RENAISSANCE UNITED LIMITED

ANNUAL REPORT 2023

CONTENTS

CORPORATE **INFORMATION**

DIRECTORS

Mr. James Moffatt Blythman
(Executive Director & Chief Financial Officer)

Mr. Sazali Bin Mohd Nor
(Non-Executive and Independent Director)

Mr. Aswath Ramakrishnan
(Non-Executive and Independent Director)

Mr. Koh Beng San
(Non-Executive and Independent Director)

COMPANY SECRETARY

Mr. Allan Tan Poh Chye

REGISTERED OFFICE

16 Kallang Place #05-10/18
Kallang Basin Industrial Estate
Singapore 339156
Telephone number: (65) 6264 2711
Facsimile number : (65) 6302 9777
Electronic mail address: corp@ren-united.com
Website: www.ren-united.com

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
80 Robinson Road, #11-02, Singapore 068898

AUDITOR

Baker Tilly TFW LLP
Chartered Accountants of Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner-in-charge : Mr. Low See Lien
(Appointed since financial year ended 30 April 2021)

LETTER TO **SHAREHOLDERS**

Dear Shareholders,

The financial performance of Renaissance United Limited (the "Company") together with its subsidiaries (the "Group") is tied to its three principal operating subsidiaries as follows:

- **Capri Investments LLC ("Capri")**

Capri Investments L.L.C., 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 (Approx. S$10,978,441), with the initial payment of US$4,000,072 (Approx. S$5,468,898). Capri has received US$2,500,000 (Approx. S$3,342,500) in the two anniversary of closing payments leaving the balance payable by KB Home due as lots are sold to third party house buyers, anticipated to close over the next 12 months.

Capri continues to defend itself in Sawyer Falls Co., LLC's ("Sawyer Falls") claims with the trial currently scheduled for mid-December.

As announced on 19 August 2023, Capri filed a motion for discretionary review and stay of the preliminary injunction with the Washington State Supreme Court. The motion for stay will be considered by the Supreme Court Commissioner prior to consideration of the motion for discretionary review. The motion for discretionary review is currently set for consideration on the Supreme Court Deputy Commissioner's October 11, 2023, Motion Calendar.

Material updates on the legal proceedings involving Capri will continue to be announced via SGXNet.

During the year under review and as announced, on 3 July 2022, The Honorable Timothy Ashcraft ordered that all remaining claims brought by Mr. G. Patrick Healy be dismissed and to pay US$45,000 attorney's fees. As no appeal was filed, this concluded this piece of litigation which commenced in 2018.

As announced on 27 November 2022, the Company disclosed that the Washington State Court of Appeals issued their opinion and affirmed the Superior Court's grant of summary judgement in favour of Capri, affirmed the Superior's court's attorney fee award and in addition granted attorney fees to Capri for the appeal. Capri received US$127,871.59 from Renovatio, LLC in payment of said fees.

There are no remaining claims against Capri. On June 13, 2023, Capri and its parent company, RUL, filed an Amended Third-Party Complaint Against Mr. G. Patrick Healy and Westridge Development, LLC. Capri's claim for breach of fiduciary duties is the only remaining claim in this case. This claim is currently valued at no less than US$230,000 plus interest.

Capri together with its engineers, lawyers and consultants is in compliance of the Hearing Examiner's conditions and milestones as approved during the 4th Tri-Annual Review of the project on March 26, 2018 as required for extending the Falling Water Preliminary Plat. On 14 June 2023, the Hearing Examiner granted the twenty seventh year time extension.

LETTER TO **SHAREHOLDERS**

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

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 turnover of S$60.4 million in FY23 was flat compared to S$60.6 million in FY22 with gas sales. However, higher upstream cost prices continue to impact profitability.

The Russia-Ukraine conflict has and continues to bring uncertainty to the global gas market. However, it appears China has benefitted from European countries reducing gas reliance on Russia. Furthermore, China has signed long-term supply contracts with Qatar notably in Chinese Yuan. Furthermore, investments in LNG receiving infrastructure and storage has come online relieving supply chain "bottle-necks".

These, together with increased domestic production will help to mitigate the winter shortages China has experienced in prior years. Although cleaner energy and clean energy investment such as wind, solar and hydro are gaining momentum, gas will remain a vital pillar of China's energy mix in the medium term.

Moving forward, HZLH will look to optimising operational efficiencies including new pipelines, upgrading meters and implement new safety and monitoring systems. HZLH will continue to lobby local price bureaus for efficient price revisions when faced with higher operating costs. On this topic, a wholesale reform of the role of price bureaus is under discussion, with expectations of a more market driven price mechanism being adopted.

• ESA Electronics Pte. Ltd. ("ESA")

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

The drop in turnover to S$13.8 million in FY23 from S$14.8 million in FY22, was due to softer sales to mainland China. This was partly due to the softer business environment in early 2023 when China lifted their zero covid strategy.

The market in China will remain a key focus for ESA in FY24. Despite pressure from the United States and its allies, China still remains committed to semi-conductor self-sufficiency.

Legal Proceedings

The legal proceedings as announced brought by a former Key Management Personnel ("KMP") as either Plaintiff or Plaintiff- in- Counterclaim have either concluded during or subsequent to the year under review.

The legal proceedings brought by the KMP and those encountered by Capri in defending itself, have and continue to drain management time and cash resources. Despite recovering some attorney fees in the US proceedings, these are minimal against what the Company has incurred to defend itself.

Sustainability Reporting

To affirm the importance of having a sustainability strategy as part of our corporate agenda, a separate sustainability report was released on 31 August 2023.

In the sustainability report, we have provided insights into the way we do business, highlighting the environmental, social, governance ("ESG") factors that are material to us and their impact on the economy, environment, people and their human rights. Specifically, we focused on our initiatives that are instrumental in strengthening customer satisfaction, labour practices, safe work practices, social responsibility, environmental stewardship, business performance and governance practices.

Moving Forward and Acknowledgment

The Board and management as stewards will continue to steer and guide our three core businesses towards our long-term goal of sustainable profitability. As this will be the Group's third year of consecutive losses the Company will likely be placed on the watch list. The Company make an announcement should this occur and the requirements for fulfilling the exit requirements.

On the more immediate front, Capri will defend itself vigorously in the Sawyer Falls litigation.

The Board will continue to look for new business organically or via acquisition to ensure progressive innovation takes place which will in turn ensure its longevity and the social licence implicitly granted by the communities in which the Group has operations to continue operating.

On behalf of the Board, I would like to thank the management and staff of our businesses. Thank you also to our shareholders, key partners, customers and suppliers who have supported us throughout the year.

James Moffatt Blythman
Executive Director and Chief Financial Officer
On Behalf of the Board

14 September 2023

FINANCIAL
REVIEW

For the financial year ended 30 April 2023 ("FY23"), the Group achieved a Turnover of S$74.2 million, which was S$1.2 million or 1.6% lower than the Turnover of S$75.4 million recorded for the corresponding financial year ended 30 April 2022 ("FY22"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA Electronics Pte. Ltd. recorded a 7.0% decrease in Turnover of S$1.0 million to S$13.8 million in FY23, as compared to a Turnover of S$14.8 million recorded in FY22. The decrease was mainly due to decreased demand of burn-in boards by semi-conductor manufacturers in the current year.

  Capri Investment L.L.C did not contribute any Turnover in FY23 and FY22 as there was no finalised sales agreement with home builders in the current and previous year.

- Excellent Empire Limited, via its wholly-owned subsidiary, China Environmental Energy Protection Investment Limited, 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$60.4 million in FY23, as compared with S$60.6 million in FY22. The 0.3% decrease in Turnover of S$0.2 million was mainly due to decrease in natural gas sales.

The Group recorded a Loss before Income Tax of S$7.3 million in FY23 and S$14.0 million in FY22. The Group recorded a Loss after Income Tax of S$7.9 million in FY23 and S$12.3 million in FY22.

The Group had Loss Attributable to Shareholders of S$6.1 million in FY23 and S$12.3 million in FY22 and Loss per Share of 0.098 Singapore cents in FY23 and 0.199 Singapore cents in FY22.

Other Revenue increased by S$0.2 million to S$0.4 million in FY23, as compared with S$0.2 million FY22. This was mainly due to S$0.2 million recovery of legal fees award in Capri.

The Group's Total Cost and Expenses decreased by approximately S$7.8 million to S$81.8 million in FY23, compared with S$89.6 million in FY22. This was mainly due to:

(a) S$0.6 million increase in the changes in inventories, raw materials and consumables, mainly from the semi-conductor business of ESA and the natural gas business of the China subsidiaries;

(b) S$1.0 million decrease in amortisation of intangible assets pertaining to the land use rights and service concession agreements of the China subsidiaries;

(c) S$0.2 million decrease in depreciation of fixed assets mainly from the China subsidiaries;

(d) S$8.7 million decrease in impairment loss of intangible assets mainly from the gas distribution and licensing rights of the China subsidiaries;

(e) S$0.6 million increase in impairment loss of trade and other receivables mainly from ESA from a S$0.5 million reversal in FY22 to S$0.1 million impairment loss in FY23;

(f) S$1.6 million foreign exchange loss from S$0.8 million gain in FY22 to S$0.8 million loss in FY23 in arising from the revaluation of foreign currency denominated balances primarily in:

  (i) United States Dollars (“US$”), at exchange rates of 1US$ to S$ which weakened from S$1.379 to S$1.337 (FY22: strengthened from S$1.328 to S$1.379);

  (ii) Chinese Renminbi (“RMB”), at exchange rates of 1RMB to S$ which weakened from S$0.210 to S$0.193 (FY22: strengthened from S$0.205 to S$0.210).

(g) S$0.1 million decrease in employee benefit expenses mainly due to S$0.3 million decrease from China subsidiaries offset by S$0.2 million increase in the Company’s employee benefit expenses arising from additional headcount in FY23;

(h) S$0.1 million increase in finance costs mainly due to interest on new bank loans of China subsidiaries in FY23;

(i) S$0.7 million decrease in other operating expenses due to decrease of S$0.6 million professional and consultancy fees mainly from China subsidiaries offset by S$0.1 million increase in travelling expenses and S$0.2 million decrease in general and administrative expenses of the Group’s subsidiaries.

An increase in income tax expense of S$2.4 million due to S$0.7 million tax provisions of Group’s subsidiaries in FY23 and a decrease of S$1.7 million tax credit from FY22 and none in FY23. The tax credits in FY22 arise from write backs of deferred tax liabilities pertaining to the distribution and licensing rights of China subsidiaries.

As at 30 April 2023, the Total Assets of the Group were S$100.2 million (FY22: S$117.4 million). The Net Current Liabilities of the Group as at 30 April 2023 were S$10.0 million (FY22: S$14.3 million), of which S$12.7 million (FY22: S$16.6 million) was held as cash and cash equivalents.

The Group’s total borrowings of S$22.5 million (FY22: S$22.2 million) consist of mainly bank loans and overdrafts obtained by subsidiaries in PRC and ESA. The Group’s gearing ratio as at 30 April 2023, based on net debt divided by total capital is 0.41 times (FY22: 0.33 times). Net debt is calculated as total borrowings, lease liabilities and trade and other payables less cash and cash equivalents. Total capital is calculated as equity to owners of the parent plus net debt.

As at 30 April 2023, the total equity of the Group was S$46.6 million, as compared to S$57.7 million in FY22. The decrease was mainly due to a current year loss of S$7.9 million and S$3.1 million translation loss in other reserve and non-controlling interests and S$0.1 million dividends paid to non-controlling interests of a subsidiary.

The net asset value per share is S$0.005 in FY23 (FY22: S$0.007) and the total issued share capital of the Company is 6,180,799,986 (FY22: 6,180,799,986) ordinary shares.

DIRECTORS' **STATEMENT**

The Directors hereby present their statement to the members together with the audited consolidated financial statements of Renaissance United Limited (the "Company") and its subsidiary corporations (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2023.

In the opinion of the Directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 16 to 96 are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2023 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and

(b) at the date of this statement, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as going concerns as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Group and the Company will be able to pay their debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are:

Mr. James Moffatt Blythman	-	Executive Director and Chief Financial Officer
Mr. Sazali Bin Mohd Nor	-	Non-Executive and Independent Director
Mr. Aswath Ramakrishnan	-	Non-Executive and Independent Director
Mr. Koh Beng San	-	Non-Executive and Independent Director

Arrangements to enable Directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

	Number of ordinary shares					
	Shareholdings registered in their own names			Shareholdings in which a director is deemed to have an interest		
Name of directors and companies in which interest are held	At 1.5.2022	At 30.4.2023	At 21.5.2023	At 1.5.2022	At 30.4.2023	At 21.5.2023
Company						
Renaissance United Limited						
James Moffatt Blythman	–	–	–	880,000,000	880,000,000	880,000,000

Share options and employee share scheme

Share options

There was no share option granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statements and in this Annual Report.

Audit Committee

The Audit Committee at the date of this statement comprises three Directors, all of whom are independent. The members of the Audit Committee are as follows:

Mr. Koh Beng San
Mr. Aswath Ramakrishnan
Mr. Sazali Bin Mohd Nor

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. The functions performed are detailed in the Corporate Governance Report, as set out in the Annual Report of the Company.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

James Moffatt Blythman
Director

Koh Beng San
Director

14 September 2023

INDEPENDENT AUDITOR'S **REPORT**

To the members of Renaissance United Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Renaissance United Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 16 to 96, which comprise the statements of financial position of the Group and the Company as at 30 April 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 April 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year then ended.

Basis for Qualified Opinion

1. Intangible assets in relation to distribution and licensing rights

   As at 30 April 2023, the carrying amount of the Group's intangible assets in relation to distribution and licensing rights amounted to $Nil (2022: $Nil) as disclosed in Note 11 to the financial statements.

   As disclosed in Note 2.10 to the financial statements, Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries' ("HZLH group") intangible assets of distribution and licensing rights were acquired through business combinations. As these transactions were executed more than 10 years ago, we are unable to ascertain whether the allocation of the purchase price for the acquisition of HZLH group to the intangible assets of distribution and licensing rights which occurred at that time were appropriate.

   During the financial year ended 30 April 2022, an impairment loss of $11,242,000 was recognised to write down the carrying amount of the Group's intangible assets in relation to distribution and licensing rights to its recoverable amount of $Nil. As we were unable to satisfy ourselves if the opening balances of the distribution and licensing rights, other reserves, accumulated losses and non-controlling interest for the financial year ended 30 April 2022 contained misstatements, consequently, we were unable to determine if the impairment loss and amortisation charge recognised during the financial year ended 30 April 2022 of $11,242,000 and $1,269,000 respectively were appropriate.

   Our opinion on the current financial year's financial statements is modified because of the possible effect of these matters on the comparability of the current financial year's figures and the corresponding figures.

Report on the Audit of the Financial Statements (cont'd)

Basis for Qualified Opinion (cont'd)

2. Development property

   As at 30 April 2023, the net carrying amount of the Group's development property amounted to $4,273,000 (2022: $4,380,000) as disclosed in Note 16 to the financial statements.

   We are unable to perform audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the net carrying amount of the development property as at 1 May 2017 contained misstatements as management was unable to provide supporting documents for the accumulated brought forward costs of the development property. Accordingly, we are unable to satisfy ourselves that the development property stated at cost of $4,273,000 and $4,380,000 as at 30 April 2023 and 30 April 2022 respectively are fairly stated.

   Our opinion on the financial statements for the preceding financial year ended 30 April 2022 was modified accordingly. Our opinion on the current financial year's financial statements is also modified because of the possible effect of these matters on the comparability of the current financial year's figures and the corresponding figures.

3. Contingent liabilities

   As described in Note 33 to the financial statements, various writs of summons were filed against the Company and its subsidiary, Capri Investment L.L.C. ("Capri"). No provision for liabilities has been made in the financial statements in respect of these claims as the directors believe the claims are without merits.

   Based on currently available information, we are unable to obtain sufficient appropriate audit evidence to determine whether any provision for additional liabilities is necessary for all the above claims in respect of the financial year ended 30 April 2023.

   Our opinion on the financial statements for the preceding financial year ended 30 April 2022 included a similar basis for qualification on this matter.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Report on the Audit of the Financial Statements (cont'd)

Material Uncertainty Related to Going Concern

We draw attention to Note 3.1 to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. During the financial year ended 30 April 2023, the Group and the Company incurred a net loss of $7,945,000 (2022: $12,284,000) and $3,106,000 (2022: $5,759,000) respectively. As at 30 April 2023, the Group's and the Company's current liabilities exceeded the current assets by $10,038,000 (2022: $14,341,000) and $5,443,000 (2022: $5,059,000) respectively. These conditions give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

Nevertheless, in the preparation of the financial statements, the Board of Directors of the Company believes that the use of going concern assumption is appropriate after taking into consideration the factors as disclosed in Note 3.1 to the financial statements.

The 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 ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to the financial statements.

Our opinion is not further modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* and *Material Uncertainty Related to Going Concern* sections, we have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment assessment on intangible assets

At 30 April 2023, the carrying amounts of HZLH group's intangible assets in relation to service concession arrangements amounted to $57,274,000 (2022: $68,565,000) (Note 11), which represent 57.1% (2022: 58.4%) of total assets of the Group's consolidated statement of financial position.

The impairment assessment on intangible assets is considered a key audit matter as HZLH group's intangible assets form a material portion of the Group's assets and any impairment of the intangible assets will have a significant impact on the Group's financial results.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Impairment assessment on intangible assets (cont'd)

The assessment of the carrying amount of these assets requires management to exercise judgement in identifying existence of any indicators of impairment. Recoverable amount is the higher of fair value less costs of disposal and value-in-use. The recoverable amount of these assets is based on fair value less costs of disposal, determined based on valuation performed by an independent firm of professional valuers using a market-based approach. The estimation is based on the enterprise value divided by earnings before interest, tax, depreciation and amortisation ("EV/EBITDA") multiple as disclosed in Note 11 to the financial statements.

Our audit procedures included (a) engaging our internal valuation specialists to assist us in assessing the methodology adopted for the fair value less costs of disposal; corroborating EV/EBITDA multiple used in the valuation; recalculating the earnings before interest, tax, depreciation and amortisation used in the model; and checking the mathematical accuracy of the model; (b) assessing the objectivity, competency and capability of the independent firm of professional valuers; and (c) assessing the adequacy of disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the directors' statement and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, we are unable to conclude whether or not the other information is materially misstated with respect to the matters.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Low See Lien.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

14 September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**

For the financial year ended 30 April 2023

	Note	2023 $'000	2022 $'000
Revenue	4	**74,160**	75,393
Other items of income			
Interest income		**76**	36
Other income	5	**328**	205
		404	241
Operating expenses			
Changes in inventories		**468**	498
Raw materials and consumables used		**(60,351)**	(59,729)
Amortisation of intangible assets	11	**(3,858)**	(4,883)
Impairment loss on intangible assets	11	**(3,977)**	(12,718)
Depreciation of property, plant and equipment	12	**(610)**	(855)
Fair value loss on financial assets, at fair value through profit or loss	18	**(19)**	(18)
(Impairment loss)/reversal of impairment loss on trade and other receivables		**(131)**	494
Foreign exchange (loss)/gain, net		**(805)**	848
Employee benefits expenses	6	**(6,962)**	(7,084)
Finance costs	7	**(1,309)**	(1,211)
Lease expenses		**(33)**	(40)
Other expenses		**(4,252)**	(4,928)
Total expenses		**(81,839)**	(89,626)
Loss before income tax	8	**(7,275)**	(13,992)
Income tax (expense)/credit	9	**(670)**	1,708
Loss for the financial year		**(7,945)**	(12,284)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations arising from consolidation		**(1,473)**	1,030
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations arising from consolidation		**(1,642)**	366
Other comprehensive (loss)/income for the financial year, net of tax		**(3,115)**	1,396
Total comprehensive loss for the financial year		**(11,060)**	(10,888)
(Loss)/profit attributable to:			
Equity holders of the Company		**(6,058)**	(12,288)
Non-controlling interests		**(1,887)**	4
		(7,945)	(12,284)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(7,531)**	(11,258)
Non-controlling interests		**(3,529)**	370
		(11,060)	(10,888)
Loss per share for loss attributable to equity holders of the Company			
Basic and diluted (in cents)	10	**(0.098)**	(0.199)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **FINANCIAL POSITION**

At 30 April 2023

	Note	Group		Company	
		2023	2022	**2023**	2022
		$'000	$'000	**$'000**	$'000
Non-current assets					
Intangible assets	11	**58,422**	69,913	**–**	–
Property, plant and equipment	12	**9,554**	9,584	**23**	25
Investments in subsidiaries	13	**–**	–	**40,092**	42,812
Convertible loan	14	**–**	–	**–**	–
Trade and other receivables	17	**14**	15	**–**	–
Deferred tax assets	23	**383**	427	**–**	–
		68,373	79,939	**40,115**	42,837
Current assets					
Inventories	15	**2,617**	2,149	**–**	–
Development property	16	**4,273**	4,380	**–**	–
Trade and other receivables	17	**11,716**	13,716	**341**	75
Financial assets, at fair value through profit or loss	18	**516**	535	**500**	501
Cash and cash equivalents	19	**12,731**	16,649	**38**	723
		31,853	37,429	**879**	1,299
Total assets		**100,226**	117,368	**40,994**	44,136
Non-current liabilities					
Borrowings	22	**11,732**	7,812	**–**	–
Deferred tax liabilities	23	**19**	39	**–**	–
		11,751	7,851	**–**	–
Current liabilities					
Trade and other payables	20	**13,988**	15,236	**6,319**	6,357
Provisions	21	**16**	32	**3**	1
Current income tax payable		**811**	833	**–**	–
Borrowings	22	**10,751**	14,357	**–**	–
Contract liabilities	24	**16,325**	21,312	**–**	–
		41,891	51,770	**6,322**	6,358
Total liabilities		**53,642**	59,621	**6,322**	6,358
Net assets		**46,584**	57,747	**34,672**	37,778
Equity					
Share capital	25	**265,811**	265,811	**265,811**	265,811
Other reserves	26	**(19,252)**	(17,779)	**1,961**	1,961
Accumulated losses		**(212,858)**	(206,800)	**(233,100)**	(229,994)
Equity attributable to equity holders of the Company		**33,701**	41,232	**34,672**	37,778
Non-controlling interests		**12,883**	16,515	**–**	–
Total equity		**46,584**	57,747	**34,672**	37,778

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 30 April 2023

	Share capital $'000	Foreign exchange translation reserve $'000	Capital reduction reserve $'000	Equity-NCI $'000	Accumulated losses $'000	Equity attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group								
Balance at 1 May 2021	265,811	(15,519)	1,961	(5,251)	(194,512)	52,490	16,145	68,635
(Loss)/profit for the financial year	–	–	–	–	(12,288)	(12,288)	4	(12,284)
Other comprehensive income for the financial year								
Exchange differences on translation of foreign operations arising from consolidation	–	1,030	–	–	–	1,030	366	1,396
Total comprehensive income/(loss) for the financial year	–	1,030	–	–	(12,288)	(11,258)	370	(10,888)
Balance at 30 April 2022	265,811	(14,489)	1,961	(5,251)	(206,800)	41,232	16,515	57,747
Loss for the financial year	–	–	–	–	(6,058)	(6,058)	(1,887)	(7,945)
Other comprehensive loss for the financial year								
Exchange differences on translation of foreign operations arising from consolidation	–	(1,473)	–	–	–	(1,473)	(1,642)	(3,115)
Total comprehensive loss for the financial year	–	(1,473)	–	–	(6,058)	(7,531)	(3,529)	(11,060)
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	(103)	(103)
Balance at 30 April 2023	**265,811**	**(15,962)**	**1,961**	**(5,251)**	**(212,858)**	**33,701**	**12,883**	**46,584**

The accompanying notes form an integral part of these financial statements.

	Share capital $'000	Capital reduction reserve $'000	Accumulated losses $'000	Total equity $'000
Company				
Balance at 1 May 2021	265,811	1,961	(224,235)	43,537
Loss and total comprehensive loss for the financial year	–	–	(5,759)	(5,759)
Balance at 30 April 2022	265,811	1,961	(229,994)	37,778
Loss and total comprehensive loss for the financial year	–	–	(3,106)	(3,106)
Balance at 30 April 2023	265,811	1,961	(233,100)	34,672

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Loss before income tax		**(7,275)**	(13,992)
Adjustments for:			
Impairment loss/(reversal of impairment loss) on trade and other receivables		**131**	(494)
Amortisation of intangible assets		**3,858**	4,883
Impairment loss on intangible assets		**3,977**	12,718
Depreciation of property, plant and equipment		**610**	855
Interest expenses		**1,240**	1,142
Interest income		**(76)**	(36)
Interest expenses on lease liabilities		**11**	27
Provisions made during the financial year		**16**	32
Fair value loss on financial assets, at fair value through profit or loss		**19**	18
Unrealised foreign exchange gain		**(1,247)**	(506)
Operating cash flows before working capital changes		**1,264**	4,647
Changes in working capital:			
Inventories		**(487)**	(494)
Development property		**(27)**	(8)
Trade and other receivables		**1,282**	3,566
Trade and other payables and contract liabilities		**(4,771)**	(5,538)
Provisions		**(32)**	(71)
Cash generated from operations		**(2,771)**	2,102
Interest received		**76**	36
Interest paid on bank overdrafts		**(76)**	(86)
Net income tax paid		**(701)**	(1,486)
Net cash (used in)/generated from operating activities		**(3,472)**	566
Cash flows from investing activities			
Purchase of property, plant and equipment	A	**(402)**	(258)
Proceeds from disposals of property, plant and equipment		**89**	1
Net cash used in investing activities		**(313)**	(257)
Cash flows from financing activities			
Advance from KMP	20	**955**	–
Proceeds from borrowings	22(f)	**14,881**	6,313
Repayments of borrowings	22(f)	**(13,554)**	(5,734)
Repayments of lease liabilities	22(f)	**(365)**	(357)
Interest paid on borrowings	22(f)	**(1,164)**	(1,056)
Interest paid on lease liabilities	22(f)	**(11)**	(27)
Withdrawal of cash pledged for bank facilities		**250**	–
Dividends paid to non-controlling interests of a subsidiary		**(103)**	–
Net cash generated from/(used in) financing activities		**889**	(861)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 30 April 2023

	Note	**2023 $'000**	2022 $'000
Net decrease in cash and cash equivalents		**(2,896)**	(552)
Cash and cash equivalents at beginning of the financial year		**12,702**	12,872
Effects of exchange rate changes on cash and cash equivalents		**(780)**	382
Cash and cash equivalents at end of the financial year	19	**9,026**	12,702

Note A:
Purchase of property, plant and equipment ("PPE")

	Note	**2023 $'000**	2022 $'000
Aggregate cost of PPE acquired	12	**1,341**	258
Less: Additions to right-of-use assets	12	**(939)**	–
Net cash outflow for purchase of PPE		**402**	258

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying 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 disclosed in Note 13.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company, are presented in Singapore dollar (“SGD”) (rounded to the nearest thousand ($’000) except when otherwise stated), and have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) (“SFRS(I)”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and current borrowings (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

New and revised standards

In the current financial year, 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 year.

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.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 April 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary company. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.10. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

2. Summary of significant accounting policies (cont'd)

2.2 Basis of consolidation (cont'd)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other components of non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

2.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to the customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or consume the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

The Group trades in semi-conductor parts. Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Revenue from these sales is recorded based on the contracted price less the estimated returns at the time of sale. Past experience and projections are used to estimate the anticipated returns, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected returns from customers.

2. Summary of significant accounting policies (cont'd)

2.4 Revenue recognition (cont'd)

Sale of goods (cont'd)

Sales to customers are made with a credit term of 60 to 90 days, which is consistent with market practice. No element of financing is deemed present. The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision. Provision for estimated warranty claims is made for products sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Natural gas installation and connection

Revenue from natural gas installation and connection is recognised at a point in time, when the installation and connection services are rendered.

The customers are required to pay in advance for the full contract amount. If the services have not been rendered by the Group, a contract liability is recognised (Note 24).

Natural gas delivery and usage

Revenue from delivery and usage of natural gas is recognised over time when the performance obligation is satisfied, as the customer simultaneously receives and consumes the benefits provided by the Group. This is based on the consumption derived from meter readings. A contract liability is recognised for advance payments received from customers, i.e. in the form of prepaid cards, where delivery and usage has not taken place as at the end of the reporting period.

Service concession revenue

As disclosed in Note 3.1 to the financial statements, Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries ("HZLH group") supplies 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") which fall within the scope of SFRS(I) INT 12 *Service Concession Arrangements*. The Group applies SFRS(I) 15 *Revenue from Contracts with Customers* in its recognition of revenue from service concession arrangements.

The Group recognises revenue for construction services provided as a non-cash consideration and operating these assets as specified in the contracts in accordance with SFRS(I) 15 for the services performed. Revenue relating to construction services under a service concession arrangement is recognised over time when the performance obligation is satisfied.

Operation or service revenue is recognised in the period in which the services are provided by the Group, consistent with the accounting policy on recognition of revenue arising from "Natural gas installation and connection" and "Natural gas delivery and usage" as specified above.

2. Summary of significant accounting policies (cont'd)

2.4 Revenue recognition (cont'd)

Property development

Revenue from property development is recognised at a point in time when the customer obtains control of the asset, usually upon transfer of legal title. Revenue is measured at the transaction price agreed under the contract. Where the difference between the timing of receipt of payments and the satisfaction of a performance obligation is 12 months or more, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.5 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2.6 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

2.7 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations, namely in Singapore and the People's Republic of China ("PRC"). The contributions to these schemes are charged to the profit or loss in the period in which the related service is performed.

2. Summary of significant accounting policies (cont'd)

2.7 Employee benefits (cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax liability is provided on all temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

2.9 Foreign currency transactions and translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is the Company's functional currency.

2. Summary of significant accounting policies (cont'd)

2.9 Foreign currency transactions and translation (cont'd)

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(c) All resulting exchange differences are recognised in the foreign exchange translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the foreign exchange translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2. Summary of significant accounting policies (cont'd)

2.10 Intangible assets

Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of subsidiaries, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired separately

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

Distribution, licensing, exploration and extraction rights

Distribution, licensing, exploration and extraction rights acquired through business combinations which have finite useful lives are amortised on a straight-line basis over their useful lives which represent the period of contractual rights as follows:

	Years
Distribution and licensing rights	28
Exploration and extraction rights	22

2. Summary of significant accounting policies (cont'd)

2.10 Intangible assets (cont'd)

Intangible assets acquired separately (cont'd)

Intellectual rights

Intellectual rights refer to the rights obtained for the design or manufacture of certain equipment. It has indefinite use and therefore is not amortised.

Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over the lease term of 30 years.

Service concession arrangements

As disclosed in Note 3.1 to the financial statements, Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries ("HZLH group") supplies 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") which fall within the scope of SFRS(I) INT 12 *Service Concession Arrangements*.

The Group recognises an intangible asset arising from the service concession arrangements when it has a right to charge for usage of the concession infrastructure. The intangible asset is measured at fair value upon initial recognition by reference to the fair value of services provided. Following initial recognition, the intangible asset is measured at cost, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of the intangible asset is the period when the Group has a right to charge the public for the usage of the infrastructure to the end of the concession period.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 30 years.

2.11 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

2. Summary of significant accounting policies (cont'd)

2.11 Property, plant and equipment (cont'd)

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation for property, plant and equipment other than construction in progress is provided on a straight-line basis so as to allocate their depreciable amounts over their estimated useful lives as follows:

	Years
Leasehold building	30
Office equipment	3 to 5
Plant and equipment	2 to 3
Motor vehicles	3 to 5

Offices and premises are amortised over the lease term of 3 to 4 years.

Property, plant and equipment in the course of construction, is stated at cost less impairment loss, and is not depreciated. Cost comprises direct costs incurred during the periods of construction, professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. Construction in progress is reclassified to the appropriate category of plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.12 Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of intangible assets (other than goodwill), property, plant and equipment and investments in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. Summary of significant accounting policies (cont'd)

2.12 Impairment of non-financial assets excluding goodwill (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.13 Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition.

Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

2. Summary of significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

Subsequent measurement

Debt instruments

Debt instruments include trade and other receivables (excluding advances to sub-contractors, goods and services tax recoverable, net and prepayments) and cash and cash equivalents. The subsequent measurement category is dependent on the Group's business model for managing the asset and cash flow characteristics of the asset:

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Fair value through profit or loss ("FVTPL")

Debts instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income ("FVOCI") are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other items of income/(expenses)".

On disposal of an equity investment classified as FVTPL, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss. Dividends from equity investments are recognised in profit or loss and presented in "other items of income/(expenses)".

2. Summary of significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group based on its historical credit loss experience, adjusts as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Financial liabilities

Financial liabilities include trade and other payables (excluding provision for unutilised annual leave), and borrowings. Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.15 Inventories

Saleable merchandise

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a "weighted-average" basis. The cost of finished goods comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress includes cost of direct material, labour and an appropriate allocation of production overhead expenditure. Net realisable value represents the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.16 Development properties

Development properties are properties held or developed for sale in the ordinary course of business. Development properties that are unsold are measured at lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Net realisable value represents the estimated selling price less cost to complete and costs to be incurred in selling the properties.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise demand deposits, cash and bank balances and short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purposes of presentation in the consolidated statement of cash flows, cash and cash equivalents also includes bank overdraft and excludes any pledged deposits. In the statement of financial position, bank overdrafts are presented within borrowings under current liabilities.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

Where discounting is used, the increase in the provision due to passage of time is recognised as finance cost in profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Summary of significant accounting policies (cont'd)

2.18 Provisions (cont'd)

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented within "borrowings" in the statements of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, such as a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Summary of significant accounting policies (cont'd)

2.19 Leases (cont'd)

When a Group entity is the lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful lives of the underlying assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "Property, plant and equipment" and "Intangible assets" in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.12.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient to all its leases.

2.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors for making decisions about allocating resources and assessing performance of the operating segments.

2. Summary of significant accounting policies (cont'd)

2.21 Related parties

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The transactions are entered on terms agreed by the parties concerned.

2.22 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.23 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements 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.

3.1 Critical judgement made in applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs).

Going concern assumption

During the financial year ended 30 April 2023, the Group and the Company incurred a net loss of $7,945,000 (2022: $12,284,000) and $3,106,000 (2022: $5,759,000) respectively. As at 30 April 2023, the Group's and the Company's current liabilities exceeded the current assets by $10,038,000 (2022: $14,341,000) and $5,443,000 (2022: $5,059,000) respectively.

As elaborated further below, the major contributing factor to the net current liabilities position is due to Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH"). HZLH has for many years, been able to leverage short-term financing terms from its financiers.

The nature of the Group is that it operates as three main independent businesses. HZLH and ESA Electronics Pte. Ltd. ("ESA") have separate management structures with expertise in managing these mature businesses. There are no corporate guarantees provided by inter-companies within the Group and they are able to operate as standalone business with access to funding. Funding for the Company is supported by management fees, dividends and loan repayments from subsidiaries.

The Board of Directors of the Company are of the view that the going concern assumption is appropriate for the preparation of these 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 be in a position to enable fund raisings when required in the future.

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

3.1 Critical judgement made in applying accounting policies (cont'd)

Going concern assumption (cont'd)

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

During the financial year ended 30 April 2021, 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/-DD - 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. Capri has subsequently received payments due under the Sale and Purchase Agreement during the financial years ended 30 April 2023 and 30 April 2022. As at 30 April 2023, the remainder of US$2,119,000 (approximately $2,833,000) (2022: US$2,780,000 (approximately $3,833,000) is due at the earlier of the fifth anniversary of the closing or upon the customer's individual home sales to third parties, whichever is earlier. Management anticipates the balance amount to be paid over the next 12 months (Note 17(a)).

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

Due to the up-front capital required for gas network infrastructure, HZLH has significant borrowings from local financial institutions and this is the major contributor to the Group's net current liabilities position. HZLH works with local financial institutions such as Bank of Construction, Bank of Communication, International Far Eastern Leasing Co., Ltd ("IFEL") as well as Bank of Kunlun Co., Ltd. ("KLB") which is under the umbrella of PetroChina Company Limited. On 16 September 2022, HZLH obtained a working capital loan amounting to RMB28,000,000 from KLB for a period of 36 months. On 19 January 2023 and 22 March 2023, HZLH obtained facilities amounting to RMB8,100,000 and RMB16,863,000 respectively from IFEL for a period of 12 to 36 months. Recent facilities negotiated by HZLH have lower interest rates.

HZLH has good rapport with the local governments and its banks which is expected for a mature business of approximately 19 years. 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 negotiated for further repayment terms with a longer tenure and the Group has been able to successfully renegotiate with the banks historically. The majority of short-term debt obligations are secured in nature either by cash or by collaterals of infrastructure under the service concession arrangements, and HZLH will be able to obtain additional fundings, if necessary, from the banks or financial institutions. In addition, HZLH's ownership interest in Guangshui city in Hubei Province, has not been pledged and could be pledged in the future as security to obtain additional fundings if necessary. Local financial institutions accept this as security for loans.

The Board believes the operational cash flow is sufficient to meet payments as and when they fall due as supported by cash flow from HZLH's customers who pay for gas in advance.

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

3.1 Critical judgement made in applying accounting policies (cont'd)

Going concern assumption (cont'd)

(c) ESA Electronics Pte. Ltd. ("ESA")

ESA is an operating subsidiary company without borrowings other than bank overdrafts which is fully backed by its cash collaterals. It does not require additional facilities as it has long-standing credit arrangements with its suppliers which is expected of a well-established business of approximately 30 years. ESA also maintains a payment terms and receivables policy to ensure that there is no unacceptable customer credit risk.

In addition, the Company implemented various cost containment measures to generate immediate savings and conserve financial resources, including offshoring back-office functions and amalgamating the office space in Singapore with ESA. The Company has significant cash resources at its disposal from its subsidiaries. It is also entitled to receive management fees and dividends.

For these reasons, the financial statements have been prepared on the assumptions that the Group and the Company will continue as going concerns. The 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 ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the 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.

Natural gas supply contracts

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").

The assessment of whether such exclusive contracts fall within scope of SFRS(I) INT 12 *Service Concession Arrangements* (the "Interpretation") requires significant amount of judgement.

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

3.1 Critical judgement made in applying accounting policies (cont'd)

Natural gas supply contracts (cont'd)

On 24 July 2022, the Group announced that it had met with the Accounting and Corporate Regulatory Authority ("ACRA") and that ACRA is of the view that the Interpretation is applicable to the Group's gas distribution business in the PRC. As such, the Group has re-assessed the Interpretation and taken the following into consideration:

(a) The local bureau (or the "Grantor") is able to control or regulate a significant extent of the type of services the Group (or the "Operator") must provide with the infrastructure, to whom the services are provided and pricing are controlled or regulated by the Grantor;

(b) The Grantor controls significant residual interest in the infrastructure at the end of the term of the service arrangement whereby (i) the assets infrastructure must be transferred and compensate according to the evaluation results at the end of the service concession period; and (ii) under the circumstances that the infrastructure is not transferred to the Grantor at the end of the 30-year arrangement, the Grantor will determine the new operator to which the infrastructure will be transferred to. The infrastructure is also intended to be used in the arrangement by the Operator for its entire useful life;

(c) The infrastructure is constructed by the Operator for the purpose of the service arrangement;

(d) The Operator does not have a contractual right to receive cash or other financial asset from or at the direction of the Grantor; and

(e) The Operator has a contractual right to charge users of the public services.

The Group has subsequently determined that such exclusive contracts fall within the scope of the Interpretation and recognises its service concession arrangements as an intangible asset to the extent that it has a right to charge users of the public service.

During the financial year ended 30 April 2022, the Group had reviewed and assessed the impact of the application of the Interpretation to its gas distribution business and adjustments had been made to reclassify certain items of "Property, plant and equipment" to "Intangible assets" and to recognise service concession revenue for the construction services provided from the earliest practicable date for the respective financial years accordingly.

Deferred income tax assets

The Group recognises deferred income tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group is able to satisfy the continuing ownership test.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The carrying value of unrecognised deferred tax asset and the unrecognised tax losses of the Group at 30 April 2023 are disclosed in Note 9.

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets

The Group and the Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value in use.

In determining the recoverable amounts, the FVLCD of HZLH and ESA are determined based on valuations performed by independent firms of professional valuers. The FVLCD of Capri is determined based on the valuation of its development property and net assets. The details are disclosed in Notes 11 and 13.

Any changes to the expected fair value of the underlying assets will affect the carrying amount of assets.

The carrying amounts of intangible assets, property, plant and equipment and investment in subsidiaries at the end of the financial year are disclosed in Notes 11, 12 and 13 respectively.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 2 to 30 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets. Therefore, future depreciation charges could be revised. The carrying values of the Group's and the Company's property, plant and equipment at the end of the financial year were disclosed in Note 12.

Net realisable value of inventories and development property

Inventories and development property are stated at lower of cost and net realisable value. The net realisable value of inventories is assessed by taking into account the recent sales experience, the ageing of inventories, and subsequent events.

The net realisable value of development property is assessed with reference to the estimated selling prices and estimated total construction costs. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred.

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

Net realisable value of inventories and development property (cont'd)

The carrying values of the Group's inventories and development property at the end of the financial year were disclosed in Notes 15 and 16 respectively.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying value of trade receivables at reporting date are disclosed in Notes 17 and 30.

Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. At the end of the financial year, the Group's current income tax payable and deferred tax liabilities were $811,000 (2022: $833,000) and $19,000 (2022: $39,000) respectively. The Group's deferred tax assets were $383,000 (2022: $427,000) at the end of the financial year.

4. Revenue

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

	Property development $'000	Gas distribution $'000	Electronics and trading $'000	Total $'000
2023				
Primary geographical markets				
Singapore	**–**	**–**	**3,267**	**3,267**
PRC	**–**	**60,377**	**5,235**	**65,612**
Taiwan	**–**	**–**	**951**	**951**
USA	**–**	**–**	**926**	**926**
Europe	**–**	**–**	**557**	**557**
Others	**–**	**–**	**2,847**	**2,847**
	–	**60,377**	**13,783**	**74,160**
Major product lines				
Semi-conductor components	**–**	**–**	**13,783**	**13,783**
Gas installation and connection	**–**	**11,702**	**–**	**11,702**
Gas delivery and usage	**–**	**46,761**	**–**	**46,761**
Service concession revenue	**–**	**1,914**	**–**	**1,914**
	–	**60,377**	**13,783**	**74,160**
Timing of revenue recognition				
At a point in time	**–**	**11,702**	**13,783**	**25,485**
Over time	**–**	**48,675**	**–**	**48,675**
	–	**60,377**	**13,783**	**74,160**
2022				
Primary geographical markets				
Singapore	–	–	3,469	3,469
PRC	–	60,571	7,241	67,812
Taiwan	–	–	1,562	1,562
USA	–	–	394	394
Europe	–	–	707	707
Others	–	–	1,449	1,449
	–	60,571	14,822	75,393
Major product lines				
Semi-conductor components	–	–	14,822	14,822
Gas installation and connection	–	12,088	–	12,088
Gas delivery and usage	–	43,388	–	43,388
Service concession revenue	–	5,095	–	5,095
	–	60,571	14,822	75,393
Timing of revenue recognition				
At a point in time	–	12,088	14,822	26,910
Over time	–	48,483	–	48,483
	–	60,571	14,822	75,393

4. Revenue (cont'd)

	Group	
	2023	2022
	$'000	$'000
Revenue recognised during the financial year from:		
Amounts included in contract liabilities at the beginning of the financial year (Note 24)	**21,312**	19,536

Management expects that $16,325,000 (2022: $21,312,000) of the advance payments from customers as at the end of reporting period will be recognised as revenue during the next reporting period.

5. Other income

	Group	
	2023	2022
	$'000	$'000
Government grants	**16**	12
Sundry income	**137**	193
Recovery of legal costs (Note 33(ii))	**175**	–
	328	205

6. Employee benefits expenses

	Group	
	2023	2022
	$'000	$'000
*Key management personnel**		
Short-term employee benefits	**875**	943
Defined contribution plans	**28**	25
	903	968
Other staff		
Short-term employee benefits	**5,678**	5,737
Defined contribution plans	**381**	379
	6,962	7,084
* Comprise amounts paid to:		
Directors of the Company		
- Remuneration, allowances and bonuses	**391**	457
Directors of subsidiaries		
- Remuneration, allowances and bonuses	**181**	178
- Defined contribution plan expenses	**14**	14
Other key management personnel ("KMP")		
- Salaries, allowances and bonuses	**303**	308
- Defined contribution plan expenses	**14**	11
	903	968

7. Finance costs

	Group	
	2023	2022
	$'000	$'000
Interest expenses		
- lease liabilities (Note 12)	**11**	27
- bank borrowings	**1,164**	1,056
- bank overdrafts	**76**	86
- other bank charges	**58**	42
	1,309	1,211

8. Loss before income tax

Loss before income tax is arrived at after charging the following:

	Group	
	2023	2022
	$'000	$'000
Audit fees		
- auditor of the Company	**145**	145
- other auditors	**148**	113
Non-audit fees		
- auditor of the Company	**8**	8
- other auditors	**3**	11
Provision for Directors' fees		
- Directors of the Company	**86**	88
General repair and maintenance	**286**	358
Professional and consultancy fees	**868**	1,512
Travelling expenses	**302**	186
Utilities	**323**	316
Safety production expenses	**909**	860

9. Income tax expense/(credit)

	Group	
	2023	2022
	$'000	$'000
Income tax expense/(credit) for the financial year consist of:		
Current income tax		
- current year	**656**	1,365
- under/(over) provision in prior years	**24**	(5)
Deferred tax assets (Note 23)		
- current year	**10**	42
Deferred tax liabilities (Note 23)		
- current year	**(20)**	(3,110)
	670	(1,708)

9. Income tax expense/(credit) (cont'd)

Domestic income tax is calculated at 17% (2022: 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% (2022: 25%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expense/(credit) on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to loss in the countries where the Group operates due to the following factors:

	Group	
	2023	2022
	$'000	$'000
Loss before income tax	**(7,275)**	(13,992)
Tax at domestic rates applicable to loss in the countries where the Group operates in	**(1,602)**	(2,013)
Expenses not deductible for tax purposes	**1,989**	501
Income not subject to tax	**(224)**	(442)
Deferred tax assets not recognised	**520**	263
Under/(over) provision in prior years	**24**	(5)
Others	**(37)**	(12)
	670	(1,708)

Unrecognised deferred tax asset

	Group	
	2023	2022
	$'000	$'000
At beginning of the financial year	**9,427**	9,188
Additions	**520**	263
Exchange translation difference	**(144)**	(24)
At end of the financial year	**9,803**	9,427

Unrecognised deferred tax asset is attributable to unutilised tax losses.

As at 30 April 2023, the Group has unutilised tax losses of approximately $50,432,000 (2022: $48,578,000) which are available to offset against future taxable profit subject to the agreement of the relevant tax authorities and compliance with certain provision of the tax legislation of the respective countries in which the Group operates. The related deferred tax asset has not been recognised in the financial statements due to the unpredictability of future revenue streams.

The unutilised tax losses can be carried forward indefinitely except for those arising from the subsidiaries in the jurisdiction of PRC amounting to $2,351,000 (2022: $1,116,000) which can only be utilised to offset against its future taxable profits within five years from the date the tax losses were incurred. The unutilised tax losses in the PRC will expire at various dates up to and including 2028.

10. Loss per share

The calculation of the basic and diluted loss per share attributable to equity holders of the Company is based on the following data:

	Group	
	2023	2022
	$'000	$'000
Losses		
Loss for the financial year attributable to equity holders of the Company	**(6,058)**	(12,288)
Number of shares ('000)		
Number of shares	**6,180,800**	6,180,800
Weighted average number of ordinary shares in issue	**6,180,800**	6,180,800
Loss per share (in cents)		
Basic and diluted	**(0.098)**	(0.199)

11. Intangible assets

Group	Intellectual rights $'000	Distribution and licensing rights $'000	Exploration and extraction rights $'000	Land use rights $'000	Service concession arrangements $'000	Total $'000
2023						
Cost						
At 1 May 2022	688	38,748	10,761	2,034	101,742	153,973
Additions	–	–	–	–	1,914	1,914
Exchange translation difference	–	–	(327)	(166)	(8,169)	(8,662)
At 30 April 2023	**688**	**38,748**	**10,434**	**1,868**	**95,487**	**147,225**
Accumulated amortisation and impairment loss						
At 1 May 2022	688	38,748	10,761	686	33,177	84,060
Amortisation	–	–	–	92	3,766	3,858
Impairment loss	–	–	–	–	3,977	3,977
Exchange translation difference	–	–	(327)	(58)	(2,707)	(3,092)
At 30 April 2023	**688**	**38,748**	**10,434**	**720**	**38,213**	**88,803**
Representing:						
Accumulated amortisation	–	20,450	2,296	720	32,760	56,226
Accumulated impairment loss	688	18,298	8,138	–	5,453	32,577
	688	**38,748**	**10,434**	**720**	**38,213**	**88,803**
Net carrying amount						
At 30 April 2023	**–**	**–**	**–**	**1,148**	**57,274**	**58,422**
Remaining useful lives	Indefinite	13 - 17 years	8 years	13 years	12 - 16 years	

11. Intangible assets (cont'd)

Group	Intellectual rights $'000	Distribution and licensing rights $'000	Exploration and extraction rights $'000	Land use rights $'000	Service concession arrangements $'000	Total $'000
2022						
Cost						
At 1 May 2021	688	37,315	10,364	1,984	94,451	144,802
Additions	–	–	–	–	5,095	5,095
Exchange translation difference	–	1,433	397	50	2,196	4,076
At 30 April 2022	688	38,748	10,761	2,034	101,742	153,973
Accumulated amortisation and impairment loss						
At 1 May 2021	688	25,502	10,364	604	27,482	64,640
Amortisation	–	1,269	–	67	3,547	4,883
Impairment loss	–	11,242	–	–	1,476	12,718
Exchange translation difference	–	735	397	15	672	1,819
At 30 April 2022	688	38,748	10,761	686	33,177	84,060
Representing:						
Accumulated amortisation	–	20,450	2,296	686	31,701	55,133
Accumulated impairment loss	688	18,298	8,465	–	1,476	28,927
	688	38,748	10,761	686	33,177	84,060
Net carrying amount						
At 30 April 2022	–	–	–	1,348	68,565	69,913
Remaining useful lives	Indefinite	14 - 18 years	9 years	14 years	13 - 17 years	

Management performed an impairment test as HZLH group is loss-making during the current financial year. Based on management's assessment, the carrying amount of the HZLH group's cash-generating unit under the gas distribution segment as at 30 April 2023 exceeds its recoverable amount of $57,274,000 (2022: $68,565,000). Henceforth, management is of the view that the Group will not be able to recover fully the carrying amount of the intangible assets, and accordingly a further impairment of $3,977,000 (2022: $12,718,000) was made. Recoverable amount is the higher of FVLCD and value-in-use. The recoverable amount has been computed based on the FVLCD, determined based on valuation performed by an independent firm of professional valuers using the guideline publicly-traded comparable ("GPC") method under market-based approach.

EV/EBITDA - where the enterprise value is divided by earnings before interest, tax, depreciation, and amortisation of HZLH group is used. The median EV/EBITDA is adopted from several listed companies with business scopes and operations similar to HZLH group.

The fair value measurement is categorised as a Level 3 fair value inputs to the valuation technique used (Note 31).

11. Intangible assets (cont'd)

Sensitivity to changes in assumptions

With regard to the assessment of FVLCD for HZLH group, a 5% decrease in the EBITDA or median EV/EBITDA would result in additional impairment of $2,134,000 (2022: $2,402,000).

At the end of the financial year, the Group has intangible asset in relation to infrastructure under service concession arrangements with a carrying amount of approximately $54,417,000 (2022: $48,541,000) pledged to financial institutions as security for bank borrowings granted to certain subsidiaries (Note 22).

Non–cash consideration

Additions to service concession arrangements during the financial years ended 30 April 2023 and 30 April 2022 are in relation to the service concession revenue recognised by the Group (Note 4).

Service concession arrangements

As disclosed in Note 3.1 to the financial statements, HZLH group supplies 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").

The Group has determined that such exclusive contracts fall within the scope of SFRS(I) INT 12 *Service Concession Arrangements* (the "Interpretation") and has recognised its service concession arrangements as an intangible asset to the extent that it has a right to charge users of the public service.

12. Property, plant and equipment

Group	Leasehold building	Office equipment	Plant and equipment	Motor vehicles	Offices and premises	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2023						
Cost						
At 1 May 2022	12,341	1,710	3,417	1,286	1,326	20,080
Additions	313	51	–	38	939	1,341
Disposals and written off	–	–	–	(530)	(1,292)	(1,822)
Exchange translation difference	(961)	(26)	–	(88)	(2)	(1,077)
At 30 April 2023	**11,693**	**1,735**	**3,417**	**706**	**971**	**18,522**
Accumulated depreciation						
At 1 May 2022	4,158	1,614	2,566	1,147	1,011	10,496
Charge for the financial year	25	49	167	32	337	610
Disposals and written off	–	–	–	(441)	(1,292)	(1,733)
Exchange translation difference	(303)	(22)	–	(79)	(1)	(405)
At 30 April 2023	**3,880**	**1,641**	**2,733**	**659**	**55**	**8,968**
Net carrying amount						
At 30 April 2023	**7,813**	**94**	**684**	**47**	**916**	**9,554**

12. Property, plant and equipment (cont'd)

Group	Leasehold building $'000	Office equipment $'000	Plant and equipment $'000	Motor vehicles $'000	Construction in progress $'000	Offices and premises $'000	Total $'000
2022							
Cost							
At 1 May 2021	11,862	1,669	3,417	1,253	–	1,327	19,528
Additions	23	53	–	11	171	–	258
Disposals and written off	–	(19)	–	(4)	–	–	(23)
Reclassifications	171	–	–	–	(171)	–	–
Exchange translation difference	285	7	–	26	–	(1)	317
At 30 April 2022	12,341	1,710	3,417	1,286	–	1,326	20,080
Accumulated depreciation							
At 1 May 2021	3,786	1,555	2,454	1,084	–	673	9,552
Charge for the financial year	289	71	112	45	–	338	855
Disposals and written off	–	(18)	–	(4)	–	–	(22)
Exchange translation difference	83	6	–	22	–	–	111
At 30 April 2022	4,158	1,614	2,566	1,147	–	1,011	10,496
Net carrying amount							
At 30 April 2022	8,183	96	851	139	–	315	9,584

Company	Office equipment $'000	Motor vehicles $'000	Total $'000
2023			
Cost			
At 1 May 2022	27	201	228
Additions	5	–	5
At 30 April 2023	**32**	**201**	**233**
Accumulated depreciation			
At 1 May 2022	23	180	203
Charge for the financial year	2	5	7
At 30 April 2023	**25**	**185**	**210**
Net carrying amount			
At 30 April 2023	**7**	**16**	**23**

12. Property, plant and equipment (cont'd)

Company	Office equipment $'000	Motor vehicles $'000	Total $'000
2022			
Cost			
At 1 May 2021	23	194	217
Additions	4	11	15
Disposals	–	(4)	(4)
At 30 April 2022	27	201	228
Accumulated depreciation			
At 1 May 2021	22	180	202
Charge for the financial year	1	4	5
Disposals	–	(4)	(4)
At 30 April 2022	23	180	203
Net carrying amount			
At 30 April 2022	4	21	25

Included in additions are right-of-use assets recognised of $939,000 (2022: $Nil).

The Group's leasing activities comprise the following:

a) The Group leases offices and premises, and motor vehicle from non-related parties. The leases have an average tenure of between three to four years; and

b) The Group leases certain office equipment with contractual terms of 6 months to three years. These leases are either short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 30(b)(iii).

12. Property, plant and equipment (cont'd)

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in statement of financial position

	Group	
	2023	2022
	$'000	$'000
Carrying amount of right-of-use assets		
Land use rights (Note 11)	**1,148**	1,348
Motor vehicle	**7**	11
Offices and premises under leases	**916**	315
	2,071	1,674
Carrying amount of lease liabilities (Note 22)		
Current	**302**	340
Non-current	**616**	4
	918	344
Additions to right-of-use assets		
Offices and premises	**939**	–

Amounts recognised in profit or loss

	Group	
	2023	2022
	$'000	$'000
Amortisation and depreciation charge for the financial year		
Land use rights (Note 11)	**92**	67
Motor vehicle	**4**	4
Offices and premises under leases	**337**	338
	433	409
Lease expense not included in the measurement of lease liabilities:		
Lease expense - short-term leases	**18**	15
Lease expense - low value assets	**15**	25
Interest expense arising from lease liabilities (Note 7)	**11**	27

Total cash flows for leases during the financial year amounted to $409,000 (2022: $424,000).

13. Investments in subsidiaries

	Company	
	2023	2022
	$'000	$'000
Unquoted equity shares, at cost	**184,793**	184,793
Quasi-equity loan	**97,386**	97,386
	282,179	282,179
Less: Allowance for impairment	**(242,087)**	(239,367)
Net carrying amount	**40,092**	42,812

The movement in the allowance for impairment is as follows:

	Company	
	2023	2022
	$'000	$'000
At beginning of the financial year	**239,367**	233,671
Addition	**2,720**	5,696
At end of the financial year	**242,087**	239,367

Quasi-equity loan

Quasi-equity loan represents an interest-free loan provided by the Company to its subsidiaries, Excellent Empire Limited ("EEL") and Renaissance United Group Sdn. Bhd. ("RUG"), which are not expected to be repaid in the foreseeable future. EEL has in turn substantially invested the proceeds from the quasi-equity loan to expand the operations of natural gas in the PRC.

Impairment test for investment in subsidiaries

Management has assessed the recoverable amounts of EEL group and ESA Electronics Pte. Ltd. at the end of the financial year based on FVLCD method.

EEL group

Management performed an impairment test for investment in EEL as this subsidiary had been persistently making losses. During the financial year ended 30 April 2023, an impairment loss of $2,720,000 (2022: $5,696,000) has been recognised in profit or loss for its investment in EEL group. The Company's carrying amount of its cost of investment in EEL as at 30 April 2023 amounted to $34,781,000 (2022: $37,501,000). The quasi–equity loan to EEL had been fully impaired since the financial year ended 30 April 2019.

The recoverable amount of EEL is mainly derived from the recoverable amount of HZLH group and Capri.

13. Investments in subsidiaries (cont'd)

EEL group (cont'd)

Recoverable amount is the higher of FVLCD and value-in-use. The recoverable amount of HZLH group has been computed based on the FVLCD, determined based on valuation performed by an independent firm of professional valuers using the guideline publicly-traded comparable ("GPC") method under market-based approach. Please refer to Note 11 for details. The arrived equity value is adjusted for control premium of 42.9% (2022: 32.0%), and discounted for lack of marketability of 15.7% (2022: 15.8%).

The recoverable amount of Capri is based on the net realisable value of its development property and net assets.

The fair value measurement is categorised as a Level 3 fair value inputs to the valuation technique used.

With regard to the assessment of recoverable amount for EEL, a 1% decrease in the EBITDA or median EV/EBITDA would result in additional impairment of $315,000 (2022: $335,000).

ESA Electronics Pte. Ltd.

The Company's carrying amount of its cost of investment in ESA Electronics Pte. Ltd. ("ESA") as at 30 April 2023 amounted to $5,310,000 (2022: $5,310,000). Impairment loss amounted to $16,725,000 has been recognised in prior years.

During the financial year ended 30 April 2023, management performed an impairment test for investment in ESA. Recoverable amount is the higher of FVLCD and value-in-use. The recoverable amount of investment in ESA has been computed based on the FVLCD, determined based on valuation performed by an independent firm of professional valuers using the weighted of discounted cash flow (for FVLCD) method and GPC (for FVLCD) method.

Discounted cash flow (for FVLCD) method - revenue is projected to grow between 1.2% - 15.0% (2022: 3.0% - 20.0%) per annum during the period from 2024 to 2028, with gross profit margin based on the actual gross profit margin achieved in 2023. Inflation rate of 2.0% (2022: 2.0%) per annum and terminal growth rate of 2.0% (2022: 2.0%) is applied. The future cash flows are discounted to their present value using a pre-tax discount rate of 14.0% (2022: 12.5%) per annum. The arrived equity value is discounted for lack of marketability of 12.0% (2022: 12.7%).

GPC (for FVLCD) method - the median EV/EBITDA is adopted from several listed companies with business scopes and operations similar to ESA. The arrived equity value is discounted for lack of marketability of 12.0% (2022: 12.7%).

The fair value measurement is categorised as a Level 3 fair value inputs to the valuation technique used.

With regard to the assessment of FVLCD for ESA, a 1% decrease in the gross profit margin based on management's estimation would result in additional impairment of $60,000 (2022: $580,000).

13. Investments in subsidiaries (cont'd)

Other entities

Management performed an impairment test for the investment in other entities in the Group. The recoverable amount of the remaining entities has been computed based on FVLCD. The FVLCD is determined based on the net assets of the respective entities which management had estimated that the book value is fairly comparable at market value which approximates the FVLCD of the entities. The fair value measurement is categorised as a Level 3 fair value inputs to the valuation technique used.

a) Details of subsidiaries held by the Company are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and operations	Effective equity interest held by the Group	
			2023	2022
			%	%
Ipco Constructors Private Limited(1)	Engineering, construction and warehousing	Singapore	**100**	100
Friendship Bridge Holding Company Private Limited(1)	Investment securities trading	Singapore	**100**	100
Nueviz Investment Private Limited(1)	Investment securities trading	Singapore	**100**	100
ESA Electronics Pte. Ltd.(2)	Trading and providing consultancy services in semi-conductor industry	Singapore	**81.25**	81.25
Ipco International Construction Limited#	Dormant	Hong Kong	**100**	100
Millgate Asia Limited#	Dormant	Hong Kong	**100**	100
Renaissance United Development Sdn. Bhd.#	Engineering, construction and infrastructure development	Malaysia	**100**	100
Renaissance United Group Sdn. Bhd.#	Investment holding	Malaysia	**100**	100
Ambico Sendirian Berhad#	Dormant	Brunei	**100**	100
Ipco-Prebumi (B) Sendirian Berhad#	Under liquidation	Brunei	**70**	70
Ipco Contractors (S.A.)#	Dormant	British Virgin Islands	**100**	100
Excellent Empire Limited ("EEL")*	Investment holding	British Virgin Islands	**100**	100

13. Investments in subsidiaries (cont'd)

a) Details of subsidiaries held by the Company are as follows (cont'd):

Name of subsidiaries	Principal activities	Country of incorporation and operations	Effective equity interest held by the Group 2023 %	2022 %
Held by Ipco Contractors (S.A.):				
Ipco China Gas Pipelines Limited#	Dormant	British Virgin Islands	**70**	70
Held by Renaissance United Development Sdn. Bhd.:				
Renaissance United Asset Sdn. Bhd.#	Dormant	Malaysia	**100**	100
Held by Renaissance United Group Sdn. Bhd.:				
Gulf Asia Holdings Ltd#	Dormant	Malaysia	**100**	100
Held by ESA Electronics Pte. Ltd.:				
ESA Assembly Pte. Ltd.(2)	Manufacturers, assemblers, installers, maintainers, repairers of and dealers in electronic components	Singapore	**81.25**	81.25
Held by Excellent Empire Limited:				
Capri Investment L.L.C.*	Residential estate development	United States of America	**100**	100
China Environmental Energy Protection Investment Limited*	Investment holding	Samoa	**100**	100
Renaissance United Washington, LLC*	Investment holding	United States of America	**100**	–
Held by China Environmental Energy Protection Investment Limited:				
Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH")(3)	Providing management services	People's Republic of China	**65**	65

13. Investments in subsidiaries (cont'd)

a) Details of subsidiaries held by the Company are as follows (cont'd):

Name of subsidiaries	Principal activities	Country of incorporation and operations	Effective equity interest held by the Group 2023 %	2022 %
Held by Hubei Zonglianhuan Energy Investment Management Inc.:				
Anlu Jiaxu Natural Gas Company Limited(3)	Natural gas distribution	People's Republic of China	**65**	65
Dawu Jiaxu Natural Gas Company Limited(3)	Natural gas distribution	People's Republic of China	**65**	65
Xiaochang Jiaxu Natural Gas Company Limited(3)	Natural gas distribution	People's Republic of China	**65**	65
Guangshui Zhong Huan Gas Development Co., Ltd(3)	Natural gas distribution	People's Republic of China	**65**	65
Weihai Nanhai Zhong Huan Natural Gas Co., Ltd#	Dormant	People's Republic of China	**58.5**	58.5
Hai Yang Zhong Huan Natural Gas Co., Ltd#	Dormant	People's Republic of China	**58.5**	58.5
Rushan Zhong Huan Natural Gas Co., Ltd#	Dormant	People's Republic of China	**58.5**	58.5
Sino Gas Holdings Pte. Limited#	Investment holding	Singapore	**58.5**	58.5
Held by Anlu Jiaxu Natural Gas Company Limited:				
Anlu Jiaxu Natural Gas Wei Huo Transportation Company Limited(3)	Transportation of natural gas	People's Republic of China	**65**	65

Notes:

(1) Audited by Baker Tilly TFW LLP

(2) Audited by RSM Chio Lim LLP

(3) Audited by BDO China Shu Lun Pan CPAs LLP, People's Republic of China

* Not required to be audited by law of country of incorporation

Not considered as a significant subsidiary as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited

13. Investments in subsidiaries (cont'd)

a) Details of subsidiaries held by the Company are as follows (cont'd):

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and the Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

b) Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information in relation to the subsidiaries that have non-controlling interests ("NCI") that are material to the Group. The summarised financial information is presented before inter-company eliminations.

	Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries		**ESA Electronics Pte. Ltd. and its subsidiary**	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Summarised statements of profit or loss and other comprehensive income				
Revenue	**60,377**	60,571	**13,783**	14,822
(Loss)/profit before income tax	**(4,745)**	1,079	**(98)**	364
Income tax expense	**(523)**	(1,117)	**(135)**	(271)
(Loss)/profit after income tax	**(5,268)**	(38)	**(233)**	93
(Loss)/profit allocated to NCI	**(1,843)**	(13)	**(44)**	17
Other comprehensive (loss)/income allocated to NCI	**(1,642)**	366	**–**	–
Total comprehensive (loss)/income allocated to NCI	**(3,485)**	353	**(44)**	17
Summarised statements of financial position				
Assets				
Current assets	**11,073**	14,576	**10,657**	11,508
Non-current assets	**67,299**	79,168	**1,165**	733
Liabilities				
Current liabilities	**(34,131)**	(42,852)	**(4,170)**	(4,401)
Non-current liabilities	**(11,116)**	(7,808)	**(637)**	(39)
Net assets	**33,125**	43,084	**7,015**	7,801
Accumulated non–controlling interests	**11,594**	15,079	**1,315**	1,462

13. Investments in subsidiaries (cont'd)

b) Summarised financial information of subsidiaries with material non-controlling interests (cont'd)

During the financial year ended 30 April 2023, ESA Electronics Pte. Ltd. declared and paid out a final one-tier tax-exempt dividend of $0.21 per ordinary share amounting to approximately $47,000 on 19 September 2022 and an interim one-tier tax-exempt dividend of $0.25 per ordinary share amounting to approximately $56,000 on 18 January 2023 respectively to its non-controlling interests.

	Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries		**ESA Electronics Pte. Ltd. and its subsidiary**	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Summarised statements of cash flows				
Cash flows (used in)/generated from operating activities	**(1,485)**	(1,178)	**656**	1,446
Cash flows (used in)/generated from investing activities	**(282)**	(35)	**226**	(31)
Cash flows generated from/(used in) financing activities	**163**	(478)	**(992)**	(444)
Net cash (outflows)/inflows	**(1,604)**	(1,691)	**(110)**	971

14. Convertible loan

On 25 June 2011, a subsidiary entered into a Convertible Loan Agreement with Hudson Minerals Holdings Pte Ltd ("Hudson"), to advance Hudson an amount of A$720,000 (or $900,000 equivalent) ("Advance") at an interest rate of 9.0% per annum. The Group has the right to convert in part or in full the Advance ("Option"), into ordinary shares at the conversion price of A$119.45 per ordinary share for a total of 6,028 ordinary shares within forty-eight months after the drawdown date.

During the financial year ended 30 April 2017, the Group agreed to extend the loan repayment together with interest due to 31 December 2020 with all other terms of the agreement remained unchanged.

On 1 March 2021, the Group commenced legal proceedings in the High Court of Singapore against Hudson to recover the principal sum and interest due to it under the Convertible Loan Agreement. On 13 April 2021, the Group obtained a judgement by the High Court of Singapore against Hudson i) to recover the sum of $1,545,297, ii) the interest at the rate of 5.33% p.a. from the date of the Writ of Summons to the payment date, iii) and the cost at $2,300.

Based on the recoverability assessment performed by management, the principal was fully impaired before the financial year ended 30 April 2017 and the interest receivable on the convertible loan was fully impaired during the financial year ended 30 April 2020. As at 30 April 2023, the net principal and interest receivable on the convertible loan amounted to $1,491,000 (2022: $1,491,000).

15. Inventories

	Group	
	2023	2022
	$'000	$'000
Work-in-progress	**1,297**	661
Saleable merchandise	**1,320**	1,488
	2,617	2,149

The cost of inventories recognised as an expense and included in "raw materials and consumables used" amounted to $6,845,000 (2022: $8,492,000).

16. Development property

	Group	
	2023	2022
	$'000	$'000
Unsold development property		
Land at cost	**4,246**	4,371
Development costs	**27**	9
	4,273	4,380

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 Falling Water planned preliminary plat/planned development district ("PDD"), originally approved in 1997, granted Capri entitlements to develop 979 residential lots and non-residential uses subject to conditions set out in a 2003 Major Amendment and yearly extensions of the preliminary plat approval. The development property that Capri has for sale are Tax Parcels which are "sewn together" to form the PDD and are subject to the additional conditions imposed by the Hearing Examiner on 28 March 2018.

On 28 March 2018, the Hearing Examiner released his decision granting the twenty-first annual extension of the preliminary plat, with conditions. The major conditions imposed by the Hearing Examiner are:

(1) Residential lots capped at 592 units, all of which are for detached single-family homes.

(2) Compliance timeline for completion of Phases 1-10 of the Preliminary Plat/PDD approval for Falling Water consisting of 261 residential lots; future annual extensions will be granted through buildout as long as compliance with the timeline is achieved.

(3) Tracts designated for future development shall be evaluated for non-residential uses permitted in the underlying zoning at the time of application. With the extension having been granted, Capri is now focused on completing the engineering work plans required as per the extension approval and compliance timeline.

Developments during the current financial year are as described in Note 3.1(a).

17. Trade and other receivables

		Group		Company	
		2023	2022	**2023**	2022
		$'000	$'000	**$'000**	$'000
Non-current					
Non-trade receivables					
- advances to sub-contractors		**14**	15	**–**	–
Current					
Trade receivables					
- third parties	(a)	**5,075**	7,591	**–**	–
Less: Allowance for impairment		**(144)**	(7)	**–**	–
		4,931	7,584	**–**	–
Non-trade receivables					
- third parties	(b)	**18,495**	18,423	**41**	41
- KMP	(c)	**2,618**	2,851	**–**	–
Less: Allowance for impairment		**(18,270)**	(19,132)	**(32)**	(32)
		2,843	2,142	**9**	9
Due from subsidiaries	(d)	**–**	–	**33,566**	33,688
Less: Allowance for impairment		**–**	–	**(33,242)**	(33,661)
		–	–	**324**	27
Goods and services tax recoverable, net		**170**	149	**1**	4
Prepayments		**3,612**	3,674	**5**	15
Rental, utilities and other deposits		**136**	155	**2**	20
Staff advances		**24**	12	**–**	–
		3,942	3,990	**8**	39
Total current receivables		**11,716**	13,716	**341**	75
Total trade and other receivables		**11,730**	13,731	**341**	75

(a) Trade receivables due from third parties for the electronics and trading segment are non-interest bearing and generally have credit terms of 30 to 90 days (2022: 30 to 90 days). Trade receivable due from a third party for property development segment of US$2,119,000 (approximately $2,833,000) (2022: US$2,780,000 (approximately $3,833,000) is non-interest bearing and is due at the earlier of the fifth anniversary of the closing or upon the customer's individual home sales to third parties, whichever is earlier. Management anticipates the balance amount to be paid over the next 12 months (Note 3.1).

17. Trade and other receivables (cont'd)

(b) The current non-trade receivables due from third parties included an amount of $5,160,000 (2022: $5,617,000) arising from the disposal of 20% equity interest in HZLH to a third party with a payment term of 3 years and expired in 2019. The amount was impaired during the financial year ended 30 April 2018 based on the recoverability assessment performed by management.

All other current non-trade receivables are unsecured, interest-free and repayable on demand.

(c) The amount due from KMP, Mr. On Wang Sang, arising from consideration receivable from the disposal of HZLH shares by China Environmental Energy Protection Investment Limited ("CEEP") remains payable. The Directors are in negotiation with Mr. On to resolve the outstanding payment. The amount was impaired during the financial year ended 30 April 2019.

(d) The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand and to be settled in cash.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Singapore dollar	**756**	858	**114**	75
United States dollar	**5,358**	7,330	**227**	–
Renminbi	**5,599**	5,495	**–**	–
Others	**17**	48	**–**	–
	11,730	13,731	**341**	75

18. Financial assets at fair value through profit or loss

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**535**	553	**501**	502
Fair value loss	**(19)**	(18)	**(1)**	(1)
At end of the financial year	**516**	535	**500**	501

18. Financial assets at fair value through profit or loss (cont'd)

Financial assets at fair value through profit or loss comprise the following:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Held for trading				
Listed securities:				
- equity securities (Singapore)	**516**	533	**500**	501
- equity securities (Malaysia)	**–**	2	**–**	–
	516	535	**500**	501

The fair value of these securities is based on closing quoted market prices on the last market day of the financial year.

19. Cash and cash equivalents

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cash and cash equivalents as per statements of financial position	**12,731**	16,649	**38**	723
Bank overdrafts (Note 22)	**(1,355)**	(1,347)	**–**	–
Cash pledged for bank facilities (Note 22)	**(2,350)**	(2,600)	**–**	–
As per consolidated statement of cash flows	**9,026**	12,702	**38**	723

Cash and bank balances of the Group amounting to $2,350,000 (2022: $2,600,000) were pledged to banks to secure credit facilities granted to the subsidiaries (Note 22).

Significant restriction

Cash and bank balances of approximately $5,334,000 (2022: $7,204,000), equivalent to RMB27,703,000 (2022: RMB34,371,000) 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.

19. Cash and cash equivalents (cont'd)

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Singapore dollar	**2,769**	3,218	**17**	125
United States dollar	**3,592**	4,889	**21**	598
Renminbi	**5,334**	7,204	**–**	–
Others	**1,036**	1,338	**–**	–
	12,731	16,649	**38**	723

20. Trade and other payables

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Trade payables				
- third parties	**8,776**	9,903	**–**	–
Non-trade payables				
- third parties	**1,961**	2,880	**266**	300
- subsidiaries	**–**	–	**5,880**	5,885
- KMP	**1,011**	56	**14**	14
Accrued operating expenses	**2,240**	2,397	**159**	158
	5,212	5,333	**6,319**	6,357
Total trade and other payables	**13,988**	15,236	**6,319**	6,357

Trade payables are non-interest bearing and are generally settled on 60 to 90 days (2022: 60 to 90 days) terms.

The non-trade payables are unsecured, interest-free and repayable on demand and to be settled in cash.

Reconciliation of movement of non-trade payables to cash flows arising from financing activities:

	Balance at 1 May 2022	**Advance**	**Balance at 30 April 2023**
	$'000	$'000	**$'000**
Amount due to KMP	56	955	**1,011**

	Balance at 1 May 2021	Advance	Balance at 30 April 2022
	$'000	$'000	$'000
Amount due to KMP	56	–	56

20. Trade and other payables (cont'd)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Singapore dollar	**1,833**	2,731	**5,604**	5,601
Ringgit Malaysia	**2,829**	2,987	**715**	756
Renminbi	**9,233**	9,401	**–**	–
Others	**93**	117	**–**	–
	13,988	15,236	**6,319**	6,357

21. Provisions

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Provision for employee benefits	**7**	5	**3**	1
Provision for directors' fees	**9**	27	**–**	–
	16	32	**3**	1

Movements in provisions during the financial year:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**32**	71	**1**	6
Provisions made during the financial year	**16**	32	**3**	1
Amount utilised during the financial year	**(32)**	(71)	**(1)**	(6)
At end of the financial year	**16**	32	**3**	1

22. Borrowings

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Secured				
Bank borrowings	**19,670**	19,921	**–**	–
Bank overdrafts (Note 19)	**1,355**	1,347	**–**	–
	21,025	21,268	**–**	–
Unsecured				
Loan from a third party	**540**	557	**–**	–
Lease liabilities (Note 12)	**918**	344	**–**	–
Total borrowings	**22,483**	22,169	**–**	–
Less: Amount due for settlement within 12 months	**(10,751)**	(14,357)	**–**	–
Amount due for settlement after 12 months	**11,732**	7,812	**–**	–

(a) The bank borrowings of the Group included amount of $19,670,000 (2022: $19,921,000) which are secured by infrastructure under service concession arrangements (Note 11). Interest is charged at 3.5% to 6.8% (2022: 4.15% to 6.2%) per annum.

(b) Bank overdrafts are secured by cash pledged as disclosed in Note 19. Interest is charged at 5% (2022: 5%) per annum.

(c) The loan from a third party is unsecured, interest-free and repayable on demand.

(d) Management estimates the carrying amounts of bank borrowings approximate their fair value as these financial liabilities are subject to floating interest rates. This fair value measurement for disclosure purpose is categorised as level 2 of the fair value hierarchy.

(e) Borrowings are denominated in the following currencies:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Singapore dollar	**2,273**	1,691	**–**	–
United States dollar	**540**	557	**–**	–
Renminbi	**19,670**	19,921	**–**	–
	22,483	22,169	**–**	–

22. Borrowings (cont'd)

(f) Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Bank borrowings $'000	Loan from a third party $'000	Lease liabilities $'000	Total $'000
Balance at 1 May 2021	18,874	537	701	20,112
Changes from financing cash flows:				
- Proceeds	6,313	–	–	6,313
- Repayments	(5,734)	–	(357)	(6,091)
- Interest paid	(1,056)	–	(27)	(1,083)
Non-cash changes:				
- Interest expense	1,056	–	27	1,083
Effect of changes in foreign exchange rates	468	20	–	488
Balance at 30 April 2022	19,921	557	344	20,822
Changes from financing cash flows:				
- Proceeds	14,881	–	–	14,881
- Repayments	(13,554)	–	(365)	(13,919)
- Interest paid	(1,164)	–	(11)	(1,175)
Non-cash changes:				
- New leases	–	–	939	939
- Interest expense	1,164	–	11	1,175
Effect of changes in foreign exchange rates	(1,578)	(17)	–	(1,595)
Balance at 30 April 2023	**19,670**	**540**	**918**	**21,128**

23. Deferred tax

	Group	
	2023	2022
	$'000	$'000
Deferred tax assets		
At beginning of the financial year	**427**	459
Charged to profit or loss (Note 9)	**(10)**	(42)
Exchange translation difference	**(34)**	10
At end of the financial year	**383**	427
Deferred tax assets are attributable to the following:		
Property, plant and equipment	**383**	427
Deferred tax liabilities		
At beginning of the financial year	**39**	2,967
Credited to profit or loss (Note 9)	**(20)**	(3,110)
Exchange translation difference	**–**	182
At end of the financial year	**19**	39
Deferred tax liabilities are attributable to the following:		
Intangible assets	**19**	39

At the end of the financial year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $383,000 (2022: $427,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

24. 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. In addition, customers are required to pay in advance for the full contract amount for natural gas installation and connection. If the services have not been rendered by the Group, a contract liability is recognised accordingly.

The following table provides information about contracts with customers:

	Group		
	2023	2022	1.5.2021
	$'000	$'000	$'000
Trade receivables from contracts with customers	**4,931**	7,584	11,563
Contract liabilities	**16,325**	21,312	19,536

24. Contract liabilities (cont'd)

Significant changes in the contract liabilities balances during the financial year are as follows:

	Group	
	2023	2022
	$'000	$'000
Revenue recognised that was included in the contract liability balance at the beginning of the financial year (Note 4)	**21,312**	19,536
Increases due to advances received, excluding amounts recognised as revenue during the financial year (Note 4)	**16,325**	21,312

25. Share capital

	Group and Company			
	Number of share		Issue share capital	
	2023	2022	**2023**	2022
	'000	'000	**$'000**	$'000
Issued and fully paid with no par value				
At beginning and end of the financial year	**6,180,800**	6,180,800	**265,811**	265,811

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.

26. Other reserves

		Group		Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Attributable to equity holders of the Company					
Foreign exchange translation reserve	(a)	**(15,962)**	(14,489)	–	–
Capital reduction reserve	(b)	**1,961**	1,961	**1,961**	1,961
Equity - NCI	(c)	**(5,251)**	(5,251)	–	–
		(19,252)	(17,779)	**1,961**	1,961

(a) 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.

26. Other reserves (cont'd)

(b) 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.

(c) Equity - NCI

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.

The movements of other reserves of the Group are presented in the consolidated statement of changes in equity.

27. 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 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 financial statements, the Group does not have any other related party transactions.

28. Commitments

Capital commitments

Capital commitments contracted for at the end of the financial year but not recognised in the financial statements were as follows:

	Group	
	2023	2022
	$'000	$'000
Purchase in relation to service concession arrangements	**696**	1,442

29. 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. 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.

Business segments

The Group is organised into five main business segments:

- Infrastructure development and turnkey construction;
- Property development;
- Gas distribution, including revenue from service concession (which arose from construction) (Note 2.4);
- 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.

Segment assets consist primarily of property, plant and equipment, intangible assets, development property, deferred tax assets, inventories, receivables, financial assets and operating cash and bank deposits. Segment liabilities comprise payables, provisions, borrowings and deferred tax liabilities. Capital expenditures comprise additions to property, plant and equipment and intangible assets, including those acquired through business combinations.

29. Segment information (cont'd)

Geographic segments

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

- *Singapore*

  The operations in this area are principally the manufacture and sale of electronic components, investment securities trading, and investment holding.

- *People's Republic of China*

  The operations in this area are principally distribution of gas to household, commercial and industrial users.

- *United States of America*

  The operations in this area are principally the development of residential real estate for sale.

- *Taiwan and Europe*

  The operations in these areas are principally acting as agents and distributors of semi-conductor back-end equipment and providing consultancy services in semi-conductor industry.

- *Other countries*

  The operations in these areas are those investment holding.

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.

Information about major customer

During the financial year, there is no major customer (2022: Nil) who individually contributed 10% or more of the Group's revenue.

29. Segment information (cont'd)

Analysis by business segment

	Infrastructure development and turnkey construction		Property development		Gas distribution		Electronics and trading		Investment securities trading		Corporate and others		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue														
Sale to customers	**–**	–	**–**	–	**60,377**	60,571	**13,783**	14,822	**–**	–	**–**	–	**74,160**	75,393
Other items of income	**58**	4	**175**	–	**115**	207	**55**	24	**–**	–	**1**	6	**404**	241
Total external revenue	**58**	4	**175**	–	**60,492**	60,778	**13,838**	14,846	**–**	–	**1**	6	**74,564**	75,634
Segment (loss)/profit	**(708)**	196	**(340)**	(815)	**(4,249)**	(11,439)	**107**	591	**380**	(222)	**(1,290)**	(1,170)	**(6,100)**	(12,859)
Interest income	**58**	4	**–**	–	**17**	29	**1**	3	**–**	–	**–**	–	**76**	36
Interest expenses	**(1)**	(1)	**–**	–	**(1,163)**	(1,056)	**(87)**	(110)	**–**	–	**–**	(2)	**(1,251)**	(1,169)
(Loss)/profit before income tax	**(651)**	199	**(340)**	(815)	**(5,395)**	(12,466)	**21**	484	**380**	(222)	**(1,290)**	(1,172)	**(7,275)**	(13,992)
Income tax (expense)/ credit	**(14)**	–	**2**	(53)	**(523)**	2,032	**(135)**	(271)	**–**	–	**–**	–	**(670)**	1,708
(Loss)/profit for the financial year	**(665)**	199	**(338)**	(868)	**(5,918)**	(10,434)	**(114)**	213	**380**	(222)	**(1,290)**	(1,172)	**(7,945)**	(12,284)
Non-controlling interests	**–**	–	**–**	–	**1,843**	13	**44**	(17)	**–**	–	**–**	–	**1,887**	(4)
(Loss)/profit attributable to equity holders of the Company	**(665)**	199	**(338)**	(868)	**(4,075)**	(10,421)	**(70)**	196	**380**	(222)	**(1,290)**	(1,172)	**(6,058)**	(12,288)

29. Segment information (cont'd)

Analysis by business segment (cont'd)

	Infrastructure development and turnkey construction		Property development		Gas distribution		Electronics and trading		Investment securities trading		Corporate and others		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets and liabilities														
Segment assets	**2,229**	3,156	**7,081**	8,241	**78,447**	92,410	**11,875**	12,241	**10**	19	**584**	1,301	**100,226**	117,368
Segment liabilities	**175**	261	**452**	1,238	**45,334**	50,790	**4,804**	4,419	**1,771**	1,733	**1,106**	1,180	**53,642**	59,621
Additions to non-current assets	**-**	1	**-**	-	**1,341**	207	**-**	35	**-**	-	**-**	15	**1,341**	258
Impairment loss of intangible assets	**-**	-	**-**	-	**3,977**	12,718	**-**	-	**-**	-	**-**	-	**3,977**	12,718
Impairment loss/ (reversal of impairment loss) on trade and other receivables	**-**	-	**-**	-	**-**	-	**131**	(494)	**-**	-	**-**	-	**131**	(494)
Amortisation of intangible assets	**-**	-	**-**	-	**3,858**	4,883	**-**	-	**-**	-	**-**	-	**3,858**	4,883
Depreciation of property, plant and equipment	**9**	9	**-**	-	**62**	348	**532**	492	**-**	-	**7**	6	**610**	855

29. Segment information (cont'd)

Analysis by geographic segments (cont'd)

	Singapore		People's Republic of China		United States of America		Taiwan		Europe		Others		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Sales to external customers	**3,267**	3,469	**65,612**	67,812	**926**	394	**951**	1,562	**557**	707	**2,847**	1,449	**74,160**	75,393
Other items of income	**56**	30	**115**	207	**175**	–	**–**	–	**–**	–	**58**	4	**404**	241
Total external revenue	**3,323**	3,499	**65,727**	68,019	**1,101**	394	**951**	1,562	**557**	707	**2,905**	1,453	**74,564**	75,634
Segment assets	**12,464**	13,557	**78,447**	92,410	**7,081**	8,241	**–**	–	**–**	–	**2,234**	3,160	**100,226**	117,368
Segment liabilities	**7,711**	7,361	**45,334**	50,790	**452**	1,238	**–**	–	**–**	–	**145**	232	**53,642**	59,621
Additions to non-current assets	**–**	50	**1,341**	207	**–**	–	**–**	–	**–**	–	**–**	1	**1,341**	258
Non-current assets	**1,187**	757	**66,783**	78,725	**–**	–	**–**	–	**–**	–	**6**	15	**67,976**	79,497

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

During the financial years ended 30 April 2023 and 2022, there were no inter-segment sales between the geographic segments.

30. Financial instruments

a) Categories of financial instruments

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

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at fair value through profit or loss	**516**	535	**500**	501
Financial assets at amortised cost	**20,665**	26,542	**373**	779
	21,181	27,077	**873**	1,280
Financial liabilities				
Financial liabilities at amortised cost	**36,471**	37,405	**6,319**	6,357

b) Financial risk management

The Group's overall risk management framework is set by the Board of Directors of the Company which sets out the Group's overall business strategies and its risk management philosophy. The Group's overall risk management approach seeks to minimise the adverse effects from the volatility of financial markets on the Group's financial performance.

There has been no change to the Group's exposure to these financial risks or the way in which it manages and measures financial risk. The Group's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Market risks (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

i) Market risk

Foreign currency risk

The carrying value of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the financial year were as follows:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Monetary assets				
Singapore dollar	**2,290**	2,291	**–**	–
United States dollar	**8,633**	10,465	**248**	598
Ringgit Malaysia	**684**	–	**–**	–
Hong Kong dollar	**3**	3	**–**	–
Euro	**309**	229	**–**	–
Others	**40**	51	**–**	–
Monetary liabilities				
Singapore dollar	**2,629**	2,618	**–**	–
United States dollar	**4,029**	3,952	**2,576**	2,699
Ringgit Malaysia	**11**	12	**–**	–
Euro	**8**	5	**–**	–
Others	**21**	22	**–**	–

Sensitivity analysis for foreign exchange risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in a currency other than their respective functional currency. The currencies giving rise to this risk are primarily United States dollar ("USD"). Exposure to foreign currency risk is monitored on an ongoing basis by the Group to ensure that the net exposure is kept at an acceptable level.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

i) Market risk (cont'd)

Sensitivity analysis for foreign exchange risk (cont'd)

If the functional currency changes against the following foreign currencies by 10% (2022: 10%) each respectively at the end of the financial year, assuming that all other variables held constant, the effects arising from the net financial asset position for the Group and of the Company will be as follows:

	Decrease/(increase) Loss before tax	
	2023	2022
	$'000	$'000
Group		
USD/SGD		
Strengthen 10%	**460**	651
Weaken 10%	**(460)**	(651)
Company		
USD/SGD		
Strengthen 10%	**(233)**	(210)
Weaken 10%	**233**	210

Price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These investments are classified as financial assets at fair value through profit or loss. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade equity investments.

Further details of these equity investments can be found in Note 18.

The sensitivity analysis below has been determined based on the exposure to price risks at the end of the financial year.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

i) Market risk (cont'd)

Price risk (cont'd)

Sensitivity analysis for price risk

The sensitivity analysis assumes an instantaneous 30% (2022: 30%) change in the quoted equity prices from the end of the financial year, with all variables held constant.

	Decrease/(increase) Loss before tax	
	2023	2022
	$'000	$'000
Group		
Listed in Singapore		
- Increased by 30%	**155**	160
- Decreased by 30%	**(155)**	(160)
Listed in Malaysia		
- Increased by 30%	**–**	1
- Decreased by 30%	**–**	(1)
Company		
Listed in Singapore		
- Increased by 30%	**150**	150
- Decreased by 30%	**(150)**	(150)

Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to interest-earning fixed deposits and interest-bearing debt obligations with financial institutions.

The Group's fixed deposits are placed at prevailing interest rates.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long-term and short-term borrowings.

The Group's and the Company's exposure to interest rate risks as at the end of the reporting period is not significant.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The exposure to credit risk is monitored and assessed on an on–going basis. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

At the end of financial year, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, cannot be located or are not recoverable despite legal recourse made to recover the debt, and reminders and warning letters issued for debts due for more than 12 months	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Significant increase in credit risk (cont'd)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Definition of default (cont'd)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

The Group's trade receivables comprise 4 debtors (2022: 5 debtors) that represents 75% (2022: 70%) of the trade receivables.

As the Group and the Company do not hold any collateral for trade and other receivables, the maximum exposure to credit risk is the carrying amount of the respective class of financial instruments presented on the statement of financial position. Cash and cash equivalents are placed in banks and financial institutions with good credit ratings.

Trade receivables

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

These trade receivables are grouped based on shared credit risk characteristics and past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor such as when the debtor has been placed under liquidation, has entered into bankruptcy proceedings, cannot be located or are not recoverable despite legal recourse made to recover the debt, including reminders and warning letters issued for debts due for more than 12 months.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Trade receivables (cont'd)

Based on the simplified approach for determining credit loss allowance for trade receivables as at 30 April 2023, an allowance for impairment amounting to $144,000 (2022: $7,000) was recognised for credit-impaired receivables as a result of occurrence of credit impairment events.

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables, rental, utilities and other deposits, staff advances and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets:

Group 2023	**12-month or lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
Trade receivables	Lifetime ECL	**5,075**	**(144)**	**4,931**
Other receivables (current)	Lifetime ECL - credit-impaired	**18,270**	**(18,270)**	**–**
	12-month ECL	**2,843**	**–**	**2,843**
Rental, utilities and other deposits	12-month ECL	**136**	**–**	**136**
Staff advances	12-month ECL	**24**	**–**	**24**
Cash and cash equivalents	N.A. Exposure Limited	**12,731**	**–**	**12,731**
2022				
Trade receivables	Lifetime ECL	7,591	(7)	7,584
Other receivables (current)	Lifetime ECL - credit-impaired	19,132	(19,132)	–
	12-month ECL	2,142	–	2,142
Rental, utilities and other deposits	12-month ECL	155	–	155
Staff advances	12-month ECL	12	–	12
Cash and cash equivalents	N.A. Exposure Limited	16,649	–	16,649

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Company's financial assets:

Company 2023	**12-month or lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
Other receivables (current)	Lifetime ECL - credit-impaired	**41**	**(32)**	**9**
Due from subsidiaries	Lifetime ECL - credit-impaired	**33,566**	**(33,242)**	**324**
Rental, utilities and other deposits	12-month ECL	**2**	**–**	**2**
Cash and cash equivalents	N.A. Exposure Limited	**38**	**–**	**38**
Quasi-equity loan	Lifetime ECL - credit-impaired	**97,386**	**(97,386)**	**–**
2022				
Other receivables (current)	Lifetime ECL - credit-impaired	41	(32)	9
Due from subsidiaries	Lifetime ECL - credit-impaired	33,688	(33,661)	27
Rental, utilities and other deposits	12-month ECL	20	–	20
Cash and cash equivalents	N.A. Exposure Limited	723	–	723
Quasi-equity loan	Lifetime ECL - credit-impaired	97,386	(97,386)	–

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

Movements in credit loss allowance are as follows:

	Current		
	Trade receivables (Note 17) $'000	**Other receivables (Note 17) $'000**	**Total $'000**
Group			
Balance at 1 May 2021	488	18,767	19,255
Loss allowance reversed: Lifetime ECL			
- simplified approach	(494)	–	(494)
Currency translation differences	13	365	378
Balance at 30 April 2022	7	19,132	19,139
Loss allowance measured/(reversed): Lifetime ECL			
- simplified approach	141	–	141
- credit-impaired	–	(10)	(10)
Currency translation differences	(4)	(852)	(856)
Balance at 30 April 2023	**144**	**18,270**	**18,414**

	Non-current	Current		
	Quasi-equity loan (Note 13) $'000	**Trade receivables (Note 17) $'000**	**Due from subsidiaries (Note 17) $'000**	**Total $'000**
Company				
Balance at 1 May 2021	97,386	32	34,616	132,034
Loss allowance reversed: Lifetime ECL				
- credit-impaired	–	–	(466)	(466)
Currency translation differences	–	–	(489)	(489)
Balance at 30 April 2022	97,386	32	33,661	131,079
Loss allowance measured: Lifetime ECL				
- credit-impaired	–	–	130	130
Currency translation differences	–	–	(549)	(549)
Balance at 30 April 2023	**97,386**	**32**	**33,242**	**130,660**

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage liquidity is to ensure the availability of funding through an adequate amount of committed credit facilities from financial institutions.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group's and the Company's going concern assumption is dependent on the assessment as disclosed in Note 3.

The Group's and the Company's financial liabilities based on the remaining year at the end of the financial year to the contractual maturity date based on contractual undiscounted cash flows which include both interest and principal cash flows are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Less than one year:				
Trade and other payables	**13,988**	15,236	**6,319**	6,357
Borrowings	**10,780**	14,288	**–**	–
Lease liabilities	**340**	355	**–**	–
	25,108	29,879	**6,319**	6,357
Between 2 to 5 years:				
Borrowings	**12,534**	9,727	**–**	–
Lease liabilities	**644**	6	**–**	–
	13,178	9,733	**–**	–
	38,286	39,612	**6,319**	6,357

c) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares and obtain new borrowings.

The Group's management reviews the capital structure on an annual basis. As part of the review, management considers the cost of capital and the risk associated with each class of capital. Upon review, the Group will balance its overall capital structure through new share issues as well as the issue of new debt. The Group's overall strategy remains unchanged from 2022.

30. Financial instruments (cont'd)

c) Capital management (cont'd)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity attributable to equity holders of the Company plus net debt.

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Net debt	**23,740**	20,756	**6,281**	5,634
Equity attributable to equity holders of the Company	**33,701**	41,232	**34,672**	37,778
Total capital	**57,441**	61,988	**40,953**	43,412
Gearing ratio	**41%**	33%	**15%**	13%

31. Fair value of assets and liabilities

Fair value hierarchy

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).

	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Group				
2023				
Financial assets				
Financial assets at fair value through profit or loss	**516**	**–**	**–**	**516**
2022				
Financial assets				
Financial assets at fair value through profit or loss	535	–	–	535

31. Fair value of assets and liabilities (cont'd)

Fair value hierarchy (cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
2023				
Financial assets				
Financial assets at fair value through profit or loss	**500**	**–**	**–**	**500**
2022				
Financial assets				
Financial assets at fair value through profit or loss	501	–	–	501

During the financial years ended 30 April 2023 and 30 April 2022, there were no transfers between instruments in Level 1 and Level 2.

32. Other matters

(i) On 2 April 2014 and 29 April 2014, the Company, certain of its subsidiaries, a previous associated company and certain former Directors had received order under Section 20 of the Criminal Procedures Code from Commercial Affairs Department, Singapore Police Force ("CAD") requesting their assistance for an investigation into an alleged offence under the Securities and Futures Act 2001. The CAD had requested for files and financial records, computers, and data storage devices for the period from 1 January 2011 to the respective date of the letters.

On 25 November 2016, Ms. Quah Su-Ling, an ex-Director and ex-Chief Executive Officer of the Company, and Mr. Goh Hin Calm, a former key management personnel of the Company, and another individual were charged in the State Courts for offences under the Securities and Futures Act, Penal Code and Companies Act. Mr. Goh Hin Calm pleaded guilty to the charges and has been convicted accordingly. On 5 May 2022, the remaining 2 persons were convicted by the High Court. On 28 December 2022, Ms. Quah Su-Ling and another individual were sentenced to 20 years and 36 years imprisonment respectively.

As at the date of this report, it is understood that Ms. Quah Su-Ling and another individual have filed notices of appeal. There are no ongoing investigations against the Company and its subsidiaries, and the current Board of Directors of the Company. Investigations against persons who have facilitated the offences are still ongoing.

The Board of Directors of the Company has sought professional advice on this matter. The Board is not aware of any offence being committed within the Company and the Group and is of the view that the business and operations of the Company and of the Group are not unduly affected by the investigations and continue as normal. The Company and the Group will continue to monitor the progress of the investigations.

32. Other matters (cont'd)

(ii) On 13 April 2021, the Group obtained a judgement against Hudson Minerals Holdings Pte Ltd ("Hudson") for the sum of $1,545,297 (being the outstanding principal and interests), the judgement interest and costs (the "Judgement Debt"). Please refer to Note 14 for details.

On 21 May 2021, the Group commenced HC/S 458/2021 in the General Division of the High Court of Singapore against Mr. Carlson Clark Smith ("Mr. Smith") who was a Director at the material times when the loan to Hudson was made and subsequently renewed.

The Group is claiming, inter alia, the following:

(1) A declaration that Mr. Smith has breached his duties owed to a subsidiary as its then director in respect of his acts and omissions concerning the loan to Hudson (including his authorisation of the loan and the renewal thereof);

(2) Damages or equitable compensation, to be assessed; and

(3) Alternative to paragraph (2), an order that Mr. Smith indemnify the subsidiary against any part of the Judgement Debt which cannot be satisfied against Hudson.

On 27 September 2022, following discussions with the Group's solicitors, it was decided for commercial reasons not to continue with the suit. As such, the Group's solicitors sought for and obtained the Court's permission to file a Notice of Discontinuance (the "Notice") with the Court. The Group has received confirmation that the Notice has been accepted by the Court.

The Group will continue to explore other means of recovery of the Judgement Debt.

33. Writs of summons

(i) On 17 July 2018, a Complaint and Summons were filed naming the Company and its 100% owned subsidiary Capri as Co-Defendants (the "Claim"). The Plaintiffs are a Washington Company, Westridge Development LLC and G. Patrick Healy (collectively "the Plaintiffs").

The Plaintiffs claim ownership of approximately 15 acres of real property in Pierce County, Washington owned by Capri (the "Property") based on a 2003 Statutory Warranty Deed that violated both state and local subdivision law because the Property was never properly segregated from the larger parcel of which it was a part at the time of the purported transfer to Plaintiff, Westridge Development LLC. Consequently, the Pierce County Assessor never recognised the transfer of the Property to the Plaintiff, Westridge Development LLC.

On 9 October 2020, the Court ordered that all claims by Westridge Development LLC be dismissed without prejudice. The remaining claims brought by the other Plaintiff, G. Patrick Healy will continue to be litigated. On 10 June 2021, the Commissioner issued an amended ruling denying discretionary review outright. On 8 July 2021, the Plaintiffs filed a motion to modify the Commissioner's 10 June 2021 ruling, asking the Court of Appeals to accept discretionary review. The Company and Capri filed their opposition on 19 July 2021.

33. Writs of summons (cont'd)

(i) On 29 September 2021, the Court denied the Plaintiffs' motion to modify the Commissioner's ruling denying discretionary review proceedings and returning the matter to the trial court, where the matter was tried over a 12-day period from 18 April 2022 through 5 May 2022. The trial court entered findings of fact and conclusions of law in favour of the Company and Capri on 30 June 2022. The trial court found that the plaintiff had failed to prove the merits of his claims and that his claims were also barred by the statute of limitations. Plaintiff has not appealed the court's findings or conclusions.

On 12 July 2022, Capri filed a motion for costs and attorneys' fees. Argument on the motion took place on 12 August 2022. On 25 August 2022, the trial court awarded Capri US$45,000 in attorneys' fees against the Plaintiff and ordered the parties to confer on the form of judgement. The court also ordered that statutory costs pursuant to RCW 4.810.010 be included in the proposed judgement. Presentation of judgement was set for 16 September 2022. On 15 September 2022, the parties resolved the judgement by agreement. The hearing on presentation of judgement was stricken. The case has been resolved in favour of Capri and awaiting final order of dismissal.

On 30 November 2022, Capri filed a satisfaction of attorneys' fees award. On 22 December 2022, the Company and Capri filed a motion to close the case. On 5 January 2023, the Court granted the motion and ordered the clerk to close the case.

(ii) On 13 May 2019, the Company and Capri (the "Defendants") were served with a complaint ("Civil Complaint") filed naming the Company and its 100% owned subsidiary Capri as Co-Defendants in the Pierce County Superior Court in the State of Washington by attorneys for Renovatio LLC (the "Plaintiff"), a Washington Limited Liability Company.

In the Civil Complaint, the Plaintiff was claiming from the Defendants, and other defendants ("Other Defendants") named therein, sums to be proven at the trial of the Civil Complaint for monies owing arising from (a) a breach of payment for services rendered by one G. Patrick Healy ("Healy") and (b) stipend and expense reimbursement claims (collectively, the "Claims"). The Plaintiff is not the direct claimant of these Claims, but has made the complaint as "assignee" of all the Claims set out in the Civil Complaint.

On 12 May 2021, the Court granted the Company and Capri the motion for summary judgement dismissing all of the Plaintiff claims. Subsequently on 25 May 2021, the Plaintiff filed for notice of appeal, and an amended notice of appeal was filed on 17 June 2021. On 16 July 2021, the trial court awarded Capri US$70,000 in attorneys' fees and costs for its successful defence of Plaintiff's claims.

On 1 March 2022, the Plaintiff filed its reply brief on the merits at the Court of Appeals. The Court of Appeals heard the argument on 7 September 2022.

On 22 November 2022, the Court of Appeals issued their opinion and affirmed the Superior Court's grant of summary judgement in favour of Capri, affirmed the Superior Court's attorney fee award and granted attorney fees to Capri for this appeal.

33. Writs of summons (cont'd)

(ii) On 27 December 2022, the Court of Appeals Court Commissioner determined and awarded Capri and the Company US$49,172 in attorney fees and US$790 in costs against the Plaintiff. Capri and the Company were previously awarded US$70,000 in attorney fees and US$897 in costs for the hearing before the Superior Court. The Plaintiff was subsequently ordered by the Superior Court to provide supersedeas security in the form of real estate which was provided by Creekridge Holding, LLC, of which Mr. G. Patrick Healy is purportedly the Governor and Manager. Capri instructed its attorneys to commence recovery of the costs awarded to it of a total of approximately US$120,000 (approximately $175,000) which was received during the financial year ended 30 April 2023 (Note 5).

On 21 April 2023, the Superior Court entered a stipulated final judgement in favour of Capri, which was satisfied on 27 April 2023. There are no remaining claims against Capri.

On 13 June 2023, the Company and Capri filed an amended third-party complaint against G. Patrick Healy and Westridge Development LLC. Capri's claim for breach of fiduciary duties is the only remaining claim in this case. This claim is estimated to be no less than US$230,000 including interest.

(iii) On 30 November 2020, Sawyer Falls Co., L.L.C. ("Sawyer") filed a suit against the Company and its subsidiary, Capri on a promissory note made by Capri to Sawyer amounted to US$400,000 plus an "indeterminate" amount based off of the proceeds from the sale of certain lots.

On 2 April 2021, the motion for partial summary judgement based on the statute of limitation was granted, and in which the Plaintiff's suit was dismissed. Sawyer filed for a motion to reconsider, which was denied on 19 April 2021. On 14 May 2021, Sawyer filed for notice of appeal. On 23 August 2021, Sawyer filed its opening brief at the Court of Appeals.

On 14 June 2022, the Washington State Court of Appeals, Division II, issued its unpublished opinion affirming in part and reversing in part the trial court's order on summary judgment. The Court of Appeals affirmed the trial court's dismissal of the Company from the lawsuit, but it reinstated Sawyer's claims against Capri on the promissory note.

On 5 July 2022, Capri moved to publish the decision of the Court of Appeals. The motion was denied. On 16 August 2022, Capri filed a petition for review with the Washington State Supreme Court seeking review of the Court of Appeal's decisions reversing the trial court's order on summary judgement.

On 30 June 2022, Sawyer asked the Court of Appeals to enter an order requiring Capri to deposit all future sale proceeds into a locked account pending resolution of the litigation. The Court of Appeals transferred the request to the trial court and authorised the trial court to address the request. On 29 August 2022, the Superior Court granted Sawyer's request. The parties are negotiating an alternative security arrangement, and Capri is considering potential challenges to the 29 August 2022 order.

On 8 September 2022, Capri asked the Court to reconsider or alternatively modify its 29 August 2022 order. After calling for responsive briefing from Sawyer, the Superior Court denied Capri's motion on 30 September 2022. On 10 October 2022, Capri filed a Notice of Discretionary Review, seeking review of the Superior Court's 29 August 2022 and 30 September 2022 orders by the Court of Appeals, Division II. The Motion for Discretionary Review has been filed on 25 October 2022. Capri is evaluating further action in addition to the Motion for Discretionary Review.

33. Writs of summons (cont'd)

(iii) On 7 December 2022, the Washington Supreme Court denied Capri's petition for review. The claims relating to the promissory note will be returned to the Superior Court to be litigated based on the merits.

On 21 December 2022, the Washington State Court of Appeals, Division II Court Commissioner ordered (i) that Capri's motion for discretionary review is granted, and (ii) that the Superior Court's preliminary injunction is stayed pending further decision of the Washington State Court of Appeals. The Commissioner's ruling found that the Superior Court committed probable error in issuing the preliminary injunction, and authorised Capri to present its challenge immediately and directly to the Court of Appeals.

On 17 July 2023, Division II of the Washington State Court of Appeals granted Sawyer's motion to modify the 21 December 2022 Commissioner ruling granting discretionary review. The said Court of Appeals has denied Capri's motion for discretionary review.

On 16 August 2023, Capri filed a motion for discretionary review and stay of the preliminary injunction with the Washington State Supreme Court. The motion for stay will be considered by the Supreme Court Commissioner prior to consideration of the motion for discretionary review. The motion for discretionary review is currently set for consideration on 11 October 2023.

(iv) A former key management personnel, Carlson Clark Smith ("Mr. Smith") filed a writ of summons against the Company and three of its former directors alleging that certain matters stated in a regulatory announcement made by the Company on 26 January 2018 ("Announcement") on the Singapore Exchange ("SGXNet") are defamatory of Mr. Smith. Mr. Smith disagrees with the reasons set out in the Announcement as to why he was removed by shareholders as a director in the extraordinary general meeting of 19 January 2018. Pursuant to the publication of this Announcement on the SGXNet, Mr. Smith is claiming $249,500 as damages he has purportedly suffered resulting from the alleged defamation.

On 25 February 2021, the Company filed in the State Courts of Singapore a Writ of Summons and a Statement of Claim against Mr. Smith for, inter alia, a sum of $34,110, being the income tax and utilities payments which the Company made on Mr. Smith's behalf and the security deposit which the Company paid in respect of the premises occupied by Mr. Smith.

On 9 April 2021, Mr. Smith filed his Defence and Counterclaim where he seeks, inter alia, a declaration of wrongful termination and a sum of $1,040,230, being alleged overdue payments in connection with his previous employment with the Company less certain deductions (the "HC Suit").

On 11 January 2022, the Company obtained Judgement on part of its claim sum and had Judgement awarded in favour for $7,661 (the "MC Judgement Debt").

33. Writs of summons (cont'd)

(iv) On 13 April 2022, the Company filed an application in HC/SUM 1436/2022 ("SUM 1436") for a summary determination of 2 questions of law. The effect of this application was to eliminate part of Mr. Smith's claim in the HC Suit, based on SUM 1436:

(1) Section 168(1) of the Companies Act 1967 to prohibit part of Mr. Smith's claim under his then service agreement with the Company; and

(2) Section 6(1) of the Limitation Act 1959 to bar all of Mr. Smith's claim against the Company that accrued on or before 25 February 2015.

SUM 1436 was heard on 28 June, 27 July and 29 August 2022. On 28 September 2022, the General Division of the High Court ruled in favour of the Company on both questions. This significantly reduced Mr. Smith's claim in the HC Suit.

Subsequently, Mr. Smith preliminarily indicated that his claim will be reduced to about $393,593. Mr. Smith will have to amend and re-calculate his claim.

On 9 January 2023, a judgement was received whereby Mr. Smith's action was dismissed and he shall be accountable for the costs incurred by the defendants amounting to $35,000 in total.

On 3 June 2023, the Company and Mr. Smith reached a full and final settlement of the legal proceedings without any admission as to liability (the "Settlement"). In accordance with the terms of the Settlement, the Company has agreed to pay Mr. Smith a total of $90,000 in three instalments: (1) $50,000 by 10 June 2023; (2) $20,000 by 10 July 2023; and (3) $20,000 by 10 August 2023. Further, an outstanding debt of $55,211 owing by Mr. Smith to the Company (together with all other interests accruing thereon and other costs associated therewith) arising from previous costs orders made by the Court in favour of the Company will be taken into account and deemed discharged by the Settlement.

The Board is of the view that the Settlement is in the best interests of the Group in view of the costs of litigation. In light of the Settlement, the Company and Mr. Smith filed the necessary documentation with the Court to discontinue the legal proceedings.

34. Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2023 were authorised for issue in accordance with a resolution by the Board of Directors on 14 September 2023.

The Board of Directors (the "Board") of Renaissance United Limited (the "Company") and together with its subsidiaries, the (the "Group") is committed to maintaining a high standard of corporate governance within the Group. We believe this is essential to the long-term viability and sustainability of the Group's business and performance, safeguards the interests of the Company's shareholders (the "Shareholders") and enhances corporate value and accountability.

This Corporate Governance Report (the "CG Report" or "Report") is intended to provide an explanation of how the "Principles" and "Provisions" of the Code of Corporate Governance 2018 (the "Code") were applied, practically, throughout the year under review. Compliance with the Code is part of the continuing obligations of the Company under the rules of the Listing Manual (the "Listing Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

This CG Report should be read in its entirety as certain sections of this CG Report may have an impact on specific disclosures made in other sections.

The Code

The latest version of the Code, published in August 2018 and amended on 11 January 2023, has at its core broad Principles of corporate governance. Compliance with these Principles is mandatory. These Principles set out broadly accepted characteristics of good corporate governance.

The Provisions that underpin the Principles are designed to support compliance with the Principles. Companies are expected to comply with the Provisions, and deviations from Provisions are acceptable to the extent they explicitly state and explain how their practices are consistent with the aim and philosophy of the Principle in question. The explanations of any deviation should be comprehensive and meaningful.

Companies are required to describe their corporate governance practices with reference to both the Principles and Provisions, and how their practices conform to the Principles and Provisions.

The emphasis of the Code is for companies to provide thoughtful and meaningful explanations around their practices, and for investors to consider these explanations as part of their engagement with companies. Frank and informed dialogue between companies and their shareholders is fundamental to good corporate governance and encourages more effective stewardship.

Compliance with the Code

The Board confirms that, throughout the year, the Company has applied and complied, materially, with the Principles of the Code, as further enunciated by the Provisions, both in spirit and in form. Where the Company has departed from any of the Principles, clear and meaningful explanations have been provided below in this CG Report. A copy of the Code and Practice Guidance (issued from time to time) can be found on the Monetary Authority of Singapore's website: www.mas.gov.sg.

BOARD OF DIRECTORS

The Company has a single-tier Board, with executive management led by the Executive Director and Chief Financial Officer, Mr. James Moffatt Blythman. There is no person who has been appointed Chairman of the Board, and the names of the Directors, and their respective summarized biographies, who held office during the year under review are set out below. Information on the Directors who are seeking reappointment is set out from pages 129 to 132 of the AR FY2023.

Mr. James Moffatt Blythman ("Mr. Blythman")

Mr. Blythman is an Executive Director and Chief Financial Officer of the Company. He has experience in strategic planning, business development and general management in the property and manufacturing industries. He has also worked previously for multinational companies, including Bluescope Ltd and Xella International GmbH in mainland China and throughout the Asia-Pacific region.

Mr. Blythman graduated with a double Degree in Arts and Commerce from Deakin University, Australia, majoring in Chinese and International Business. He is also a qualified CPA (Australia) and a Certified Fraud Examiner.

Date of first appointment:	28 May 2018
Date of last election:	11 October 2021

Mr. Sazali Bin Mohd Nor ("Mr. Sazali")

Mr. Sazali Bin Mohd Nor is a Non-Executive and Independent Director of the Company. He is Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. Mr. Sazali has extensive working experience in various fields, including in biopharmaceuticals, green technology and entrepreneurship. Mr. Sazali started his career in 1983.

In the area of entrepreneurship, Mr. Sazali has led multiple start-ups in the pharmaceutical, trading and distribution sectors. Among other achievements, Mr. Sazali has been awarded multiple grants from the Government of Malaysia for pre-commercialization of biotechnology products and the setting up of the Centre of Proteomic Research in FRIM with a matching grant of RM12.5 million. The Centre was also a recipient of the Sun Microsystems Education & Research Grant.

Mr. Sazali recently served as Chief Executive Officer of Pahang Technology Resources Sdn. Bhd., a state-owned entity focusing on the area of technology development, and Chief Executive Officer of Silk Road Development Sdn. Bhd. in the area of Sea Ports and Infrastructure. He is currently Strategic Advisor to Mutiara Smart Sdn. Bhd., a wholly owned entity of the Ministry of Finance, Malaysia, in the areas of information technology, business and market development. In 2021, Mr. Sazali was previously Executive Chairman of Rakyat Digital Sdn. Bhd., and was primarily responsible for overseeing the management of the company, which provides infrastructure for hosting data processing services as well as research and development.

Date of first appointment:	30 January 2019
Date of last reappointment:	11 October 2021

Mr. Aswath Ramakrishnan ("Mr. Ramakrishnan")

Mr. Ramakrishnan is a Non-Executive and Independent Director of the Company. He is a member of the Audit, Nominating and Remuneration Committees. He has wide experience dealing with corporate and commercial disputes and heads the Dispute Resolution Department of a law firm in Kuala Lumpur, Malaysia.

He worked previously with a leading law firm in Malaysia, focusing on commercial and corporate litigation, often assisting multinational clients in matters involving fraudulent trading practices, breach of trust and other regulatory compliance issues.

He read law at the University of Northumbria in Newcastle, United Kingdom, and is a Barrister-at-Law of Middle Temple, United Kingdom. He majored in International Commercial Law, with a focus on cross border disputes.

Mr. Ramakrishnan is also Independent Director of the Malaysian Genomics Resources Centre Bhd and a member of its Audit Committee since May 2023.

Date of first appointment:	17 July 2020
Date of last reappointment:	30 November 2022

Mr. Koh Beng San ("Mr. Koh")

Mr. Koh is a Non-Executive and Independent Director of the Company. He is Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. Mr. Koh was admitted as a Member of the Association of Chartered Certified Accountants in 2001 and as a Fellow in 2006. He was also admitted as a Member of the Malaysian Institute of Accountants in 2002 and ASEAN Chartered Public Accountant in 2021.

Mr. Koh began his career in 1999 as an Audit Assistant with BDO Binder where he was responsible for conducting financial audits. In 2003, he joined Southern Industrial Gas Sdn. Bhd. as its Finance Director and was responsible for its treasury, accounting and finance functions.

Mr. Koh was appointed to the Board of Cape EMS Bhd, a company listed on the Main market of Bursa Malaysia Securities Berhad on 5 May 2022. He is also Chairman of the Audit Committee and a member of the Sustainability and Risk Management Committee, Nominating Committee and Remuneration Committee.

Date of first appointment:	13 October 2020
Date of last election:	30 November 2022

(A) BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Company is headed by the Board which is responsible for the overall leadership and management of the Company. The Board works closely with the Executive Director and key management personnel of its Subsidiaries (collectively, the "Management"). Management is, collectively, accountable to the Board for the business of the Group.

The Board's primary responsibilities include reviewing and approving the policies of the Company and setting the direction of the Group to ensure that strategies adopted enhance shareholders' value. While there is no fixed number of times the Board must meet in any given financial year, the Board does meet on a regular basis, scheduled to coincide with the announcement of the Group's quarterly, half and full year financial results, and as and when the circumstances require. The number of meetings of the Board and board committees held during the year under review is set out below under the section "Provision 1.5 - Board and Committee Meetings".

The Board comprises four Directors, three of whom are Non-Executive and Independent (collectively the "Independent Directors", and each an "Independent Director"). The collective experience and skillsets of the Independent Directors are compatible with the Company's core businesses. The current size of the Board is appropriate for the size and scope of the Group's businesses. The Company adopts the definition set out in the Code and in the Practice Notes of the Listing Rules when assessing the independence of each Independent Director. The Independent Directors are respected individuals from different backgrounds, whose core competencies, qualifications, skills and experience are extensive and complementary to each other. They are expected to challenge and help develop proposals on strategy and bring independent judgment on issues of performance and risk.

Where appropriate, decisions of the Board are made by way of written resolutions, e-mail and telephone conferences.

The responsibilities of the Board are documented in a formal document containing terms of reference and include:

(1) providing entrepreneurial leadership, approving policies, setting strategies and financial objectives of the Company and monitoring the performance of the Management;

(2) ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

(3) establishing a framework of prudent and effective controls which allow for risks to be assessed and managed and a process for evaluating the adequacy of internal controls, financial reporting and compliance, including corporate governance;

(4) approving appointments and reappointments of directors and key management personnel of the Company and the Group;

(5) approving annual budgets, major funding, investment and divestment proposals;

(6) identifying key stakeholder groups, recognising that their perceptions affect the Company's reputation, and setting the Company's values and standards, and ensuring that obligations to key stakeholder groups are understood and met;

(7) considering sustainability issues, e.g., environmental and social factors, as part of its strategic formulation; and

(8) delegating authority to the respective committees, such as the AC, RC and NC, to make recommendations in relation to their specific roles, all of which are underpinned by the fiduciary duties each Director is charged with under the law.

Executive Director

The Executive Director, Mr. Blythman, was appointed by the Board based on the recommendation of the Nominating Committee, after considering his working experience, capabilities and other factors deemed relevant for the position of an Executive Director of the Company.

The Board regularly assesses the performance of, and reviews major decisions made by, the Executive Director in the best interest of the Company.

Independent Directors

The 3 current Independent Directors are Mr. Sazali, Mr. Ramakrishnan and Mr. Koh.

The Board has sought confirmation from each Independent Director that, apart from their office as Directors of the Company, none of them has any other relationship (business or otherwise) with the Company, its subsidiaries, related companies and/or its officers and substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment. If required, the Independent Directors would meet outside of scheduled meetings to discuss issues that have arisen during a financial year and will work with Management to deal with any such issues.

Key Management Personnel

James Moffatt Blythman

Executive Director and Chief Financial Officer

Mr. Blythman was appointed Chief Financial Officer on 1 March 2018 and Executive Director on 28 May 2018. He has overall responsibility for the implementation of the strategies approved by the Board, the operational management of the Company and its Subsidiaries. Mr. Blythman is a qualified CPA (Australia) and Certified Fraud Examiner. He has over 13 years of experience in strategic planning, business development and general management, and is considered by the Nominating Committee to be well suited to oversee and steer the Group's diversified businesses. Mr. Blythman is bilingual and speaks English and Mandarin.

Koh William

CEO, ESA Electronics Pte. Ltd. and subsidiaries ("ESA")

Koh William is one of the co-founders of ESA and holds a Diploma in Electrical and Communication Engineering from the Singapore Polytechnic. Mr. Koh has accumulated invaluable experience in the field of engineering from his past appointments and participation in the engineering divisions of various companies. Prior to joining ESA, Mr. Koh was a maintenance engineer at Infineon Technologies in Singapore.

Mr. Koh is responsible for the management and operations (including the technical, engineering and marketing aspects) of ESA.

Ong Swee Hin, Danny

Engineering Director, ESA

Ong Swee Hin Danny holds a bachelor's degree in engineering (Electrical and Electronics) from the Nanyang Technological University. He has more than 20 years of working experience in engineering. As the Engineering Director of ESA, he manages a team of design engineers. Mr. Ong also oversees the CAD (Computer-Aided Design) application, software, and product development departments in ESA.

Wilson On Wang Sang

Director of Hubei ZongLianhuan Energy Investment Management Inc. ("HZLH")

Wilson On (a Chinese - Hong Kong national) holds a master's degree in demographics. Mr. On is director of the Company's China business unit, HZLH. Mr. On has wide experience in finance, commercial trading, and business management gained in mainland China and Hong Kong since 1986. Mr. On joined the Ipco Group (as it was previously known) in 2003 and has been engaged primarily in city gas development and management projects in China for HZLH.

Provision 1.1 Fiduciary Duties, Code of Conduct and Ethics and Conflict of Interests

Each Director is a fiduciary of the Company and is expected to act in the best interest of the Company.

The Board has put in place a code of conduct and ethical policy which sets the desired tone in terms of the organisational culture and accountability it expects of its Directors and Management.

All Directors are required to declare their interests under sections 156 and 165 of the Companies Act 1967 ("CA") in respect of any transaction or proposed transaction the Company is entering into and shares of the Company which they hold. All Directors must recuse themselves from voting for transactions they are interested in or if there appears to be a conflict of interest, as determined by the Board, after being notified of the Director's interest.

Provision 1.2 - Roles of Directors, Training and Development

When Directors are first appointed to the Board, an orientation programme is arranged for them to familiarise themselves with the Company's various businesses and governance practices. For new Directors with no prior experience as directors of a Singapore public listed company, they will be enrolled for the Listed Entity Director Programme, organised by the Singapore Institute of Directors ("SID"). Directors are kept updated by the Company Secretary and the Company's external auditor of the latest regulatory and financial standards, updates and changes. In addition, Directors are encouraged to attend relevant training and briefing sessions conducted by outside bodies such as the SID.

Where a new Director is nominated for his or her specialised knowledge, additional orientation is provided for that new Director to gain a deeper understanding of the specific business segment(s) he has specialised knowledge of. Such orientation includes visits to the relevant subsidiary and meetings with the management of the subsidiary to understand its operations and financial position.

Each Independent Director on first appointment is provided with a letter of appointment which sets out the duties expected of him or her, a copy of the Code, the Listing Manual, and if inducted as a member of the Audit Committee ("AC"), Remuneration Committee ("RC") and/or Nominating Committee ("NC"), the terms of reference of these committees and the various significant policies of the Company. Independent Directors are also asked to confirm they can devote sufficient time to meet the expectations of their role.

During their term of office, all Board members are encouraged to attend regular training, particularly on relevant new laws and regulations to keep abreast of changing commercial risks from time to time. Changes to the Listing Rules, regulations and accounting standards are monitored closely by the Management.

Provision 1.3 - Matters Requiring Board Approval

The following are matters reserved for the approval of the Board and instructions have been given to the Management on the requirement to refer these reserved matters to the Board:

- Statutory requirements such as approval of full year and interim unaudited financial statements, all announcements, annual reports and public communication with shareholders and investors;
- Long-term corporate objectives, strategies, policies and annual budgets of the Group;
- Oversight of the Group's operations and management;
- Corporate transactions not in the ordinary course of business, investment and divestment proposals, whether or not in the ordinary course of business;
- Significant financial/funding arrangements and decisions of the Group;
- Nomination of Directors and appointment of key executives;
- Approval of terms of reference for board committees and any change thereto;
- Remuneration policy (including share and other incentive schemes) for the Management, Directors and employees of the Group, as recommended by the RC;
- Material acquisition and disposal of assets/investments;
- Extension or diversification of the Group's activities into new areas;
- Material capital expenditures;
- Issuance of policies and key business initiatives;
- Declaration of interim dividends and the proposal of final dividends;
- Convening of Shareholders' Meetings;
- Processes for evaluating the adequacy of internal controls risk management and compliance;
- Commencement, defending and settlement of significant litigation;
- The appointment and removal of the Company Secretary and internal and external auditors and key management staff;
- Share issuance;
- Other transactions of a material nature requiring announcement and/or approval of the SGX-ST and compliance with the Listing Rules, and all other matters of strategic importance;

- Any matter that is outside of the ordinary course of business or a significant issue arising from the ordinary course of business of any of its Subsidiaries; and
- All matters that require approval from shareholders.

Provision 1.4 - Board Committees

The Board has established an AC, NC, and RC, each of which has been delegated specific authorities and functions. The Board has put in place terms of reference for each committee to address their respective scopes. Each committee's terms of reference and its members are more particularly described in the following sections of this CG Report. Each committee is chaired by an Independent Director and all members are Independent Directors. The effectiveness of each Committee is reviewed by the Board, as a whole, at least on an annual basis.

Other than the AC, RC, and NC, the Board has no other sub or executive committees. For more information on the members of each of the AC, RC, and NC, please refer to the following relevant sections of this CG Report.

Provision 1.5 - Board and Committee Meetings

The Board meets at least four times a year formally to discuss and approve full year and interim unaudited financial results and to receive from its auditor its high level findings and final audit report when issued at the end of each financial year.

The number of Board meetings and other meetings held in FY2023 and the attendance of the Directors at these meetings are set out below:

Meetings of Board, Audit, Nominating, and Remuneration Committees[1]

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	4	5	1	1
Number of meetings attended				
Mr. James Moffatt Blythman [2]	4	5	1	1
Mr. Sazali Bin Mohd Nor	4	5	1	1
Mr. Aswath Ramakrishnan	4	4	1	1
Mr. Koh Seng San	4	5	1	1

(1) Mr. Blythman was invited to attend all committee meetings by invitation save for discussions which are routinely done without the presence of management.

At the end of each financial year, the Board requires all Directors to disclose the number of other boards they sit on so that the NC and the Board can assess if the Directors have sufficient time for the affairs of the Company. This assessment is made at the same time the Board assesses the effectiveness of each Director which takes place at the last meeting of each financial year.

Provision 1.6 - Provision of timely information to Board

The Management provides the Board with all relevant information in a timely manner prior to each Board meeting and updates the Board on the completion of actions agreed on during Board meetings, and also from time to time, as and when there are any material or significant developments to the Group's business.

Provision 1.7 - Access to Management, Company Secretary and consultants of the Company

All Directors have direct access to the Management, the Company Secretary and if required, external advisors of the Company at the Company's expense. The Board confirms that the appointment and removal of the Company Secretary is a decision to be taken by the Board as a whole.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company

Since 19 January 2018, the Company has been guided by a Board which has played a pivotal role in directing the strategic course, and providing effective control, of the Group.

The Board currently comprises two certified accountants, a lawyer and a senior business leader. As of 30 April 2023, the Board has four (4) Directors, as follows:

Mr. James Moffatt Blythman, Executive Director and Chief Financial Officer
Mr. Sazali Bin Mohd Nor, Non-Executive and Independent Director
Mr. Aswath Ramakrishnan, Non-Executive and Independent Director
Mr. Koh Beng San, Non-Executive and Independent Director

Provision 2.1 - Independence

3 out of the 4 Board members are Independent Directors. The Board considers an "Independent Director" to be one who is independent in conduct, character, and judgement, and has no relationship with the Company, its related corporations, substantial shareholders or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement made in the best interest of the Company. No Independent Director falls under any of the circumstances described in Listing Rule 210(5)(d) of the Listing Manual.

With 3 Independent Directors who are senior members of their respective industries, the Independent Directors regularly and constructively challenge and guide the Management in developing business strategies and on a regularly review the performance of the Management. The Directors are of the view that the Board is effective in its functions and able to exercise independent judgment in all areas of their duties and functions in relation to the Management.

None of the Independent Directors has served on the Board beyond nine years from the date of his first appointment. None of the Directors serves on the board of more than five listed companies.

Provisions 2.2 & 2.3 - Majority of the Board

The Independent Directors make up an overwhelming majority of the Board. The Company does not currently have a Chairman.

Provision 2.4 - Composition of Board & Board Committees

The Board comprises Directors who, as a group, provide an appropriate balance and diversity of skills, experience, and knowledge. They possess core competencies in the areas of law, accounting, banking, finance, financial risk and fraud evaluation, business and management, specific industry knowledge, strategic planning and customer relationship management and knowledge. A brief description of the background of each Director is presented in the "Profiles of Directors" section of this CG Report.

Since 30 August 2022, the Board adopted a comprehensive diversity policy ("Diversity Policy") which aims to support the Group's business and strategic objectives better so that the Group may achieve sustainable growth through the enhanced decision-making process of a Board that would comprise different perspectives contributed by diverse range of individuals with different but complementary skills, business experience, industry disciplines, gender, age, ethnicity, cultural background and nationalities, and other distinguishing qualities of its members.

The Diversity Policy provides a framework for setting the Company's diversity objectives, which includes:

- setting targets to achieve more diversity on the Board;
- plans and timelines for achieving the targets set;
- requirements to report progress made towards achieving the targets set within the timelines; and
- a description of how the combination of skills, talents, experience and diversity of its directors can serve the needs and plans of the Group.

The Board is committed to achieving gender diversity, and the NC will, when reviewing and assessing the composition of the Board, prioritize achieving gender diversity when the Company makes its next appointment of a new Director.

The current members of the Board, while comprising only males, possess a range of skillsets, experiences, industry disciplines, ages, cultural and nationality diversity. While the Board will strive to achieve diversity as set out in its Diversity Policy, it will only appoint a director if his or her overall skills-set, experience are found to be suitable and appropriate for the Group's development and strategic objectives, based on recommendations made by the NC of the skillsets and experience that are needed to enhance the effectiveness of the Board. No member of the Board will be a "diversity-hire" simply to satisfy the Diversity Policy of the Company.

Provision 2.5 - Independent Directors meet without Management

As and when necessary, the Independent Directors meet to discuss issues without the presence of the Management, and they report the conclusions of such meetings to the Board at the next Board meeting and for any actions agreed upon to be taken.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board (as referred to in the write-up on Principle 2) comprises an overwhelming majority of Independent Directors, and the Management is led by the Executive Director, who is also the Chief Financial Officer.

Provision 3.1 - Separation between Chairman and Chief Executive Officer

The Company currently does not have a Chairman of the board or a Chief Executive Officer. Notwithstanding the above, the Board is of the view that there are sufficient safeguards, checks and balances to ensure that all decisions made by the Board are independent and collective in nature. In addition, each of the key operating subsidiaries has its own management team. Further, as noted under the write-up of Principle 2, there are 3 Independent Directors and only 1 Executive Director representing Management on the Board.

All major decisions are made in consultation with the Board, and where necessary, external consultants are invited to attend Board Meetings to assist the Directors in their deliberations.

Notwithstanding the lack of a Chairman, the Board, collectively, ensures:

(a) its effectiveness in all aspects of its role;

(b) that the agenda set for all board meetings has undergone consultation with all directors, and that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) the promotion of a culture of openness and debate at the Board level;

(d) that the Directors receive complete, adequate and timely information;

(e) full disclosure (as required under the Listing Rules) and effective communication with shareholders;

(f) constructive relations within the Board and between the Board and Management;

(g) the facilitation of effective contribution of Independent Directors in particular; and

(h) promotion of a high standard of corporate governance.

Provision 3.2 - Division between Chairman and Chief Executive Officer

As explained above under Provision 3.1, the Company does not have a Chairman or a Chief Executive Officer. However, the leadership of the Board and Management is separate and distinct, and each has its separate set of duties and responsibilities. The division of duties and responsibilities of the Board and the Management have not been set out in writing. There are, however, as stated above certain matters reserved for the decision of the Board only.

Provision 3.3 - Lead Independent Director

The Company does not have a Lead Independent Director as the leadership of the Board is not helmed by an Executive or Non-Independent Director or Chairman. Shareholders may contact all Independent Directors directly without having to go through the Management.

The Board's Report for the financial year ended 30 April 2023 ("FY2023")

For FY2023, the Board is pleased to provide the following summary relating to corporate governance matters of the Company as follows:

A. <u>Changes to Board and Senior Management</u>

No changes to the Board or to any key management personnel have been made in FY2023. No alternate director has been appointed by any of the current sitting Directors for the year under review.

B. Board Activities

As stated above, the Board is responsible for the overall leadership and management of the Company. The Board works closely with the Executive Director and key management personnel of its Subsidiaries. Management is, collectively, accountable to the Board for the businesses of the Group. Accordingly, the Board works to a yearly meeting plan with corresponding agendas and pre-read papers. Agenda items include reports from the Executive Director and Chief Financial Officer regarding the Group's operations and businesses outside of Singapore and from each Board committee. Other updates throughout the year came from the various business units and key functions, including from the external and internal auditors and the Company Secretary. The Board also considered and approved the quarterly, half-year and full-year financial results, SGX-Net announcements, and, at Board meetings, considered investment, divestment and/or financing proposals, as well as conducting performance tracking of planned actions or business strategies. Additionally, the Board reviewed the Group's annual operating plan and the various litigation that the Group has been involved in. For more information please refer to item G. below and also to the Notes to the Audited Consolidated Financial Statements of the Group for the financial year ended 30 April 2023 published in the annual report of the Company for FY2023 ("AR FY2023").

C. Compliance with the Code

As stated above in the section "Compliance with the Code", for the year under review, the Company has applied and complied, materially, with the Principles of the Code, as further enunciated by the Provisions, both in spirit and in form.

D. Governance Framework

As stated above, the Company has a single-tier Board of Directors, led by the Independent Directors who comprise an overwhelming majority of the Board, and the Management is led by the Executive Director and Chief Executive Offer and key management personnel of its Subsidiaries. The Board has also established an AC, RC, and NC, and has appointed external and internal auditors to provide additional assurance to its internal control and risk management systems. The Company Secretary provides advice, as and when necessary, regarding compliance with the Listing Rules.

Other than the AC, RC, and NC, no other board or management committee has been established.

As stated in the section "Provisions 9.1 & 9.2 - Board oversight of risk management and disclosure" in the ARFY2023, based on the Group's internal controls put in place and the procedures established and maintained by the Group, assurances received from the Executive Director and Chief Financial Officer and key management personnel, as well as work and review performed by the external auditors and internal auditors, and the Management, the Board, with the concurrence of the AC, is of the view that the Group's internal controls (including financial, operational compliance and information technology controls) and risk management systems in place are adequate and effective as at 30 April 2023.

The Board, with the assistance of the NC, reviews and assesses members of the AC to ensure that each member is appropriately qualified to discharge his responsibilities. The Board is of the view for the financial year under review that adequate and reasonable assistance and support have been properly rendered by the Directors, Management and key executives to enable the AC to carry out its role effectively and efficiently. The AC comprises members who have expertise and experience in financial management and are qualified to discharge its responsibilities. The AC has taken measures (through updates provided by the external auditor and informational updates published by the big-four accounting firms) to keep abreast of changes to accounting standards and issues which have a direct impact on the financial statements of the Company and by attending relevant seminars and courses.

The Board has not established a separate risk committee as the Board is currently assisted by the AC and the Management in carrying out its responsibility of overseeing the Company's internal controls and risk management systems, framework and policies.

E. Directors' Remuneration Report

The Company has set out the remuneration of its Directors and key management personnel in the section under "Provision 8.1 (a) - Disclosure on Remuneration of Directors" and "Provision 8.1 (b) - Disclosure on Remuneration of Key Management Personnel" below in line with current requirements.

F. Environmental, Social and Governance report

Since 30 August 2022, the Board adopted a Diversity Policy which is aimed at supporting the Group's business and strategic objectives which the Board believes may assist the Group to achieve sustainable growth through the enhanced decision-making process of a diverse Board. As no new appointment of a Director or key management personnel has been made, the Board intends to adhere to its commitment of achieving gender diversity when the Company makes its next appointment of a director to the Board.

To affirm the importance of having a sustainability strategy as part of our corporate agenda, a separate sustainability report was released on 31 August 2023.

In the sustainability report, we provided insights into the way we do business, highlighting the environmental, social, governance ("ESG") factors that are material to us and their impact on the economy, environment, people and their human rights our long-term economic performance. Specifically, we focused on our initiatives that are instrumental in strengthening customer satisfaction, labour practices, safe work practices, social responsibility, environmental stewardship, business performance and governance practices. For FY2023, the material sustainability factors identified were (a) Customer Experience (total customer satisfaction), (b) Economic (sustainable business performance), (c) Environmental (water conservation, energy conservation and emissions reduction and responsible waste management), (d) Social (safe working environment, talent management, equality and diversity in the workplace and ongoing community engagement), and (e) Governance (robust corporate governance and framework).

For FY2023, targets set for items (a) to (e) (except item (c)) were either fully achieved or partially achieved, In relation to item (b), the Group saw a lower turnover of employees and a decrease in financial loss for FY2023. In relation to item (c) addressing water conservation, in FY2023, the amount of water consumed increased due mainly to requirements from certain customers of the Group's electronic and trading business who required more stringent washing process of its printed circuit boards. There was no change in the Group's GHG emission intensity for FY2023.

Shareholders are encouraged to read the Company sustainability report released on 31 August 2023 on the SGXNet.

G. Dividends Policy

The Board is not recommending any dividend distribution to its shareholders for the financial year under review. The Board is of the view that the Group has to rebuild and strengthen its financial position. Please refer to the section on "Dividend Policy" for an explanation of the Group's current policy on dividends.

H. <u>Other legal, statutory & regulatory information</u>

(1) Directors' Interests

Other than Mr. Blythman, who is deemed to be interested in all the 880,000,000 (14.24%) shares held by Meridian Equities Pte Ltd, by virtue of his ownership of Meridian Equities Pte Ltd, for the year under review, no Director (including Mr. Blythman) has any interest in any transaction or business of the Company as required to be reported under section 156 of the CA nor any interest in the shares of the Company as required to be reported under section 165 of the CA (except for Mr. Blythman).

(2) Litigation

Please refer to the Notes to the Audited Consolidated Financial Statements for the year ended 30 April 2023 published in the AR FY2023 for more information on the various litigations the Group has been involved in during the year under review. The Company has also disclosed in various announcements as and when material developments in relation to these litigations occurred.

In defending and settling the various legal proceedings, the Board has balanced factors such as the merits of each legal proceedings, the costs involved if any such legal proceeding proceeded to trial, the necessity to protect and preserve the Group's reputation, underpinned by a philosophy of practicality that the businesses of the Group should not be unduly impacted by any such legal proceedings.

(3) Listing Rule Disclosures

For the year under review, to the best information, knowledge and belief of the Directors, the Company has complied with disclosures required under the Listing Rules, including its continuing obligations under Chapter 7 of the Listing Manual, as further supplemented and expounded by Appendix 7.1 and Practice Note 7.1 of the Listing Manual.

No new shares or any securities of the Company were issued during the year under review, nor did the Company enter into any Significant Transaction or Interested Party Transaction that has required the approval of shareholders during the year under review. For Interested Party Transactions that are in aggregate below the threshold of S$100,000, please also refer to the Notes to the Audited Consolidated Financial Statements for the year ended 30 April 2023 published in the AR FY2023 for more information.

During FY2023, the Group did not enter into any interested person transactions within the scope of Chapter 9 of the SGX Listing Rules.

The Group does not have a general mandate pursuant to Listing Rule 920 for interested person transactions.

(4) Dealings in Company's shares

For FY2023, the requirements of Listing Rule 1207(19) and the Company's internal code on dealings in the Company's shares were complied with. No officer of the Company dealt in the Company's shares on short-term considerations nor during periods of "black-out" prior to release of the Company's quarterly and full year financial results.

(5) Shareholders' engagement

As the Management and Board are still in the process of stabilizing the Group's businesses and defending itself in various legal proceedings. As such the Group has not undertaken any corporate action or transactions for the year under review.

Please refer to the section "Shareholder Rights and Engagement" for further information.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

New Directors (including alternate directors proposed by any sitting Directors) are appointed by the Board after the NC has reviewed and recommended their appointments. The NC formally discusses and agrees on the appointment or reappointment of Directors in a formal and open process and makes its recommendation to the Board accordingly. In recommending the reappointment of Directors, the NC and the Board will consider the Director's past performance and whether he has fully discharged his duties and obligations. The NC and the Board will also consider whether the Director to be reappointed has been involved in companies with an adverse track record or a history of irregularities, including the reasons for the Director's resignation from a previous company, and whether the Director himself has been under any investigations, including by the professional association or regulatory body he is a member of.

When the need for a new director arises, the NC will review the expertise, skills and attributes of the current Board as a whole, discuss the requirements required of the new director, shortlist and interview candidates with the appropriate profiles for nomination to the Board. New directors are usually identified from contacts of the Directors and/or through executive search firms, if a particular director with specialised skillsets is required. In its search and selection process, the NC and the Board will, respectively, interview at least 2 shortlisted candidates.

New directors must submit themselves for re-election at the annual general meeting of the Company following their initial appointment. Regulation 89 of the Company's Constitution requires at least one-third of the Board to retire via rotation at every annual general meeting. Retiring directors are eligible for re-appointments at annual general meetings. Directors who have been appointed casually to fill a vacancy must retire at the next annual general meeting and are eligible for reelection.

Provision 4.1 - Establishment of Nominating Committee

The Board has established an NC which comprises all three Independent Directors. The Chairman of the NC is Mr. Sazali Bin Mohd Nor.

The NC's principal functions are as follows:

(a) to review the succession plans for directors, including the Chairman, the CEO and key management personnel;

(b) to review and recommend to the Board, key executive appointments, all board appointments and re appointments;

(c) to determine the independence status of the Independent Directors annually;

(d) to determine whether or not a Director is able to and has been adequately carrying out his or her duties;

(e) to evaluate the performance and effectiveness of the Board as a whole, its board committees and the contribution of each Director; and

(f) to suggest and provide opportunities in relation to the training and professional development needs of the Directors.

Provision 4.2 - Majority of the Nominating Committee is Independent

The current members of the NC are Mr. Sazali, Chairman of the NC, Mr. Ramakrishnan and Mr. Koh, all of whom are Independent Directors.

Provision 4.3 - Process of selection and appointment of and Criteria to identify and evaluate potential directors, channel of search etc.

Where a vacancy exists, or where additional directors are required, the Board will seek potential candidates from their own sources of contacts and refer them to the NC for interview and assessment of their credentials and suitability. In addition, the NC has the liberty to instruct executive search companies, receive referrals from personal contacts (as relevant), deliberate on and consider recommendations in its search and nomination process for the right candidates.

New directors are appointed by the Board after the NC has reviewed and recommended their appointments. When the need for a new director arises, the NC will review the expertise, skills and attributes of the Board as a whole, identify its needs and shortlist candidates with the appropriate profiles for nomination. In its search and selection process, the NC will interview at least 2 shortlisted candidates. The criteria used in identifying new directors are based primarily on the skills and experience required at the time and while gender in and of itself is not considered a criterion, female candidates are identified for consideration in pursuit of its Diversity Policy.

Provision 4.4 - NC's determination of directors' independence

In accordance with the requirements of the Code, the NC reviewed the independence status of the Independent Directors and is of the view that they are all in compliance with the Code's definition of independence and no Independent Director falls under any of the circumstances described in Rule 210(5)(d) of the Listing Manual.

The NC reviews at the end of each financial year and from time to time, where circumstances so require, the independence of a Director in accordance with such director's disclosure and written confirmation of independence. Where any Director has any relationship with the Company or where there are other factors that may impede a Director's independence, such relationship or factors will be documented and disclosed accordingly in the Company's annual peport.

Provision 4.5 - NC's determination of directors' duties, performance and effectiveness

At the end of each financial year, the NC makes a formal assessment of the performance of the Board as a whole and also each Director's performance and determines if each Director has carried out his or her duty adequately.

The section "NC Report for FY2023" sets out the principal commitments of each Director and the number of other directorships each Director holds in both private and publicly listed companies. In this connection, the Company does not set a maximum number of listed company board representations its Directors may have, but takes into account the actual number of directorships and principal commitments each Director has in assessing its ability to discharge his or her duties.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

Provision 5.1 - NC recommends for Board approval performance of Board, each Board committee, the Chairman and each individual director

As stated above in accordance with Provision 4.5, the NC makes a formal assessment of the performance of the Board as a whole and also of each Director, and determines if each Director has carried out their duty adequately. Prior to making such assessment, the NC will recommend for the Board's approval the performance criteria it will adopt in making the assessment.

For the financial year ended 30 April 2023, all members of the NC were requested to complete a Board Assessment Checklist designed to seek their view on the various aspects of the Board's performance to assess the overall effectiveness of the Board. The performance criteria for Board evaluation covers amongst other criteria, composition structure and processes of the Board, access to information, corporate strategy, internal control and risk management and standard of conduct.

The completed checklists were submitted to the Company Secretary for record purposes and the consolidated responses were presented to by the NC to the Board for discussion and determination of any area(s) for improvement. While the checklists have been used to serve as a guide, the ultimate assessment of the Board and each Director is based on the discussions and conclusions of the NC upon reviewing these checklists.

The factors taken into consideration for the re-appointment of Directors for the year under review are, amongst other matters, the Director's attendance at meetings held during the year including their preparation and participation made at such meetings.

The NC's Report for FY2023

For FY2023, the NC is pleased to provide the following summary relating to its work as follows:

A. Assessment of the Board, the AC, RC and NC and the Directors

The NC assessed the Board, as a whole, and each of the AC, RC and NC, and determined that the Board, each of the AC, RC and NC operated effectively, and each Director has performed and contributed to the overall effectiveness of the Board adequately. In making its assessment, the NC took into consideration the fact that no Director serves on more than 5 boards at any one time and each Independent Director has been able to devote time to the Company and discharge his duties adequately. No external facilitator was engaged for the assessment process. For the year under review, the other directorships (in other listed companies) and other principal commitments of the Directors are set out below in the table below:

Director	**Current directorships in listed companies (other than the Company)**	**Past directorships in listed companies (preceding three years)**	**Other principal commitments**
Mr. James Blythman	Meridian Equities Pte Ltd	None	None
Mr. Sazali Bin Mohd Nor	None	None	None
Mr. Aswath Ramakrishnan	Malaysian Genomics Resources Centre Bhd	Bintai Kinden Corporation Bhd	Partner, Messrs. Ahmad Deniel, Ruben & Co
Mr. Koh Beng San	Cape EMS Bhd	None	Director of :- 1. Koh BS & Co 2. Elinity Sdn. Bhd. 3. Elinity Corporate Services Sdn. Bhd. 4. Southern Industrial Gas Sdn. Bhd. 5. SSB Cryogenic Equipment Sdn. Bhd. 6. Sing Hoh Realty Sdn. Bhd.

The NC has assessed and determined that the current size of the Board is appropriate for the size and scope of the Group's businesses, and no person has, accordingly, been considered for appointment as director in FY2023. No alternate director was proposed to be appointed by any Director.

The NC has also assessed each Independent Director to be independent, in accordance with the definition set out in the Code and in the Practice Notes to the Listing Rules and is satisfied (with the concurrence of the Board) that all Independent Directors are independent and there are no circumstances that would impede the independence of each Independent Director, having regard to Provision 2.1 of the Code and Listing Rule 210 (5)(d).

B. Recommendation for reappointment

The NC has recommended and the Board has agreed that at the forthcoming annual general meeting, Mr. James Blythman and Mr. Sazali Bin Mohd Nor will retire in accordance with the Company's constitution and the requirements of the Listing Rules and the Code, and as each of them has agreed to be re-appointed, a separate resolution seeking shareholders' approval for each of their re-appointment has been tabled in the Notice of Annual General Meeting for FY2023.

C. Succession Plan

The NC has not yet formally put in place a succession plan as the priority of the Company is still to ensure that the Group's businesses and operations are stabilised and steered in the right direction.

D. Tenure of Independent Directors

No Independent Director has served beyond 9 years from the date of his first appointment.

E. Continuing development and education

The NC made recommendations of various courses that Directors could attend for their continuous professional development, training and currency of knowledge of matters that pertain to the Group's compliance with applicable financial, legal and regulatory requirements. Messrs. Blythman, Koh and Ramakrishnan also attended courses to maintain their professional accreditations.

(B) REMUNERATON MATTERS

Principle 6: Procedure for developing remuneration policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1 & 6.2 - Establishment of Remuneration Committee and Remuneration Matters

The Board has established an RC to review and deliberate the compensation packages of its Directors as well as key management personnel of the Group.

The main responsibilities of the RC are to:

- make recommendations to the Board on matters relating to remuneration, including but not limited to fees, salaries, allowance, bonuses, options and benefits-in-kind of Directors and key management;
- determine the appropriateness of the specific remuneration of each Director and key management personnel;
- review and recommend to the Board, the terms of service agreements of Executive Directors and key management personnel; and
- consider the disclosure requirements for Directors and key executives' remuneration as required by the Listing Manual and the Code.

The RC has set a framework for the remuneration of the Company's Directors and key management personnel which has been approved by the Board. In determining remuneration packages of Executive Directors and key executives, the basic framework provides for a base salary and bonus element whose objectives are to ensure that Executive Directors and key management are competitively but not excessively rewarded. Where a profit sharing has been agreed with a key management personnel, the ratio of profit-sharing and requirements for achieving such profit-sharing are expressed in clear terms and unambiguous terms.

Annual reviews of the compensation of the Executive Director and key management personnel are carried out by the RC to ensure their respective remuneration commensurate with their performance and contribution to the Group, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Director and other key management personnel is also reviewed periodically by the RC and the Board based on revenue contributions by the respective business units of the Group.

The current members of the RC are Mr. Sazali, Chairman of the RC, Mr. Ramakrishnan and Mr. Koh, members of the RC, all whom are Independent Directors.

Provision 6.3 - RC considers all aspect of remuneration and terms of service

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are deliberated and assessed by the RC following recommendations made by the Management. The RC will consider, amongst other things, the responsibilities, skills, expertise and contributions to the Company's performance as a whole, relating to the remuneration packages recommended by the Management, and whether the remuneration packages are sufficiently competitive to attract and retain the best available talent for the Company. The review of remuneration packages takes into consideration the longer-term interests of the Group and ensures that the interests of Directors and key management personnel align with those of the shareholders.

In discharging their duties, the RC may seek external professional advice relating to the remuneration of Directors and key management personnel. No Director is involved in deciding his own remuneration. The RC will, from time to time, review the terms of the service contracts or employment contracts of executive directors and key management to ensure the terms of such contacts are complied with by both parties and continue to be fair and reasonable in accordance with the prevailing circumstances of the Company and its Subsidiaries.

No member of the RC is involved in deliberating his own remuneration, compensation or any form of benefits to be granted to him.

Each member of the RC abstains from voting on any resolution and making any recommendation and/or participating in discussion regarding his own remuneration package or on matters in which he is interested.

Provision 6.4 - Remuneration Consultants

The RC has access to appropriate expert advice inside and/or outside the Company on the remuneration of all the Directors. For the financial year ended 30 April 2023, the RC did not consult any external consultant.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 & 7.3 - Linking of remuneration to corporate and individual performance and alignment with shareholders' interest and long-term success of the Company

The remuneration packages of the Executive Director and key management personnel are linked to overall corporate and individual performances and aligned with shareholders' interest and the long-term success of the Company. The RC takes into consideration the remuneration and employment conditions within the industry and comparable companies in assessing remuneration levels and terms of service.

The remuneration of the Executive Director and key management comprises a basic salary component and a variable discretionary bonus component tied to the performance of the Group as a whole and their individual performances. There are no pre-determined performance conditions for the grant of discretionary bonus, and each year, the RC will discuss with the Executive Director and key management personnel the targets set for each business segment and their individual performance indicators. Against the targets discussed, a discretionary bonus is recommended by the RC which is also based on qualitative criteria (including leadership, people development, commitment, teamwork, current market and industry practices) and quantitative criteria (including production, profit after tax and relative financial performance of the Group to its industry peers).

The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate.

Provision 7.2 - Remuneration of Non-Executive Directors

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Independent Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the forthcoming AGM. Except as disclosed in the AR FY2023, the Independent Directors do not receive any other remuneration from the Company.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 (a) - Disclosure on Remuneration of Directors

While the 2018 Code recommends that companies fully disclose the amount and breakdown of remuneration for each individual director and the CEO on a named basis, for confidentiality reasons and prevention of poaching, the Board has deviated from complying with Provision 8.1(a) of the Code, and have provided below a breakdown showing the level and mix of each Director's remuneration in bands of S$250,000 for the financial year ended 30 April 2023.

Commencing on or after 31 December 2024, the SGX Regco will require the disclosure of the exact amount of pay to directors and the CEO on a named basis.

Provision 8.1 (b) - Disclosure on Remuneration of Key Personnel

Provision 8.1(b) of the Code provides that companies should name and disclose the remuneration of at least the top five (5) key management personnel (who are not Directors or the CEO) in bands of S$250,000. In addition, the companies should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the CEO).

Commencing on or after 31 December 2024, SGX Regco will require the exact breakdown of pay to directors and the CEO on a named basis.

Provision 8.2 - Remuneration of related employees

For the financial year ended 30 April 2023, no employee was related to a substantial shareholder, a Director, or the Chief Financial Officer.

Provision 8.3 - Other forms of remuneration and share schemes

Details pertaining to the form of remuneration and other payments and benefits to Directors, Management and key personnel are disclosed below. Other than disclosed in Provisions 8.1 and 8.2, the Group does not operate any share plan and has not paid any other form of remuneration to any Director, Management or key personnel.

The RC's Report for FY2023

For FY2023, the RC is pleased to provide the following summary relating to its work as follows:

A. Framework for Remuneration – Level and Mix

In accordance with the basic remuneration framework established, the remuneration of the Executive Director and key management personnel comprises a basic salary component and a variable discretionary bonus component tied to the performance of the Group as a whole and their individual performances. There are no pre-determined performance conditions for the grant of discretionary bonus. The discretionary bonus is based on qualitative criteria (including leadership, people development, commitment, teamwork, current market and industry practices) and quantitative criteria. including production, profit after tax and relative financial performance of the Group to its industry peers.

The remuneration framework set by the RC for key management personnel of the Group comprises a larger proportion of fixed component in comparison with the variable discretionary component, as the overall objective of the Group is currently to better its financial position and profits, and to take into account the need to retain and motivate key management personnel and their responsibilities in managing key operating units of the Group. The level and mix of remuneration for the Executive Director comprises a smaller proportion of fixed components and a larger proportion of variable components.

For FY2023, a discretionary bonus recommended by the Management to each of Mr. Blythman, Mr. William Koh and Mr. Danny Ong Swee Hin (being key management personnel) was accepted by the RC.

In accordance with Provision 7.2 of the Code, the Independent Directors each receives a director's fee in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The fees are recommended by the RC and endorsed by the Board for approval by shareholders at the annual general meeting of the Company. Other than a director's fee, the Independent Directors did not receive any other remuneration from the Company. The RC has recommended and the Board has endorsed for shareholders' approval at the annual general meeting for FY2023 a total of S$49,831 in directors fees to be paid to the Independent Directors. The fee of S$49,831 includes all fees payable by the Company and its Subsidiaries. As the Group does not have a share plan in place, the remuneration of all Independent Directors comprises only of the director's fee proposed to be paid to them.

Each Independent Director receives a director's fee (as proposed in aggregate) appropriate to their level of contribution to the Board, taking into account factors such as effort and time spent, specific responsibilities and the need to pay competitive fees to attract, retain and motivate Independent Directors. The RC considers the aggregate fees proposed for the Independent Directors appropriate, given the current financial and operational position of the Group.

FY2023 Fees Below S$50,000	Share-Based Remuneration	Directors Fees	Total
Mr. Aswath Ramakrishnan	–	100%	100%
Mr. Koh Beng San	–	100%	100%
Mr. Sazali Bin Mohd Nor	–	100%	100%

The total remuneration shown above that has been recommended and will be tabled for shareholders' approval at the upcoming AGM for FY2023 is S$49,831 and includes all amounts payable by the Company's subsidiaries.

In accordance with Principle 8 of the Code on the disclosure on remuneration, the Company is transparent on the framework of its remuneration policies in specifying the level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation. However, while Provision 8.1(a) of the Code recommends, and recent amendments to the Listing Rules mandate that companies should fully disclose the amount and breakdown of remuneration for each individual director and the CEO on a named basis in their annual reports after 31 December 2023, for confidentiality and commercial reasons, the Board has decided for FY2023 to provide a breakdown showing only the level and mix of the Executive Director's remuneration in bands of S$250,000 for the financial year ended 30 April 2023.

The table below shows the remuneration breakdown of the Executive Director.

Executive Director Above S$250,000 to below S$500,000	**Salary*(a) %**	**Fees %**	**Bonus %**	**Other benefits %**	**Total %**
Mr. James Moffatt Blythman	27%	59%	8%	6%	100%

In accordance with Provision 8.1(b) of the Code, the aggregate remuneration of each of the top key management personnel of the Group, who are not Directors or the CEO, is disclosed and the total remuneration received each such top key management personnel is also disclosed in bands of S$250,000 in the table below:

Key Management Personnel Below S$250,000	**Salary*(a) %**	**Fees %**	**Bonus %**	**Other benefits %**	**Total %**
Mr. Wilson On Wang Sang	100%	–	–	–	100%
Mr. William Koh	88%	–	12%	–	100%
Mr. Danny Ong Swee Hin	84%	–	16%	–	100%

* Salary is inclusive of defined contribution plan.

Please also refer to Notes 6 and 8 of the Audited Consolidated Financial Statements for FY2023 which also set out this information. The RC and the Board are of the opinion that the information disclosed here is sufficient for shareholders to understand the Company's compensation policies.

B. <u>Service contracts</u>

The RC has reviewed and made no recommendation to the Board to change or vary any term of any Executive Director's or key management personnel's service or employment contract.

There are no contractual provisions which allow the Company to reclaim any incentive components of remuneration from the Executive Directors or key management personnel as the bonus given for FY2023 is on a fully discretionary basis, and no exceptional circumstances that would or may cause financial loss to the Company or Group have been noted.

C. <u>Employees who are connected persons</u>

In accordance with Provision 8.2 of the Code on the remuneration of related employees, no employee was related to a substantial shareholder, Director, or the Chief Financial Officer, and no employee was an immediate family member of a Director, the Chief Financial Officer.

In accordance with Provision 8.3 of the Code on the requirement to disclose other forms of remuneration and share schemes, the RC confirms that the Group does not operate any share plan and has not paid any other form of remuneration to any Director, Management or key personnel.

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk management and internal controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provisions 9.1 & 9.2 - Board oversight of risk management and disclosure in Annual Report

The Board has overall responsibility for managing the Group's key risks to safeguard shareholder's interests and its assets.

The AC assists the Board in providing risk management oversight, while the day-today management and monitoring of existing internal control systems are delegated to Management which comprises the Executive Director and key management personnel of the Group.

The Company's external auditors will highlight any material internal control weaknesses within the Group discovered in the course of the statutory audit. In case of any issues arising from the external auditors' comments and findings, the Board act to put the recommended additional or revised controls made by the external auditors in place promptly. Management regularly reviews, in consultation with the AC and the Board, the Group's overall risks positions. Both existing and emerging risks are assessed against current controls in place to determine if any additional or enhanced controls need to be implemented.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1, 10.2 & 10.3 - Duties and composition of AC

The AC comprises three Board members, all of whom are Independent Directors. The Chairman of the AC is Mr. Koh. Mr. Ramakrishnan and Mr. Sazali, both Independent Directors are members of the AC. There is no restriction imposed on the number of members in the AC, other than the minimum requirements set out in the Listing Rules and the Code.

The AC carries out its functions in accordance with Section 201 of the Companies Act, and has been entrusted with the following functions, to:

(a) review with the auditors the audit plans, their evaluation of the system of internal controls, audit reports and management letter and ensures the adequacy of the Group's system of accounting controls and co operation given by Management to the external auditors;

(b) review the quarterly, half-yearly and annual financial statements before submission to the Board and before their announcement in particular, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards, compliance with stock exchange and statutory/regulatory/ requirements, financial accounting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(c) review the scope and results of the internal audit function and ensuring co-ordination between the internal and external auditors and the Management;

(d) review the co-operation given by the Company's officers to the external auditors;

(e) review the legal and regulatory matters that may have a material impact on the financial statements, disclosure and compliance requirements and programs and reports received from the regulators;

(f) review the assurance from the Executive Director and CFO on the financial records and financial statements of the Group;

(g) reviews the cost effectiveness, independence and objectivity of the external auditors;

(h) review the nature and extent of non-audit services, if any, provided by the external auditors and seek to balance the maintenance of independence and value for money;

(i) undertake such other reviews and projects as may be requested by the Board;

(j) review, at least annually, the adequacy and effectiveness of the internal audit function;

(k) ensure that the external and internal audit function is adequately resourced (staffed with persons with relevant qualifications and experience), independent of the activities it audits and has appropriate standing within the Company;

(l) oversee the Group's whistle-blowing policy;

(m) review and nominates external auditors for appointment/re-appointment and approving their remuneration and terms of engagement;

(n) review all interested person transactions to ensure that they comply with the approved internal control procedures and are in accordance with the requirements of the Listing Manual of the SGX-ST; and

(o) disclose the following information in the Company's annual report:

- names of the members of the AC;
- details of the AC activities;
- number of AC meetings held in that year; and
- the attendance of individual directors at such meetings.

The AC meets at least four (4) times a year, and as and when required. In particular, the AC meets to review the financial statements before each announcement.

The AC may at any time meet with the auditors without the presence of the Company's management. It may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of a regulatory or legal nature. The AC has the power to conduct or authorise investigations into any matter within the AC's scope of responsibility.

No former partner or director of the Company's existing external auditor is a member of the AC (a) within a period of two years commencing on the date of their ceasing to be a partner or director of the external auditor firm or corporation; and in any case, (b) for as long as they have any financial interest in the audit firm or auditing corporation.

Each member of the AC abstains from voting on any resolutions, making any recommendation and/or participating in discussion on matters in which he is interested.

Provisions 10.4 & 10.5 - Internal Audit function and meeting with internal and external auditors

Since FY2021, the AC appointed M/s. Nexia TS Risk Advisory Pte Ltd (the "Internal Auditors"), an external firm, to carry out the internal audit function. The Internal Auditors are a certified public accounting firm and a corporate member of the Institute of internal auditors, Singapore, and is staffed with professionals with relevant qualifications and experience for the job it has been appointed for.

The AC (and the Board) recognise its respective responsibilities in ensuring a sound system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems to safeguard shareholders' investments and the Company's assets. Rule 719(1) of the SGX-ST Listing Manual requires an issuer to have a robust and effective system of internal controls, addressing financial, operational, compliance and information technology controls and risks. Effective internal controls not only refer to financial controls but include, among others, business risk assessment, operational and compliance controls.

The Internal Auditors report directly to the AC which decides its appointment, termination and remuneration. The Internal Auditors have been provided access to all documents, records, properties and personnel of the Group and have good standing within the Group. For each financial year, the AC will review and approve the audit plans and the results of the Internal Auditors' review of the Company's system of internal controls.

The AC's Report for FY2023

For FY2023, the AC is pleased to provide the following summary relating to its work as follows:

A. Financial Statements

The AC reviewed and approved the audit plan, the quarterly, half-yearly and full-year unaudited financial results for announcement purposes.

For FY2023, the AC (and the Board) received assurance from the Executive Director and Chief Financial Officer and key management personnel that the financial records of the Company and its subsidiaries have been properly maintained and that the financial statements give a true and fair view of the Group's operations and finances.

The consolidated financial statements of the Group for FY2023 were prepared in accordance with SFRS and the external auditor has, save for the disclaimer opinions expressed, noted that the consolidated financial statements of the Company represented a true and fair view of the consolidated financial position of the Group.

The AC meets with internal and external auditors without the presence of Management.

There were certain discrepancies between the unaudited consolidated financial statements and the Audited Consolidated Financial Statements of the Group, which discrepancies were announced on the SGXNET on 14 September 2023. These relate to audit adjustments made after the full year results announcement on 29 June 2023.

For FY2023, the external auditors made certain qualifications and emphasis of matters in the auditors' report, and the qualifications and emphasis of matters were announced on the SGXNET on 14 September 2023.

B. Internal Controls and Risk management

For FY2023, the AC (and the Board) received assurance from the Executive Director and Chief Financial Officer and key management personnel regarding the adequacy and effectiveness of the Group's risk management systems and that the internal control systems put in place were adequate and effective in addressing key risks identified in its current business environment, including its financial, operational, compliance and information technology functionalities.

The AC (and the Board) noted that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. However, they are committed to strengthening internal controls on a continuing basis.

For FY2023, the AC reviewed the adequacy and effectiveness of the Group's risk management systems as well as the internal control systems including financial, operational, compliance and information technology controls based on procedures established and maintained by the Group and reviewed by the Management. Based on the Group's internal controls put in place and the procedures established and maintained by the Group, assurances received from the Executive Director and Chief Financial Officer and key management personnel, as well as work and review performed by the external auditors and internal auditors, and Management, the Board with the concurrence of the AC are of the view that the Group's internal controls (including financial, operational compliance and information technology controls) and risk management systems in place are adequate and effective as at 30 April 2023.

C. Internal Audit

For the FY2023, the internal auditor was engaged with a focus on IT General Controls.

The AC is also satisfied that the internal audit function is independent, effective and has been adequately resourced and staffed by suitably qualified and experienced professionals with the relevant experience. The internal auditor also has good standing and is well regarded within the Group.

D. Audit and Non-Audit Fees

The aggregate amount of fees paid to the external auditor, broken down into audit and non-audit services during FY2023 are disclosed below and in Note 8 to the Audited Consolidated Financial Statements.

Service Category	Fees Paid/Payable (S$'000)
Audit Service	145
Non-Audit Service	8
Total Fees	**153**

In relation to the non-audit service fees paid or payable by the Company to the external auditor for FY2023, the AC undertook a review and are of the opinion that the value and scope of the non-audit services performed by the external auditor would not affect the independence of the external auditor.

E. Independence of External Auditor

The Group's external auditor, Baker Tilly TFW, is an accounting firm registered with the Accounting and Corporate Regulatory Authority. The external auditor was first appointed on by shareholders at an Extraordinary General Meeting held on 28 February 2018. Having regard to Baker Tilly's other auditing engagements, the size and complexity of the Group and the number and experience of supervisory and professional staff assigned to the audit, the AC is satisfied that Baker Tilly and the audit engagement partner assigned to the audit of the Group have adequate resources and experience to meet its audit obligations. In this connection, the AC (and the Board) confirm that it is in compliance with Listing Rule 712 and Listing Rule 715, read together with Listing Rule 716 of the Listing Manual in relation to the appointment of external auditor.

Baker Tilly has indicated to the AC and the Board of its intention to seek for reappointment as auditor of the Company at the forthcoming annual general meeting.

In accordance with Listing Rule 713, the audit engagement partner assigned to the audit of the Company has not been in charge of auditing the Company and its Subsidiaries for more than 5 consecutive audits.

The AC (and the Board) are also satisfied that notwithstanding the financial statements of the Company's subsidiaries in China are audited by BDO China-Shu Lun Pan CPAs and ESA is audited by RSM Chio Lim LLP, such appointments do not compromise the standard and effectiveness of the overall audit of the Company by its external auditors. The component auditors for the Group's subsidiaries and ESA are reputable firms with good standing.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder rights and conduct of general meeting

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2 & 11.3 - General meetings

The Board welcomes the views of shareholders on matters affecting the Company at the shareholders' meetings. The Board encourages active shareholder participation during general shareholders' meetings, including annual and extraordinary general meetings. It believes that general meetings are an opportune time and suitable platform for shareholders and the Board and Management of the Company to engage in active exchange of ideas.

While there is no limit imposed on the number of proxy votes for nominee companies, the Constitution of the Company allows each shareholder to appoint up to two (2) proxies to attend an annual general meeting. The Companies Act now allows corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

If a specific corporate action that requires shareholders' approval is proposed to be undertaken, a circular will be written up containing all pertinent information and addressed to shareholders. Reports or circulars of the general meetings will be accessible to all shareholders electronically and also made available on SGXNET.

Separate resolutions are proposed for each substantially separate issue at the general meeting. At its annual general meetings, shareholders have the opportunity to raise questions to the Board and Management and clarify with them any issue they may have relating to the resolutions to be passed.

All Board members, Management and the external auditors are required to attend shareholders' meetings and are on hand to address any questions raised. The external auditor was present at the last AGM held on 30 November 2022 to assist the Directors in addressing any relevant queries on the Audited Consolidated Financial Statements for the financial year ended on 30 April 2022 from the shareholders.

Shareholders will be informed of the procedures, including voting procedures that govern general meetings. Where a resolution has been put to vote, the Company will make an announcement of the details and results showing the number of votes cast for and against each resolution and the respective percentages.

The Company has not amended its Constitution to provide for absentia voting methods which call for elaborate and costly implementation of a fool-proof system, the need for which has not arisen. The minutes of an annual general meeting will be made available via SGXNET.

As the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 has been repealed as of 1 July 2023, the forthcoming annual general meeting will be held as a physical meeting, and shareholders are entitled to submit questions that are relevant and substantial to the resolutions sought to be passed at the annual general meeting prior to the day of the general meeting. The Company will post its response to any such questions on the SGXNET by the date and time as stipulated in the Notice of AGM for FY2023.

Provision 11.5 - Minutes of general meetings

The Company, with the help of the Company Secretary, prepares minutes of general meetings that include substantial and relevant comments relating to the agenda of the meetings and responses from the Board and management and such minutes, where relevant will be made available to shareholders upon their written request.

Provision 11.6 - Dividend policy

The Group does not have a dividend policy at present which deviates from Provision 11.6 of the Code. In considering the declaration of dividends, the Company will have to take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividend is recommended and declared for the financial year under review as the Board is of the view that the Group has still to rebuild and strengthen its financial position. With the financial and other impact that have been caused by the COVID-19 pandemic, the Group continues to conserve cash for its operations.

Principle 12: Engagement with shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provisions 12.1, 12.2 & 12.3 - Shareholder engagement

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. The Board is aware of its obligations to shareholders and has devised investor relations policies to provide regular, effective and fair communication, and to convey pertinent information to shareholders. In line with the continuous disclosure obligations of the Company under the Listing Rules, the Board's policy is that all shareholders should be equally and timeously informed of all major developments and events that impact the Group. All information communicated to shareholders relating to the Company's initiatives is first disseminated via SGXNET followed by news release, where appropriate, and through annual reports/circulars that are available via the Company's website. Notices of general meetings are advertised.

Results of quarterly, half yearly and annual reports are announced or issued within the mandatory period are also simultaneously disseminated via SGX-NET, and where relevant, the press.

While the Company does not have a separate investor relations policy, it will engage with investors and shareholders as and when the occasion requires, in addition to general meetings of shareholders and the prompt announcement of material developments of the Group. Contact details and channels of communications with shareholders and public remain open and relevant information is duly updated and conveyed via the Company's websites and email channels.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provision 13.1, 13.2 and 13.3- Stakeholder engagement

The Group places great importance to having open and transparent engagement with our key stakeholders. Stakeholders play an important role to ensure the sustainability of our business and products. Half-yearly and year-end results are made available on SGX-Net and our website at https://www.ren-united.com.

The Group publishes a sustainability report which provides details about the strategy and key areas of focus in relation to the management of stakeholder relationships. The Group has also identified the environmental, social and governance factors that are important to these stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in our sustainability report. Further details can be found in our sustainability report for the year ended 30 April 2023 which has been released simultaneously with this report.

To enable shareholders to contact the Company easily, the contact details of the company are set out in the contents page of the Company's Annual Report for FY2023 as well as on the Company's website at https://www.ren-united.com.

Dealing in Securities

In line with Listing Rule 1207(19) of the Listing Manual, the Company has in place an internal code on dealings with securities, which has been issued to all Directors and employees setting out the implications on insider trading.

The internal code prohibits the dealing in securities of the Company by Directors and employees while in possession of price sensitive information, and during the period beginning two (2) weeks before the announcement of the quarterly results and one (1) month before the announcement of the full year results, and ending on the date of the announcement of the respective results. Directors are required to report securities dealings to the Company Secretary who will assist to make the necessary announcements.

In addition, Directors and employees are reminded to observe insider trading laws at all times. The Company's officers are discouraged from dealing in the Company's shares on short-term considerations.

For FY2023, the requirements of Listing Rule 1207 (19) and the Company's internal code on dealings were complied with.

Interested Person Transactions

The Company has established internal control policies to ensure that transactions with interested persons are reported to the AC, reviewed and approved, and are on normal commercial terms and conducted at arm's length basis, and will not be prejudicial to the interests of the Company and its minority shareholders.

During FY2023, the Group did not enter into any interested person transactions with a value exceeding of S$100,000 or more. The Group does not have a general mandate pursuant to Listing Rule 920 for interested person transactions.

Material Contracts

There was no material contract entered into between the Company and or its subsidiaries involving the interests of any Director or controlling shareholder for the financial year under review.

Whistleblowing

The Company has put in place a whistle blowing policy. The policy encourages employees to raise concerns, in confidence, about possible irregularities to Mr. Ramakrishnan and Mr. Koh. Such concerns include fraudulent acts, dishonesty, legal breaches and other serious improper conduct, unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. It aims to provide an avenue for employees to raise concerns and at the same time provide reassurance to employees that they will be protected from reprisals or victimisation for whistle blowing in good faith.

Whenever a concern is raised in writing, by telephone or in person to the abovementioned persons, the whistle blower and the report received shall be treated with utmost confidentiality and will be attended to immediately or as soon as practicable. The whistleblowing policy will be posted on a notice board at each subsidiary's premises. The email addresses of Mr. Ramakrishnan and Mr. Koh are stated in the whistleblowing policy which can be also be found on the Company's website.

When making a report, the whistleblower should provide the following information:

- Name, NRIC and contact details;
- Parties involved, time and place of the alleged improprieties;
- Evidence leading to the improprieties, if any; and
- Any other details or documentation that would assist in the evaluation of the improprieties.

Some concerns may be resolved by agreed action without the need for investigation. If an investigation is necessary, the whistleblowing committee member will commence an independent investigation. All whistle blowers have a duty to cooperate with investigations.

The AC oversees the administration of the whistle blowing policy. Periodic reports will be submitted to the AC specifying the number and details of the complaints received, results of the investigations, follow-up actions required and any unresolved complaints. There were no whistle blowing reports received for the financial year under review.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUALS

Mr. Blythman and Mr. Sazali are the Directors seeking re-election at the forthcoming AGM to be held 29 September 2023 ("AGM") under Ordinary Resolutions 3 and 4 (respectively) as set out in the Notice of AGM dated 14 September 2023.

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information relating to the Retiring Directors is set out below:

Name of Director	Mr. James Moffatt Blythman	Mr. Sazali Bin Mohd Nor
Date of Initial Appointment	28 May 2018	30 January 2019
Date of last re-appointment (if applicable)	11 October 2021	11 October 2021
Age	38	66
Country of principal residence	Singapore	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board acknowledges the contributions of Mr. Blythman since his appointment. Mr. Blythman is retiring pursuant to Regulation 89 of the Company's Constitution and is seeking re-election. The Board recommends Mr. Blythman's re-election.	Mr. Sazali has extensive working experience since 1983 in the various fields in bio- pharmaceuticals, green technology and entrepreneurship. In the area of entrepreneurship, he has driven multiple startups, pharmaceutical trading and distribution. Among other achievements, he has in the capacity, acquired multiple grants from the government for pre-commercialization of biotechnology products and the setup of the Centre of Proteomic Research in FRIM with a matching grant of RM12.5million. The Centre was a recipient of the Sun Microsystems Education & Research Grant.

Name of Director	Mr. James Moffatt Blythman	Mr. Sazali Bin Mohd Nor
		He recently served as the Chief Executive Officer of Pahang Technology Resources Sdn. Bhd., a state-owned entity focusing in the area of technology development and Chief Executive Officer of Silk Road Development Sdn. Bhd. in the area of Sea Ports and Infrastructure. In 2021, he recently served as the Executive Chairman of Rakyat Digital Sdn. Bhd. and is primarily responsible for overseeing the management of the company, which provides infrastructure for hosting, data processing services, as well as research and development. Mr. Sazali was previously Director of Coraza Integrated Technology Sdn. Bhd.. Mr. Sazali is retiring pursuant to Regulation 89 of the Company's Constitution and is seeking re-election. The Board recommends Mr. Sazali's re-election.
Whether appointment is executive, and if so, the area of responsibility	Executive Appointment	Non-Executive Appointment
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Chairman of both Nominating and Remuneration Committees and Member of the Audit Committee.
Professional qualifications	CPA (Australia) and Certified Fraud Examiner	Mr. Sazali has attended entrepreneurship programmes under the Malaysian National Economics Policy, Bumiputra National Productivity and Mara Entrepreneurs Development.

Name of Director	Mr. James Moffatt Blythman	Mr. Sazali Bin Mohd Nor
Working experience and occupation(s) during the past 10 years	Year 2010 to 2011 – BlueScope Steel Ltd – Sales & Marketing Officer (China) Year 2011 to 2013 – Xella International – Strategic Planning Manager (China) / Chief Representative (Vietnam) Year 2014 to 2015 – Secure Parking – Chief Operating Officer (China) Year 2016 to 2017 – Victoria State Revenue Office – Recovery Officer (Australia) Year 2017 to Current – Meridian Equities Pte Ltd – Director (Singapore) Year 2018 to Current – Renaissance United Ltd – Executive Director & Chief Financial Officer (Singapore)	Year 2012 to 2013 – Pahang Technology Resources Sdn. Bhd. – Chief Executive Officer Year 2014 to 2016 – Swift Port Sdn. Bhd. – Chief Executive Officer Year 2016 to 2017 – Silk Road Development Sdn. Bhd. – Chief Executive Officer Year 2016 to 2018 – Seven Seas Global Sdn. Bhd. – Executive Director Year 2018 to 2020 – Mutiara Smart Sdn. Bhd. – Strategic Business Advisor Year 2019 to Current – Renaissance United Ltd – Non-Executive and Independent Director Year 2021 – Coraza Integrated Technology Sdn. Bhd. – Director
Shareholding interest in the listed issuer and its subsidiaries	Yes	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Blythman holds a deemed interest in the 880,000,000 shares held by Meridian Equities Pte Ltd.	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Name of Director	Mr. James Moffatt Blythman	Mr. Sazali Bin Mohd Nor
Other Principal Commitments* Including Directorships# "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	None	None
Any prior experience as a director of an issuer listed on the Exchange?	NA, as this is a re-election	NA, as this is a re-election
If yes, please provide details of prior experience.	NA	NA
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	NA	NA
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	NA, as this is a re-election	NA, as this is a re-election

Mr. Blythman and Mr. Sazali have confirmed in the negative on items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Rules.

SHAREHOLDERS' **INFORMATION**

STATISTICS OF SHAREHOLDERS AS AT 4 SEPTEMBER 2023

Issued share capital	:	S$265,811,043.25
Number of shares	:	6,180,799,986
Class of Shares	:	Ordinary Shares
Voting rights	:	One vote for each ordinary share
Number of Treasury Shares	:	NIL

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 4 SEPTEMBER 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.05	179	0.00
100 - 1,000	448	3.91	439,334	0.01
1,001 - 10,000	3,277	28.61	19,085,894	0.31
10,001 - 1,000,000	7,104	62.02	1,236,524,089	20.00
1,000,001 AND ABOVE	620	5.41	4,924,750,490	79.68
TOTAL	**11,454**	**100.00**	**6,180,799,986**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Shareholders	Units	%	Units	%
Meridian Equities Pte Ltd	0	0.00	880,000,000	14.24

*As at 4 September 2023, James Moffatt Blythman is the Executive Director and Chief Financial Officer of the Company. He holds a 100% interest in Meridian Equities Pte Ltd and therefore is deemed to have an interest in the shares of the Company.

SHAREHOLDERS' **INFORMATION**

TWENTY LARGEST SHAREHOLDERS AS AT 4 SEPTEMBER 2023

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	893,883,374	14.46
2	PHILLIP SECURITIES PTE LTD	753,025,253	12.18
3	MAYBANK SECURITIES PTE. LTD.	201,788,000	3.26
4	DBS NOMINEES PTE LTD	156,813,300	2.54
5	ONG SOH NEO	77,700,000	1.26
6	NG QUEK PENG	76,383,900	1.24
7	HUANG QINGPING	65,000,000	1.05
8	OCBC SECURITIES PRIVATE LTD	64,016,998	1.04
9	LAM WEI KUEN	48,000,000	0.78
10	SOH BENG HUAT OR SOH CHYE LIN	48,000,000	0.78
11	ONG GIM LOO	45,000,000	0.73
12	NG HONG ENG	42,728,300	0.69
13	SOH ENG LEE	38,273,000	0.62
14	IFAST FINANCIAL PTE LTD	35,786,700	0.58
15	CITIBANK NOMINEES SINGAPORE PTE LTD	32,294,400	0.52
16	PHUA MENG THONG	31,000,000	0.50
17	LIM KEE WAY IRWIN	30,100,000	0.49
18	RAFFLES NOMINEES (PTE) LIMITED	29,862,800	0.48
19	SHEN JIANKUN	29,100,000	0.47
20	TIEW YEW SENG	28,901,000	0.47
	TOTAL	**2,727,657,025**	**44.14**

SHARES HELD BY THE PUBLIC AS AT 4 SEPTEMBER 2023

Based on information available to the Company as at 4 September 2023, approximately 85.76% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the listing Manual issue by the SGX-ST is complied with.

NOTICE OF
ANNUAL GENERAL MEETING

This Notice of Annual General Meeting (the "**Notice**") of Renaissance United Limited ("the **Company**") has been made available on SGXNET at: https://www.sgx.com/securities/company-announcements and the Company's website at: https://www.ren-united.com and will in accordance with the Listing Rules of the SGX-ST be sent to the members. The annual report for financial year ended 30 April 2023 and other documents accompanying the Notice will only be made available on SGXNET at: https://www.sgx.com/securities/company-announcements and the Company's website at: https://www.ren-united.com and physical copies will not be posted to members.

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of the Company will be convened and held on 29 September 2023 at 11:30 a.m. at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075, Changi Room 1, Level 4 for the following purposes:

As Ordinary Business

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 April 2023 together with the Directors' Statement and the Auditors' Report thereon. ***[Resolution 1]***

2. To approve Directors' fees of S$49,831 (2022:S$52,277). ***[Resolution 2]***
   [See Explanatory Note 1]

3. To re-elect the following Director retiring pursuant to Regulation 89 of the Company's Constitution: ***[Resolution 3]***

   Mr. Sazali Bin Mohd Nor.
   [See Explanatory Note 2]

4. To re-elect the following Director retiring pursuant to Regulation 89 of the Company's Constitution: ***[Resolution 4]***

   Mr. James Moffatt Blythman.
   [See Explanatory Note 3]

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. ***[Resolution 5]***

6. To transact any other ordinary business which may be transacted at an annual general meeting.

As Special Business

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

7. **Authority to allot and issue new shares and convertible securities** ***[Resolution 6]***

That pursuant to Section 161 of the Companies Act, 1967, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this resolution was in force, provided that:

(i) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) to be issued pursuant to this resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub- paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this resolution, after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this resolution; and

   (3) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by the Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGXST), all applicable legal requirements under the Companies Act and the Constitution of the Company; and

(d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note 4]

By Order of the Board

Allan Tan
Company Secretary

Singapore, 14 September 2023

EXPLANATORY NOTES:

(1) Includes Directors fees paid by the Company's subsidiaries.

(2) Mr. Sazali Bin Mohd Nor has submitted himself for re-nomination and re-appointment. Mr. Sazali will, upon re-election, remain as a Non-Executive and Independent Director of the Company, a member of the Audit, Chairman of the Nominating and Remuneration Committees. Please refer to page 129 of the Annual Report for more information on Mr. Sazali.

(3) Mr. James Moffatt Blythman has submitted himself for re-nomination and re-appointment. Mr. Blythman will, upon re-election, remain as an Executive Director of the Company. Please refer to page 129 of the Annual Report for more information on Mr. Blythman.

(4) Ordinary resolution 6 proposed in item 7 above, if passed, will authorise the Directors of the Company to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders. The authority of the Directors to do so as aforementioned is effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or until such time authority is varied or revoked by the Company in a general meeting, whichever is the earlier. In calculating the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this ordinary resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this ordinary resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

NOTES TO THE AGM

1. This AGM is convened, and will be held in a wholly physical format. **There will be no option for shareholders to participate virtually.** Printed copies of the Annual Report 2023 will not be sent to members but will be published on the SGX website at https://www.sgx.com/securities/company-announcements and on the Company's website at the link: https://www.ren-united.com. The Notice and the accompanying proxy form will be sent to shareholders.

2. Please take notice that the Company may implement such COVID-19 safe management measures (including vaccination-differentiated safe management measures) at the AGM as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of any update by the relevant authority on the COVID-19 situation in Singapore. Shareholders should check the Company's website at the URL https://www.ren-united.com or the SGX website at the URL https://www.sgx.com/securities/company-announcements for the latest updates.

3. Shareholders (including CPF and SRS investors) may participate in the AGM by: (a) attending the AGM in person; (b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) through duly appointed proxy(ies). For the avoidance of doubt, CPF and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the Meeting) to attend, speak and/or vote at the AGM on their behalf.

4. Details of the steps for registration, submission of questions and voting at the AGM by shareholders, including CPF and SRS investors, are set out in **Appendix A** to this announcement. In particular, CPF and SRS investors who wish to request their CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting as their proxy in respect of their shares held by such CPF Agent Banks or SRS Operators on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11.30 a.m. on 22 September 2023, i.e., 7 days before the date and time set for the AGM.

5. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is normally entitled to appoint not more than two (2) proxies to participate and vote in the AGM. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.

6. Pursuant to Section 181(1C) of the Companies Act, any member who is a Relevant Intermediary is normally entitled to appoint more than two (2) proxies to participate in the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the number and class of Shares in relation to which a proxy has been appointed shall be specified in the proxy form.

7. Persons who hold the Company's shares through Relevant Intermediaries, other than CPF and SRS investors, and who wish to participate in the AGM by: (a) attending the AGM in person; (b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) by appointing the Chairman of the Meeting as proxy in respect of their shares held by such Relevant Intermediaries on their behalf, should contact the Relevant Intermediary through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

8. All voting if carried out by way of proxy forms must be directed as stipulated above.

9. The duly executed proxy form appointing the Chairman as proxy must be emailed to the Company at corp@ren-united.com or sent by post to Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not later than seventy-two (72) hours before the time set for the AGM.

10. The proxy form appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. A copy of the power of attorney or such other authority must be submitted together with the proxy form appointing a proxy.

11. A depositor's name must appear in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) maintained by The Central Depository (Pte) Limited not later than seventy-two (72) hours before the date and time set for the AGM for the depositor to be entitled to participate in the AGM and vote at the AGM.

Personal Data Privacy Terms:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

RENAISSANCE UNITED LIMITED
(Company Registration Number 199202747M)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "**CPF Investors**" or "**SRS Investors**"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF or SRS investors:
   (a) may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM to allow sufficient time for their respective relevant intermediaries to, in turn, submit a proxy form to appoint the Chairman of the meeting to vote on their behalf by the cut-off date at 11.30 a.m. on 22 September 2023.

PROXY FORM

I/We ____ , ______________________________
(Name) *(NRIC/Passport No./Company Registration Number)*

of ____
(Address)

being a member/members of RENAISSANCE UNITED LIMITED hereby appoint:

(a)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

OR

(b) the Chairman of the meeting as my/our proxy to participate in and to vote for me/us on my/our behalf at the 30th Annual General Meeting ("**AGM**") of the Company to be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075, Changi Room 1, Level 4 at 11.30 a.m. on 29 September 2023 and at any adjournment thereof.

I/We* direct the Chairman of the meeting to vote for or against or abstain from voting on each of the resolutions as set out in the Notice of AGM dated 14 September 2023, as follows.

Please indicate with a "√" in the space provided below to exercise your vote "For" or "Against", or "Abstain" from voting on, the resolutions. Alternatively, please indicate the number of Shares as appropriate.

All resolutions put to the AGM will be decided by way of a poll.

No.	Resolutions	For	Against	Abstain
	As Ordinary Business			
1.	Adoption of Audited Financial Statements together with the Directors' Statement and Report of the Auditor for the financial year ended 30 April 2023.			
2.	To approve Directors' fees of S$49,831 (2022:S$52,277).			
3.	Re-election of Mr. Sazali Bin Mohd Nor as a Director.			
4.	Re-election of Mr. James Moffatt Blythman as a Director.			
5.	To re-appoint Messrs Baker Tilly TFW LLP as Auditor of the Company and to authorise the Directors to fix their remuneration.			
	As Special Business			
6.	Authority to allot and issue shares and convertible securities.			

Note: Please note that the short descriptions of the resolutions as indicated above have been inserted for convenience only. Shareholders should refer the Notice of AGM dated 14 September 2023 for the full text of the Resolutions to be passed.

Dated this ________ day of ____________________ 2023

Total number of shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s) /
Common Seal of Corporate Shareholder

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. For this AGM, members of the Company (including Relevant Intermediaries) may vote by way of this proxy form appointing their duly appointed proxy or proxies.
2. Please insert the total number of Shares held by you: (a) if you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number; (b) if you have Shares registered in your name in the Register of Members of the Company, you should insert that number; (c) if you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate the numbers. If no number is inserted, this proxy form shall be deemed to relate to all the Shares held by you.
3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
5. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

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RENAISSANCE UNITED LIMITED
c/o Tricor Barbinder Share Registration Services
80 Robinson Road, #11-02, Singapore 068898

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6. A proxy need not be a member of the Company.
7. The instrument appointing a proxy must be signed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. The duly executed instrument appointing a proxy must be sent by post to the office of the Company's share registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898, or emailed to the Company at corp@ren-united.com, not later than seventy-two (72) hours before the time set for the AGM.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 September 2023.
10. The Company shall be entitled to reject a proxy form submitted if it is incomplete, improperly completed or illegible or where the true intentions of the appointor cannot be ascertained from the instructions specified in the proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form submitted if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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RENAISSANCE UNITED LIMITED

16 Kallang Place, #05-10/18
Kallang Basin Industrial Estate
Singapore 339156