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 2022, 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 2022 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 on that date.

Basis for Qualified Opinion

1. Carrying value of intangible assets in relation to distribution and licensing rights

   During the financial year ended 30 April 2022, an impairment loss of $11,242,000 was recognised to write down the carrying amount of intangible assets in relation to distribution and licensing rights to its recoverable amount. As a result, the carrying amount of the distribution and licensing rights as at 30 April 2022 was fully impaired (2021: $11,813,000).

   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. Accordingly, we are 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. In addition, we are unable to determine if the impairment loss and amortisation charge recognised during the financial year of $11,242,000 and $1,269,000 respectively are appropriate.

   Our opinion on the financial statements for the preceding financial year ended 30 April 2021 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.

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

Basis for Qualified Opinion (cont'd)

2. Development property

   As disclosed in Note 16 to the financial statements, the net carrying amount of the Group's development property as at 30 April 2022 amounted to $4,380,000 (2021: $4,209,000). During the financial year ended 30 April 2021, the Group recognised development costs from sales of development property of $7,334,000 in the Group's profit or loss.

   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 $4,380,000 and $4,209,000 as at 30 April 2022 and 30 April 2021 respectively are fairly stated, and whether any adjustments might have been found necessary in respect of the development costs of $7,334,000 recognised in the Group's profit or loss for the financial year ended 30 April 2021.

   Our opinion on the financial statements for the preceding financial year ended 30 April 2021 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 2022.

   Our opinion on the financial statements for the preceding financial year ended 30 April 2021 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.

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.

To the members of Renaissance United Limited

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 2022, the Group and the Company incurred a net loss of $12,284,000 (2021: $4,839,000) and $5,759,000 respectively. As at 30 April 2022, the Group's and the Company's current liabilities exceeded the current assets by $14,341,000 (2021: $12,286,000) and $5,059,000 (2021: $4,977,000) 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 2022, the carrying amounts of HZLH group's intangible assets amounted to $68,565,000 (2021: $78,782,000), which represent 58.4% (2021: 59.8%) 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.

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 management's views of the enterprise value divided by earnings before interest, tax, depreciation and amortisation ("EV/EBITDA") multiple as disclosed in Note 11 to the financial statements.

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

Key Audit Matters (cont'd)

Impairment assessment on intangible assets (cont'd)

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 Matter

We draw your attention to Note 32 to the financial statements, which describes the investigations by the Commercial Affairs Department, Singapore Police Force ("CAD"). As investigations against persons who may have facilitated the offences are still ongoing, there exists an uncertainty, the outcome of which is unknown, may have an impact on the Group's ongoing business operations. Our opinion is not further modified in respect of this matter.

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

8 November 2022