



**Securities Investors Association (Singapore)**  
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111  
Tel: (65) 6227 2683 Email: [admin@sias.org.sg](mailto:admin@sias.org.sg)  
[www.sias.org.sg](http://www.sias.org.sg)  
UEN No: S99SS0111B  
GST Reg No: M90367530Y0Y

**Issuer:** Renaissance United Limited

**Stock code:** I11

**Meeting details:**

Date: 30 Aug 2024

Time: 11.00 a.m.

Venue: York Hotel, 21 Mount Elizabeth Road, Singapore 228516, Marie Room II, Level 1

**Q1.** As highlighted in the letter to shareholders, the group is expanding into the marketing and distribution of kitchen cabinetry and other customised flatpack furniture in the United States. It has also entered into a sale and purchase agreement to acquire land and a commercial building located in the Pelangi district of Johor Bahru.

Based on the statements of financial position (page 50 of the annual report), equity attributable to owners of the company amounted to just \$22.8 million as at 30 April 2024, after the company has accumulated losses of \$(245.0) million.

The group's financial results since FY2014 are as follows:

FY2014 - \$(161,626,000)  
FY2015 - \$(3,941,000)  
FY2016 - \$2,637,000 (restated)  
FY2017 - \$493,000  
FY2018 - \$(27,558,000)  
FY2019 - \$(15,944,000) (restated)  
FY2020 - \$161,000  
FY2021 - \$(4,839,000)  
FY2022 - \$(12,284,000)  
FY2023 - \$(7,945,000)  
FY2024 - \$(9,871,000)

- (i) Has the board undertaken a rigorous evaluation of its effectiveness in providing entrepreneurial leadership, setting strategic directions, and monitoring management's performance? What insights have emerged from this evaluation, particularly in relation to the board's role in navigating the company's ongoing challenges?**
- (ii) What are the key performance indicators (KPIs) utilized by the board to assess management's performance? To what extent is the board satisfied with management's execution against these KPIs, especially in the context of the company's historical financial performance?**
- (iii) What deliberations did the board have regarding the diversification into new businesses when the group has accumulated losses of \$(245.0) million? Has the board conducted a thorough capability assessment, particularly focusing on the adequacy of human capital and operational expertise required to execute these new ventures successfully?**
- (iv) What are the key strategic and operational risks associated with the new ventures, particularly in penetrating the highly competitive U.S. furniture market?**



- (v) **With net current liabilities of \$(13.2) million as at 30 April 2024 and cash and cash equivalents at the company level amounting to \$2.37 million, how does management plan to fund the new ventures? How capital intensive are the new businesses, and what are the implications for the company's financial stability?**

**Q2.** As noted in the letter to shareholders, the group, through its subsidiary Hubei Zonglianhuan Energy Investment Management Inc. (“HZLH”), holds 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.

HZLH reported FY24 revenue of \$65.9 million, reflecting an increase from \$60.4 million in FY23. However, the loss widened from \$(5.9) million to \$(9.3) million (Note 28: Segment Information, page 101)..

- (i) Can management provide shareholders with insights into the current market sentiment and operational environment in Hubei, particularly in the cities of Anlu, Dawu, Xiaochang, and Guangshui?**
- (ii) Could management provide a detailed breakdown of the group's key customer profiles, including their respective industries, size, and consumption patterns? How does the current customer mix influence HZLH’s risk exposure and revenue stability?**
- (iii) What is the expected timeline for the implementation of the new pricing policy?**
- (iv) Apart from the impending changes to the pricing policy, what strategic initiatives are being considered or executed by management to mitigate the ongoing and increasing losses at HZLH?**
- (v) What are the key operational and financial priorities for HZLH in FY25?**

**Q3.** As noted earlier, the company has accumulated losses of \$(245.0) million, with \$(9.87) million in losses recognised in FY2024. In the remuneration report, the company disclosed the following:

*For FY2024, a discretionary bonus was awarded to each of Mr. Blythman, Mr. William Koh and Mr. Danny Ong Swee Hin (being key management personnel). The Remuneration Committee is comfortable that the current remuneration framework operated as intended..... The discretionary bonus awarded to Mr. Blythman is in recognition of his significant contributions, including his management of the Sawyer Falls Litigation in the United States, facilitating the completion of the property sale to KB Home, and overseeing the efficient operations of the Group's various business segments.*

<b>Executive Director Above S\$250,000 to below S\$500,000</b>	<b>Salary*(a) %</b>	<b>Fees %</b>	<b>Bonus %</b>	<b>Other benefits %</b>	<b>Total %</b>
Mr. James Moffatt Blythman	23%	25%	47%	5%	100%

(Source: company annual report)

Mr James Moffatt Blythman was appointed as CFO on 1 March 2018 and was subsequently appointed as executive director on 28 May 2018.

- (i) **Can the remuneration committee (RC) clarify if it had factored in the settlement amount of US\$4 million which adversely impacted the company's financial position <sup>1</sup>, as announced by the company on 12 February 2024?**
- (ii) **What is the total amount of losses incurred by the group from FY19 to FY24? What key performance indicators (KPIs) were used to assess the performance of the executive director, and did these metrics also incorporate a high-water mark to ensure alignment with sustained growth and value creation?**
- (iii) **Can the RC provide a detailed justification for the bonus paid to the executive director, especially in light of the group's continued losses, including the \$(9.87) million loss recognised in FY2024?**
- (iv) **Can the RC elaborate further on how the current compensation practices align with shareholders' interests? Specifically, can the RC help shareholders understand if the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation (Principle 7 of the Code of Corporate Governance 2018)?**

<sup>1</sup>

[https://links.sgx.com/FileOpen/RUL%20Legal%20Update%20\\_%20Settlement%2012%20Feb%202024.ashx?App=Announcement&FileID=786528](https://links.sgx.com/FileOpen/RUL%20Legal%20Update%20_%20Settlement%2012%20Feb%202024.ashx?App=Announcement&FileID=786528)

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

Join our mailing list [here](#) to receive latest news and upcoming events.

CONNECT WITH US

