The cover features a white background with a large, diagonal split. The upper-left portion is a dark blue triangle, and the lower-left portion is a medium blue triangle. The right side of the cover is a light gray gradient. The text is positioned in the white area on the right.

**Renaissance United
Limited**

Sustainability Report 2018

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1. About us

We are an investment holding company with a diversified portfolio of strategic investments. Our investment portfolio comprises strategic stakes in various sectors which includes the following:

- Real estate residential development in the United States of America (“Property development business”);
- Supplying gas to households, commercial and industrial users in the People’s Republic of China (“Natural gas business”); and
- Specialising in Burn-in Board design and manufacturing for the semiconductor industry (“Electronics and trading business”)

Our geographical presence is as follows:



2. Board statement

We reaffirm our commitment to sustainability with the publication of our maiden sustainability report (“Report”). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance (“ESG”) factors and economic performance.

Whilst mindful of our profit oriented objective, we are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long term future of our Group. This commitment is reflected in our sustainable business strategy and the material ESG factors which are shown in this Report.

As stated on Page 91 of our FY2018 Annual Report, the Board of Directors acknowledges that there have been material lapses of Corporate Governance in the past. This lack of good governance has led to negative perception of the Company by the investing public. The current Board has made it a priority to improve Corporate Governance and its compliance process across the Company and its subsidiaries. The new Board has already taken significant steps in “weeding out malpractices and errant staff” since it was appointed on 19 January 2018. Moving forward the new Board will realign its governance policies and procedures as per the Code of Corporate Governance 2012, as amended and revised in 2018, together with the Practice Guidance to the Code.

We are putting in place a sustainability policy (“SR Policy”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material ESG factors. This SR Policy also serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material ESG factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

3. Reporting framework

In preparing this Report, we are guided by the Global Reporting Initiative (“GRI”) Standards: Core option and SGX-ST listing rule 711 (A) and 711 (B). We have chosen to report using the GRI Standards because it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

4. Reporting period and scope

This reporting period is for our Group’s financial year (“FY”) ended 30 April 2018 (“FY2018” or “reporting period”) and a report will be published annually in accordance with our SR Policy.

This Report covers the following business segments which contributed approximately 99% of our total revenue for the reporting period:

- Electronics and trading
- Gas distribution
- Property development

5. Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: corp@ren-united.com

6. Stakeholder engagement

Our efforts on sustainability is focused on creating sustainable value for its key stakeholders, which comprise communities, customers, employees, regulators, shareholders and suppliers. Key stakeholders are determined for each material factor identified, based on the extent of which they can affect or are affected by operations of our Group.

We actively engage our key stakeholders through the following channels:

S/N	Key stakeholder	Engagement channel
1	Community	We focus on continuous community engagement and introducing initiatives to help the communities.
2	Customer	Communications with customers are made through via various channels such as meetings, events, email communications, phone calls and teleconferences.
3	Employee	Senior management holds regular communication sessions with employees to obtain feedback and alignment of business goals across all levels of workforce. Such communication channels include emails and face-to-face meetings where employees can pose questions in person.
4	Regulator	We participate in consultations and briefing organised by key regulatory bodies such as Singapore Stock Exchange and relevant government agencies/ bodies so as to better understand the regulatory requirements and to furnish feedback on proposed regulatory changes that impact the company’s business.
5	Shareholder	We convey timely, full and credible information to shareholders through announcements on SGXNET, investor relations email account (corp@ren-united.com) annual general meetings, annual reports, and other channels such as business publications and investors’ relation events.
6	Supplier	We maintain a good relationship with suppliers by establishing various communication platforms, such as emails, meetings and events.

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

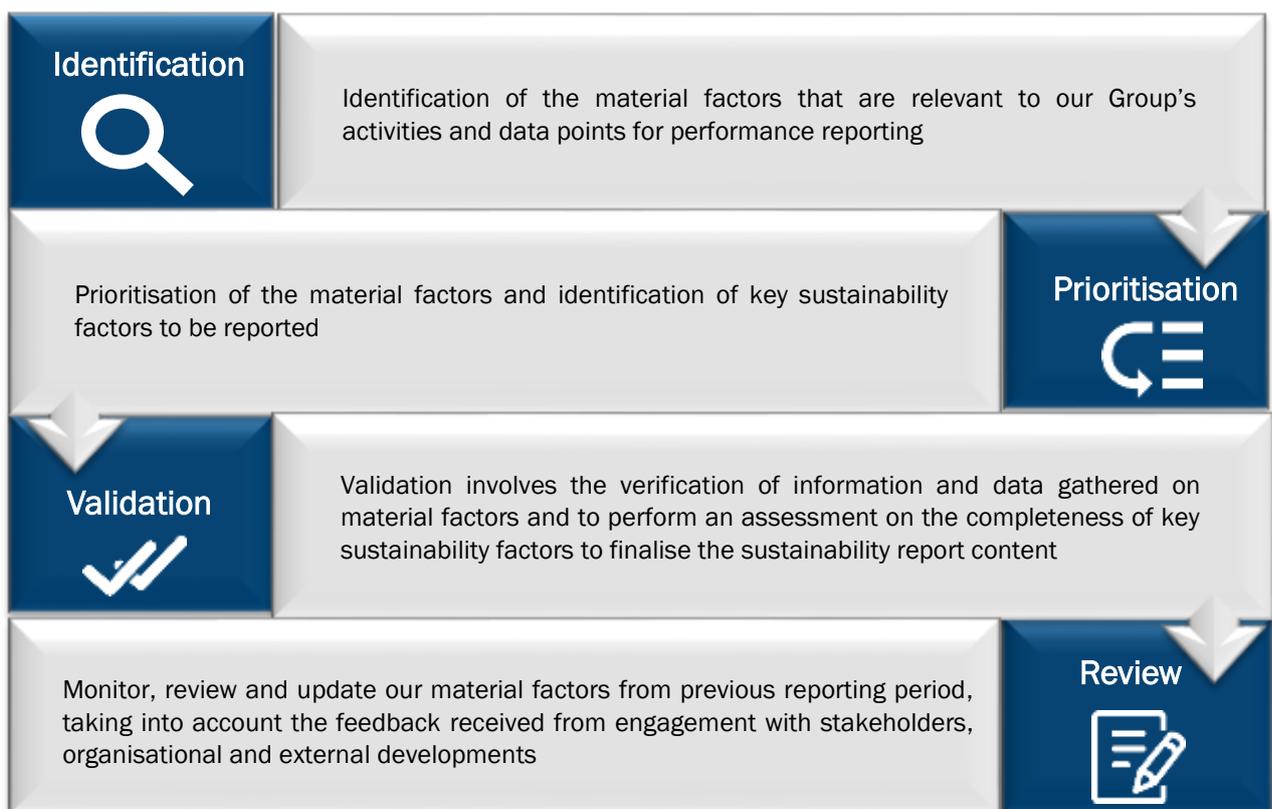
7. Policy, practice and performance reporting

7.1 Reporting structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. Our Group’s Sustainability Committee, which includes senior management executives, is led by the our Executive Director cum Chief Financial Officer (“CFO”), and tasked to develop the sustainability strategy, review its material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report.

7.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material factors which are then validated. The end results of this process is a list of material factors disclosed in this Report. Inter-relations of which are as shown in the chart below:



7.3 Materiality assessment

Under our SR Policy, each sustainability factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
I	High	Factors with high reporting priority should be reported on in detail.
II	Medium	Factors with medium reporting priority are considered for inclusion in the Report. If it is decided that such factors are not material, they may be excluded from the Report.
III	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. It may be decided to not include them in the Report if not material.

The reporting priority is supported by a materiality factor matrix considers the level of concern to external stakeholders and potential impact on business.

7.4 Performance tracking and reporting

We have started to track our material sustainability factors by identifying the relevant data points and measuring them. In addition, performance targets that are aligned with our strategy will be set to ensure that we maintain the right course in our path to sustainability. We also consistently enhance our performance-monitoring processes and improve our data capture systems.

8 Material factors

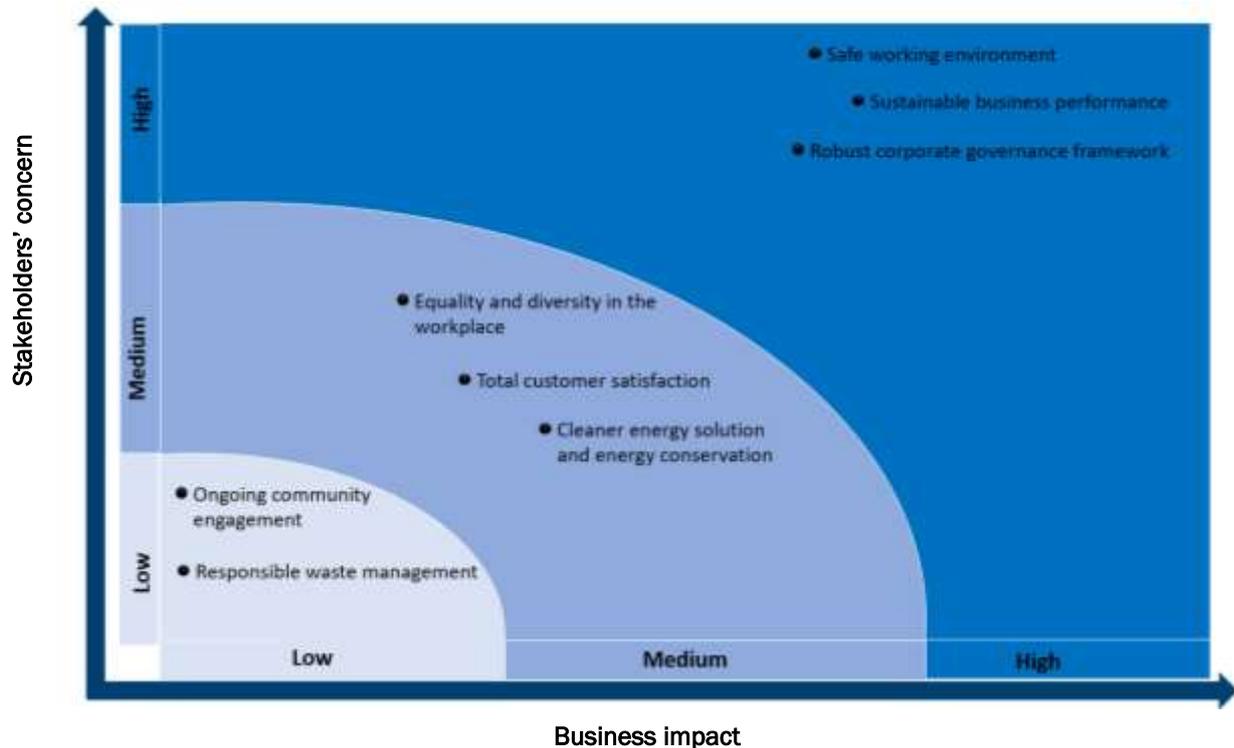
Our materiality assessment performed for FY2018 involved our Senior Management in identifying sustainability factors deemed material to our businesses and stakeholders so as to allow us to channel our resources judiciously to create sustainability value for our stakeholders.

Presented below are a list of key sustainability factors applicable to our Group:

List of material sustainability factors

S/N	Aspect	Material factor	Key stakeholder	Reporting priority
1	General disclosure	Total customer satisfaction	Customer	II
2	Social	Equality and diversity in the workplace	Employee	II
3	Social	Safe working environment	Employee	I
4	Social, environmental	Ongoing community engagement	Community	III
5	Environmental	Cleaner energy solution and energy conservation	Community, shareholder	II
6	Environmental	Responsible waste management	Community, shareholder	III
7	Economic	Sustainable business performance	Shareholder	I
8	Governance	Robust corporate governance framework	Shareholder, regulator	I

Material factor matrix



We will update the material factors on an annual basis to reflect changes in business operations, environment, stakeholder’s feedback and sustainability trends. The details of each key sustainability factor are presented as follows:

8.1 Total customer satisfaction

Our strategies towards customer satisfaction are as follows:

Adoption of market standards on product quality and safety

For our electronics and trading business, our operations are certified under the ISO 9001: 2015 standards to maintain product quality and safety, The adoption of such standards supports our ability to consistently provide products and services that meet customers’ needs and expectation.

Maintain presence and proximity to whom we serve

For our electronics and trading business, we have set up a network of operations in Singapore, People’s Republic of China, United States of America, Taiwan, Philippines and Europe (collectively referred to as “key markets”). Our Regional Customer Service Engineers are trained to handle customer requests in a timely manner.

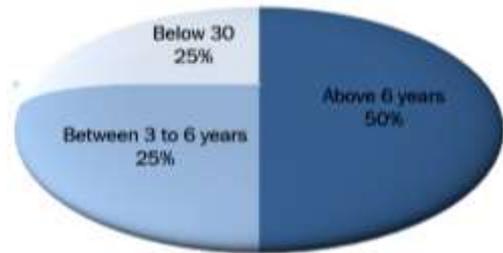
For our gas distribution business, our service centres for gas distribution business are strategically located near our customers to serve their needs.

Nurture a team of highly trained and experienced employees

We are dependent on our highly trained and experienced professional staff in supporting customers for the products and services we carry.

As at 30 April 2018, approximately 75% of our employees have more than 3 years of service in our Group. We also place priority on the competency development of our employees. Our Technical staff are encouraged to attain technical certifications relevant to their work.

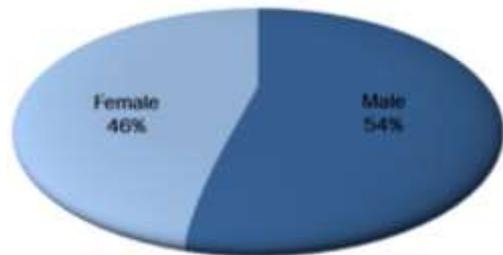
Years of service



8.2 Equality and diversity in the workplace

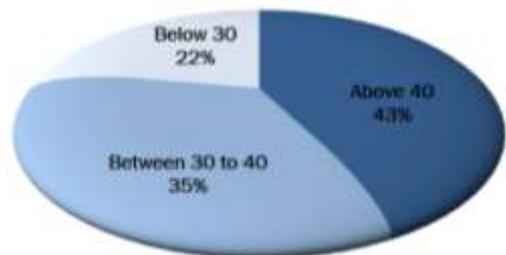
We are committed to the goals of diversity and equal opportunity in employment by providing a work environment for our employees that fosters fairness, equity and respect for social and cultural diversity, regardless of their gender and age. The total number of full-time employees within our Group as at 30 April 2018 is 342.

Gender diversity



On gender diversity, the percentage of female to total permanent employees is 46% are females as at 30 April 2018.

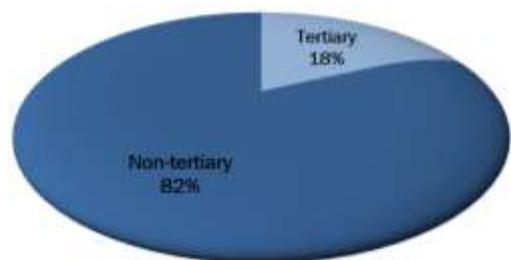
Age diversity



On age diversity, matured workers are valued for their experience knowledge and skills. As at 30 April 2018, 43% of our workforce is at least 40 years old.

On educational diversity, our employees are from different educational background and we seek to create an inclusive environment for them. Our workforce is predominantly non-tertiary educated with most of them employed under the gas distribution business. Such employees contribute approximately 82% of our total workforce as at 30 April 2018. We invest continuously in our employees through the conduct of in-house training courses to improve their skills.

Educational diversity



To promote equal opportunity, we cultivate an all-inclusive work culture where people of different age groups, ethnicities and genders work together in harmony. We also provide equal opportunities to our staff, and ensure that all terms and conditions of employment, along with policies and procedures, comply with relevant regulations and strict human rights and labour practices.

8.3 Safe working environment

A safe working environment allows our employees to work safely without fear of getting injured and helps us to build loyalty amongst our employees to support the sustainability of our businesses. We are committed to maintain a safety and security conscious culture amongst our employees at all levels.

For both the electronics and trading and gas distribution businesses, we recorded zero workplace fatality and non-fatal workplace injuries during the reporting period. We will continuously work towards reducing both the occurrence and severity of workplace accidents.



To recognise our continuous efforts to incorporate safety as part of the business, our gas distribution business was awarded a safety certificate by the local government authority in the PRC.

Key measures adopted to manage health and safety in the workplace environment are as follows:

- A set of safety rules and regulations is in place
- New employees are briefed on safety procedures during orientation

8.4 Ongoing community engagement

We strive to set a good example and encourage individuals and other corporates to embrace the spirit of giving as we recognise that the long-term success of our business is closely related with the health and prosperity of the community which we operate in. During the reporting period, we engaged in various initiatives to help the communities as follows:

Conserve and protect the environment

For our property development business, we aim to conserve and protect the environment that we operate in. Under our Falling Water Project¹ (“Project”) in the United States of America, our management and design teams worked closely with professional service firms and contractors to reserve more green spaces for the development. Specifically, a minimum of 158.39 acres or 35% of the overall land areas was designed as parks and open space to preserve natural landscapes and create better quality of living for our customers.

In addition, we also monitor ground water quality regularly to check on the potential impacts of our project on the local ground water level and quality. Remedial actions will be taken should adverse impacts be detected.

Improve the quality of life for our residential customers

The natural gas pipeline network in the People’s Republic of China does not cover all parts of the country, more so in less developed areas. The last-mile natural gas distribution network built by our gas distribution business connects our customers to the national pipeline network and allows our customers to have access to the much needed natural gas supply mainly for residential, commercial and industrial uses. For our residential customers, our gas supply improves their quality of life, especially in areas with harsh winter conditions.

As at 30 April 2018, we supply natural gas to approximately one hundred thousand households with our natural gas pipeline that spans more than 500 kilometres.

Protect and guide vulnerable children and youth

Singapore Children’s Society provides fundamental care and guidance to children and youth as what their parents and guardians should provide. Our electronics and trading business continuously seeks opportunities to impact communities positively through meaningful charitable initiatives and donated SGD 10,000 to Singapore Children’s Society during the reporting period. The donation serves to help children in need to attain a more positive and fruitful life journey.



8.5 Cleaner energy solution and energy conservation

We are committed to preserve the environment in which we operate in and our environmental initiatives are as follows:

Provide cleaner energy solutions

As the largest consumer of coal and second-largest consumer of petroleum, the People’s Republic China produces the highest amount of carbon dioxide in the world². The use of natural gas in power generation provides a cleaner alternative to coal and other fossil fuels by reducing carbon and other environmentally harmful emissions. We strongly believe that the natural gas provided by our gas distribution business provides long term health benefits for the public and contributes to environmental conservation.

¹ The Falling Water Project is located near the cities of Seattle and Tacoma in the state of Washington, USA. The Falling Water planned preliminary plat/planned development district (“PDD”), originally approved in 1997, granted our subsidiary to develop residential lots and commercial units subject to conditions set out in a 2003 Major Amendment and yearly extensions.

² China is rapidly developing its clean-energy technology. (2018, March 15). Retrieved from <https://www.economist.com/special-report/2018/03/15/china-is-rapidly-developing-its-clean-energy-technology>

Promote energy conservation in business operations

In our day-to-day operations, we rely mainly on the following energy sources:

Resource	Purpose	Unit of measurement	FY 2018
Electricity	Used for office work, machinery and equipment	kWh	623,162 ³

We track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns. We constantly remind our staff on some basic and socially responsible habits in their administrative office environment such as adopting greener work ethics, switching off appliances if not in use, enabling power save modes and such related practices.

8.6 Responsible waste management

We believe that environmental preservation through efficient waste management such as reuse and recycling allows us to operate in a conducive and sustainable environment. It also helps us in achieving both short and long term cost savings which enhances returns to our shareholders.

In line with our commitments to minimize waste generated from operations, we aim to move towards a paperless working environment. Under our electronics and trading business, we have deployed an integrated business system to minimise usage of transit documents, whereby only electronic version of operations related documents are generated. During the reporting period, we used approximately 17,000 pieces of paper per month.

8.7 Sustainable business performance

We believe in creating long-term economic value for shareholders by striking a balance between rewarding shareholders by way of consistent profits and maintaining a robust balance sheet with strong operating cash flows.

Details of our economic performance can be found in the financial contents and audited financial statements of this Annual Report.

8.8 Robust corporate governance framework

A high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximizing long term shareholder value.

In line with our commitments, we have implemented a whistle blowing policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. During the reporting period, no serious offence was reported⁴ through our whistle blowing channel.

You may refer to Corporate Governance Report of this Annual Report for details for our corporate governance practices.

³ Figure excludes electricity consumption data for gas distribution business due to non-availability of information. We will strengthen our data collection process and include the relevant information in the future.

⁴ A serious offence is defined as one that involves fraud or dishonesty amounting to not less than SGD 100,000 and punishable by imprisonment for a term of not less than 2 years which is being or has been committed against the company by officers or employees of the company.

9 Target setting

For our material factors identified, we have set targets for FY2019 as follows:

S/N	Material factor	Target for FY2019
1	Total customer satisfaction	<ul style="list-style-type: none"> ▪ Adhere to the market standards in operations ▪ Maintain a team of highly trained and experienced employees
2	Equality and diversity in the workplace	Move towards a more balanced gender, age and educational diversity ratio
3	Safe working environment	Maintain zero workplace accident
4	Ongoing community engagement	Initiate various campaigns to help the communities
5	Cleaner energy solution and energy conservation	Provide cleaner energy solution and reduce the energy consumption rate
6	Responsible waste management	Improve waste management through reducing paper usage
7	Sustainable business performance	Improve our financial performance
8	Robust corporate governance framework	No incident of serious offence

Renaissance United Limited

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