and Guangshui cities in Hubei, PRC, achieved a Turnover of S\$11.6 million in 2QFY22, as compared with S\$9.0 million in 2QFY21. The 29.20% increase in Turnover of S\$2.6 million was mainly due to increase in natural gas sales.

The Group recorded a Profit before Income Tax of S\$0.8 million in 2QFY22 as compared to Loss before Income Tax of S\$0.9 million in 2QFY21.

The Group recorded a Profit after Income Tax of S\$0.5 million in 2QFY22, as compared to Loss after Income Tax S\$0.9 million in 2QFY21.

Other Revenue increased by S\$0.1 million to S\$0.3 million in 2QFY22, as compared with S\$0.2 million 2QFY21. This was mainly due to S\$0.2 million foreign exchange gain in 2QFY22 offset by S\$0.1 million government job support scheme in 2QFY21 and none in 2QFY22.

The Group's Total Cost and Expenses increased by approximately S\$1.2 million to S\$16.0 million in 2QFY22, compared with S\$14.8 million in 2QFY21. This was mainly due to:

- a) S\$1.9 million increase in the changes in inventories, raw materials and consumables used, which is in line with the increased turnover by the natural gas business of China subsidiaries;
- b) S\$1.3 million foreign exchange loss in 2QFY21 and none in 2QFY22, arising from the revaluation of foreign currency denominated balances primarily in:
 - (i) United States Dollars ("US\$"), at exchange rates of 1 US\$ to S\$ which strengthened from S\$1.344 to S\$1.361 (2QFY21: weakened from S\$1.396 to S\$1.369);
 - (ii) Chinese Renminbi ("RMB"), at exchange rates of 1 RMB to S\$ which strengthened from S\$0.208 to S\$0.211 (2QFY21: strengthened from S\$0.197 to S\$0.201);

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F. Other information required by Listing Rule Appendix 7.2

6. Review of performance of the Group (cont'd)

Unaudited Condensed Interim Consolidated Income Statement Items (cont'd) : 2QFY2022 vs 2QFY2021 (cont'd)

c) S\$0.2 million increase in employee benefits expenses mainly from salaries of China subsidiaries which is in line with its increased turnover;

d) S\$0.4 million decrease in finance costs mainly due to repayments of bank borrowings and loan from KMP, Mr On Wang Sang from the China subsidiaries;

e) S\$0.7 million increase in other operating expenses mainly due to increase of S\$0.1 million in safety production expenses, S\$0.4 million increase in legal and professional fees of the China subsidiaries and \$0.2 million increase in general and administrative expenses of the Group's subsidiaries.

An increase in Income Tax to S\$0.3 million in 2QFY22 is mainly due to increased tax provisions from the Group's China subsidiaries.

1HFY22 vs 1HFY21

During the six months ended 31 October 2021 ("1HFY22"), the Group achieved a Turnover of S\$30.8 million, which was S\$3.4 million or 12.7% higher than the Turnover of S\$27.4 million recorded for the corresponding six months ended 31 October 2020 ("1HFY21"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA recorded a 1.8% decrease in Turnover of S\$0.2 million to S\$9.0 million in 1HFY22, as compared to a Turnover of S\$9.2 million recorded in 1HFY21. The decrease was mainly due to lower demand of burn-in boards by semi-conductor manufacturers in the current period;

- Capri Investments L.L.C. ("Capri") did not make any contribution in 1HFY22 and 1HFY21 as there was no finalised sales agreement with home builders in the current and previous period;

- EEL, via its wholly-owned subsidiary, CEEP, which in turn through its China subsidiaries, supplies natural gas to households, commercial and industrial users in Anlu, Dawu, XiaoChang and Guangshui cities in Hubei, PRC, achieved a Turnover of S\$21.8 million in 1HFY22, as compared with S\$18.2 million in 1HFY21. The 20.0% increase in Turnover of S\$3.6 million was mainly due to increase in natural gas sales.

The Group recorded a Profit before Income Tax of S\$1.4 million in 1HFY22, as compared with Loss before Income Tax of S\$0.8 million recorded in 1HFY21.

The Group recorded a Profit after Income Tax of S\$1.0 million in 1HFY22, as compared with Loss after Income Tax of S\$0.8 million recorded in 1HFY21.

Correspondingly, in 1HFY22 the Group had a Profit Attributable to Shareholders of S\$0.6 million and Earnings per Share of 0.009 Singapore cents (1HFY21: Loss Attributable to Shareholders S\$1.4 million and Loss per Share of 0.023 Singapore cents).

Other Revenue increased by S\$0.3 million to S\$0.7 million in 1HFY22, as compared with S\$0.4 million in 1HFY21. This was mainly due to S\$0.2 million government grant relating to job support scheme in 1HFY21 and none in 1HFY22, offset by S\$0.6 million foreign exchange gain in 1HFY21 and none in 1HFY22. See explanation in (b) below.

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F. Other information required by Listing Rule Appendix 7.2

6. Review of performance of the Group (cont'd)

Unaudited Condensed Interim Consolidated Income Statement Items (cont'd) :

1HFY22 vs 1HFY21 (cont'd)

The Group's Total Cost and Expenses increased by S\$1.6 million to S\$30.1 million in 1HFY22, compared with S\$28.5 million in 1HFY21. This was mainly due to:

(a) S\$3.2 million increase in the changes in inventories, raw materials and consumables, which is in line with the increased turnover by the natural gas business of China subsidiaries;

(b) a S\$2.0 million foreign exchange loss in 1HFY21 and none in 1HFY22, arising from the revaluation of foreign currency denominated balances primarily in:

(i) United States Dollars ("US\$"), at exchange rates of 1 US\$ to S\$ which strengthened from S\$1.328 to S\$1.361 (1HFY21: weakened from S\$1.410 to S\$1.369);

(ii) Chinese Renminbi ("RMB"), at exchange rates of 1 RMB to S\$ which strengthened from S\$0.205 to S\$0.211 (1HFY21: strengthened from S\$0.200 to S\$0.201);

(c) S\$0.3 million increase in employee benefit expenses mainly from China;

(d) S\$0.4 million decrease in finance costs mainly due to repayments of bank borrowings and loan from KMP, Mr On Wang Sang from the China subsidiaries;

(e) S\$0.5 million increase in other operating expenses, mainly due to decrease of S\$0.2 million in safety production expenses offset by S\$0.5 million increase in legal and professional fees of the China subsidiaries and \$0.2 million increase in general and administrative expenses of the Group's subsidiaries.

An increase in Income Tax of S\$0.3 million to S\$0.4 million in 1HFY22, as compared to S\$0.1 million 1HFY21, is mainly due to 1HFY21 write back of S\$0.3 million deferred tax liabilities pertaining to the distribution and licensing rights of China subsidiaries.

Unaudited Condensed Interim Statements of Financial Position and Cashflows :

No.	Description	Amount in S\$ million
1)	An Increase/(Decrease) in Non-Current Assets	
1a.	Intangible Assets	(0.1)
1b.	Property, Plant and Equipment	3.5
1c.	Trade and Other Receivables	0.1
	Increase in Non-Current Assets	3.5
2)	An Increase/(Decrease) in Current Assets and (Increase)/Decrease in Current Liabilities	
2a.	Inventories and Development Property	0.6
2b.	Trade and Other Receivables	0.2
2c.	Cash and Bank Balances	3.7
2d.	Trade and Other Payables and Contract Liabilities	(2.7)
2e.	Borrowings	0.9
	Decrease in Net Current Liabilities	2.7
3)	An (Increase)/Decrease in Non-Current Liabilities	
3a.	Long-Term Borrowings	(3.6)
3b.	Deferred Tax Liabilities	(0.1)
	Increase in Non-Current Liabilities	(3.7)

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F. Other information required by Listing Rule Appendix 7.2

6. Review of performance of the Group (cont'd) Condensed Interim Statements of Financial Position (cont'd)

The Non-Current Assets of the Group were S\$96.9 million as at 31 October 2021, as compared to S\$93.4 million as at 30 April 2021. The increase of S\$3.5 million was primarily due to:

- 1a. a decrease in Intangible Assets of S\$0.1 million, mainly due to S\$0.6 million foreign exchange translation gain in Distribution and Licensing Rights of subsidiaries offset by S\$0.7 million amortisation of Distribution and Licensing Rights in current financial quarter;
- 1b. an increase of S\$3.5 million in Property, Plant and Equipment, mainly due to net additions of S\$3.1 million largely from the LNG storage facility by the Group's China subsidiaries, S\$2.3 million foreign exchange translation gain of Property, Plant and Equipment, offset by S\$1.9 million depreciation in current financial period;
- 1c. an increase in Trade and Other Receivables of S\$0.1 million, mainly due to foreign exchange translation gain of Trade Receivables of Capri.

The Net Current Liabilities of the Group decreased by S\$2.7 million to S\$9.6 million as at 31 October 2021, as compared with S\$12.3 million as at 30 April 2021. This was attributable to:

- 2a. an increase of S\$0.6 million in Inventories and Development Property is mainly due to inventory increase of S\$0.5 million in ESA and S\$0.1 million foreign exchange translation gain in Capri's land inventory for the current period;
- 2b. an increase in Trade and Other Receivables of S\$0.2 million, mainly due to S\$0.3 million decrease from ESA, offset by S\$0.5 million increase from China subsidiaries which is in line with the increased Turnover;
- 2c. an increase of S\$3.7 million in Cash and Bank Balances, mainly due S\$2.2 million net proceeds and repayments of bank borrowings and leases, S\$1.1 million payment of taxes and interest, S\$2.3 million purchase of property, plant and equipment mainly from China subsidiaries, offset by S\$4.9 million net receipts and payments of the Receivables and Payables of the Group's subsidiaries;
- 2d. an increase in Trade, Other Payables and Contract Liabilities of S\$2.7 million is mainly from China subsidiaries;
- 2e. a decrease in Short-Term Borrowings of S\$0.9 million, mainly due to repayments of leases and bank overdraft of S\$0.7 million in ESA, S\$0.5 million repayments of bank borrowings by the Group's subsidiaries in China offset by S\$0.3 million foreign exchange translation loss in these borrowings.

The Non-Current Liabilities of the Group have increased to S\$16.2 million as at 31 October 2021, compared to S\$12.5 million as at 30 April 2021. This is primarily attributable to:

- 3a. an increase of S\$3.6 million in Long-Term Borrowings, mainly due to net S\$3.3 million proceeds and repayments of bank borrowings by China subsidiaries and S\$0.3 million foreign exchange translation loss;
- 3b. an increase of S\$0.1 million in deferred tax liabilities mainly due to foreign exchange loss of deferred tax liabilities relating to distribution and licensing rights of China subsidiaries.

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7. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current results for the six months ended 31 October 2021 are generally in line with the Company's commentary set out in paragraph 10 of its previous results announcement for the year ended 30 April 2021.

8. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.**

The Group holds an 81.25% equity interest in ESA Electronics Pte Ltd ("ESA"). ESA is a Singapore incorporated company engaged in the business of assembling, trading and providing consultancy services in the semiconductor industry. ESA also acts as agents and distributors of semi-conductor back-end equipment such as vision inspection systems and test systems.

Despite the drop in turnover of ESA's 1HFY22 to S\$9.0 million as compared with the 1HFY21 of S\$9.2 million, profitability improved due to increased equipment sales. ESA continues to focus on sales to mainland China to leverage their faster recovery as well as their strategy of pursuing technology self-sufficiency.

The Group's wholly-owned subsidiary Excellent Empire Limited, via its 100% owned subsidiary China Environmental Energy Protection Investment Limited ("CEEP"), holds 65% equity interest in HZLH. HZLH in turn holds a 100% equity interest in four companies supplying natural gas under 30-year exclusive contracts with the cities of Anlu, Dawu, Xiaochang, and Guangshui in Hubei Province, People's Republic of China ("PRC").

HZLH's 1HFY22 Revenue of S\$21.8 million improved compared with 1HFY21 of S\$18.2 million with increased gas sales. The energy shortage in China has been widely reported which has seen LNG spot prices peak earlier than in prior years.

Moving forward, HZLH is likely to benefit from the market-oriented reforms already introduced in other markets in China.

Capri Investments L.L.C. ("Capri"), in which the Group holds a 100% equity interest, is engaged in property development of its Falling Water Project located in Pierce County, near the cities of Seattle and Tacoma in the State of Washington, USA.

As announced on 3 November 2020, Capri closed on a partial sale of the Falling Water Plat/Planned Development District ("PDD") to KBHPNW LLC ("KB"), a subsidiary of USA national home builder KB Home. The aggregate purchase price for that certain tract of real property known as "Tract C, Falling Water/PDD – Tracts" ("Tract C") within the Falling Water Plat/PDD is US\$8,029,872 (Approximately S\$10,978,441), with the initial payment of US\$4,000,072 (Approximately S\$5,468,898).

Capri on 3 November 2021 received the next fixed payment of US\$1,250,000 (Approximately S\$1,687,000) due under the Sale and Purchase Agreement. The remainder of US\$2,779,800 (Approximately S\$3,751,000) is due upon KB sales to third parties over the next 12 to 24 months.

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F. Other information required by Listing Rule Appendix 7.2

9. **If a decision regarding dividend has been made:**
(a) Whether an interim (Final) ordinary dividend has been declared (recommended); and
(b) (i) Amount per share (cents) (b) (ii) Previous corresponding period (cents)
(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated)
(d) The date the dividend is payable
(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

No dividend has been declared or recommended in the current and previous reporting period.

10. **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the period ended 31 October 2021 as it is not the usual practice of the Company to declare interim dividend.

11. **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There is no general mandate from shareholders for Interested Party Transactions ("IPTs").

12. **Negative confirmations pursuant to Rule 705(5). (Not required for announcement on full year results).**

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Group for the second quarter and six months ended 31 October 2021, to be false or misleading in any material aspect.

13. **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**BY ORDER OF THE BOARD
RENAISSANCE UNITED LIMITED
JAMES MOFFATT BLYTHMAN
EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER
15 DECEMBER 2021**