RENAISSANCE UNITED LIMITED
(Company Registration No. 199202747M)
Incorporated in Singapore

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

INTRODUCTION

Renaissance United Limited (the "**Company**" and together with its subsidiaries, the "**Group**") was placed on the watch-list under the Financial Entry Criteria pursuant to Listing Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 5 December 2023.

Pursuant to Listing Rule 1313(2) of the Listing Manual, the Board of Directors (the "**Board**") of the Company is providing this update which outlines recent developments, and the Group's strategy for addressing the exit criteria of the watch-list as follows:

THRID QUARTER ("3QFY25") AND NINE MONTHS PERIOD ("9MFY25") UNAUDITED FINANCIAL RESULTS ENDED ON 31 JANUARY 2025

On 17 March 2025, the Company released its unaudited condensed financial statements for the Third Quarter ("3**QFY25**") and Nine Months ("**9MFY25**") financial period ended on 31 January 2025. The Group achieved a Turnover of S$56.9 million, which was S$3.5 million or 5.8 % lower than the Turnover of S$60.4 million recorded for the corresponding nine months ended on 31 January 2024 ("**9MFY24**"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA Electronics Pte. Ltd. ("**ESA**") recorded a 10.2% decrease in Turnover of S$1.3 million to S$11.1 million in 9MFY25, as compared to a Turnover of S$12.4 million recorded in 9MFY24. The decrease was mainly due to lower equipment sales in the current period;
- Capri Investments L.L.C. ("**Capri**") did not make any contribution in 9MFY25 and 9MFY24 as there was no finalised sales agreement with home builders in the current and previous period; and
- Excellent Empire Limited ("**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$45.7 million in 9MFY25, as compared with S$48.0 million in 9MFY24. The 4.7% decrease in Turnover of S$2.3 million was mainly due to decrease in natural gas sales. The downturn in the China real estate market in HZLH's concession areas has also significantly impacted installation and connection revenue.

Overall, the Group recorded a Loss before Income Tax of S$2.3 million in 3QFY25, as compared with S$1.8 million recorded in 3QFY24 and a Loss before Income Tax of S$3.1 million in 9MFY25, as compared to S$1.5million in 9MFY24.

As foreshadowed in previous announcements, China's policymakers have been considering reforming gas downstream pricing governance with a view to shifting towards a price linking mechanism. Hubei Provincial Development and Reform Commission and Xiaogan Municipal Development and Reform Commission have sought comments and held hearings with relevant stakeholders. To date, some local governments in Hubei such as HongHu have implemented the new pricing policy and HZLH continues to lobby their respective governments.

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. To date, Xiaochang and Anlu have executed an amendment to their original concession agreement, which further clarifies key terms.

Local management is also in the process of liquidating dormant subsidiaries to streamline operations and reporting.

The Company 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. Management is working with its advisors to further develop the remaining acreage permitted under the local zoning.

STRATEGIC INITIATIVES

As disclosed in the Company's quarterly announcement in this regard on 2 July 2024, to address the financial challenges and meet the requirements for removal from the watch-list, the Company has implemented several strategic initiatives:

(a) on 2 July 2024, RUW entered into an exclusive marketing agreement ("**Exclusive Marketing Agreement**") with Maxstar International Sdn. Bhd. ("**Maxstar**") under which Renaissance United Washington LLC, ("**RUW**"), a wholly owned subsidiary of the Company was appointed the exclusive marketing agent for Maxstar in the USA. As disclosed in the Company's announcement disclosing the appointment, the Company believes that such appointment is complementary to the Group's property development business in the US and would provide an additional revenue stream for the Group. Please refer to the Company's announcement on 2 July 2024 for more information on the appointment of RUW as exclusive marketing agent for Maxstar.

(b) on 26 June 2024, the Company announced that its wholly owned subsidiary, Renaissance United Assets Sdn. Bhd. ("**RUA**") entered into a sale and purchase agreement dated 25 June 2024 (the "**Pelangi Acquisition**") with Pelangi Sdn Bhd ("**Pelangi**") for the purchase of a parcel of land and a commercial building ("**Building**") which is under development by Pelangi on the said land. Pelangi is a subsidiary of SP Setia Berhad., a well-known property developer in Malaysia. As disclosed in the 26 June 2024 announcement, when completed, the Group intends to lease out spaces within the Building as shops and offices. The Pelangi Acquisition marks the Group's first foray outside of the US in relation to its property development business. The Company believes that the Pelangi Acquisition will broaden the opportunities for its property development business and put the Group in a position to generate value for its identified group of key stakeholders. Please refer to the Company's announcement on 26 June 2024 for more information on the Pelangi Acquisition.

EXPANSION INTO NEW MARKETS AND DIVERSIFICATION OF PROPERTY BUSINESS

As previously disclosed, the Group is preparing to convene an extraordinary general meeting to seek the approval of shareholders for:

(a) a proposed geographical expansion of its current property development and sale business carried on in the USA to include Singapore, Australia, Sri Lanka, Vietnam, Cambodia, and the Peoples' Republic of China. T (the "**Proposed Geographical Expansion**"); and

(b) a proposed diversification of the Group's property development and sale business to include the acquisition and development of commercial properties for rental, management and the distribution of certain home interior products, such as kitchen cabinetry and other home interior products and services (the "**Proposed Property Business Diversification**").

OUTLOOK

As disclosed in the Company's last quarterly update, the Group believes that the Proposed Geographical Expansion and the Proposed Property Business Diversification will enhance its property development and sales business. These initiatives will broaden the Group's horizons, and by diversifying its current scope to include the development of commercial properties and distribution of home interior products and services, the Group hopes to realise the following benefits:

- **Capture opportunities**. The nature of the real estate and property business is dynamic, where prompt investment decisions are required. The selected new markets are characterized by their growing economies and/or vibrant, albeit mature, real estate sectors, offering opportunities for the generation of new and sustainable revenue streams through rental income, capital appreciation, and the provision of property-related services. This strategic move is aimed at positioning the Group for a more robust and sustainable future.

- **Wider network of contacts and opportunities**. Entering the new markets also brings with it new contacts, clients, and business opportunities, which can bring further opportunities of other businesses, including sustainable and green businesses for the Group to consider and enter, with shareholders' approval, if it should come to pass.

- **Maintain industry relevance**. The real estate and property industry is constantly evolving, especially after the COVID-19 pandemic. Expanding its geographic reach will help the Group stay relevant and competitive, and capitalise on new trends, such as smart and sustainable homes and offices, with eco-friendly features, or homes with dedicated workspaces or with flexible layouts that can be adapted into workspaces, or [even] the tiny living movement.

- **Mitigate risks**. By operating in a broader range of markets, the Group lessens its dependence on any single location and its potential economic fluctuations.

From a macro-economics and geo-political perspective, as previously mentioned, the new administration in the United States has assumed office in January 2025. The administration, under President Trump, has been actively taking steps to re-balance trade deficits with certain countries. Trade tariffs have been imposed on various countries till date. This has changed the status quo for many countries, especially China where the Group has a sizeable business. While the Group's gas installation and supply business is targeted at China's domestic market, the wider effects of new and higher tariffs on China exports have yet to materialise. At the current time, the Board is unable to assess the risks the Group may face as a result.

BUSINESS CONTINUITY AND SUSTAINABILITY

Despite the watch-list status, the Group's businesses and trading of its securities will continue as usual, unless a trading halt or suspension is implemented in accordance with the Listing Rules.

LISTING RULE REQUIREMENTS

Under the requirements of Listing Rules 1314, the Company will have to take active steps to restore its financial health and meet the requirements of Listing Rule 1314 within 36 months from 5 December 2023, failing which the SGX Regulation will delist the Company or suspend trading of the Company's shares with a view to delisting the Company.

Listing Rule 1314 stipulates that the Company may apply to the SGX Regulation to be removed from the Financial Watch-list if it records a consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S$40 million or more over the last 6 months.

With the strategic moves planned for the Group's property development and sale business, the Company hopes to add new and additional streams of revenue to the Group's overall revenues. The Group will work towards satisfying the exit criteria set forth under Listing Rule 1314 but acknowledges the requirement of an average daily market capitalisation of S$40 million or more over the last 6 months (as described in the paragraph above) will be challenging to meet.

In the meantime, the Company would like to inform all shareholders, investors, and other stakeholders that the Group's businesses and the quotation and trading of its securities will continue in the ordinary course, unless a trading halt or suspension is put into effect, in accordance with the Listing Rules.

FORWARD LOOKING STATEMENTS

This announcement contains statements that are not historical facts but are forward-looking statements. These statements represent the views of the Board and may involve known and unknown risks and uncertainties, which may cause actual results to differ from those described in these statements. Shareholders should not place undue reliance on these forward-looking statements.

By Order of the Board

Allan Tan
Company Secretary
1 April 2025