RENAISSANCE UNITED LIMITED

ANNUAL REPORT 2022

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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
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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)

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) and the first anniversary payment of US$1,250,000 (Approx. S$1,709,000) having been received by Capri.

  As announced on 21 August 2022, on 16 August 2022 US Pacific Time, Capri, through its attorneys, filed a petition to the Washington Supreme Court for a review of the Court of Appeals' order to reinstate Sawyer Falls Co., LLC's ("Sawyer Falls") claims against Capri while dismissing the same against the Company.

  Pending the outcome of a full hearing of the petition filed by Capri against the said reinstatement order made by the Court of Appeals, Sawyer Falls filed, at the Superior Court in Pierce County, an originating motion for relief pursuant to the said reinstatement order. On 29 August 2022, Judge Schwartz of the Superior Court in Pierce County ordered that all remaining proceeds from the purchase and sale agreement with KB Homes be placed in an interest-bearing special purpose account, to be held until the conclusion of the litigation. In granting the said relief, Sawyer Falls was ordered to provide a bond in the amount of US$75,000 as security for costs and damages that may be incurred by Capri.

  Furthermore, 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 attorney's fees. This concluded this piece of litigation which commenced in 2018.

  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.

- **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$60.6 million in FY22 improved slightly compared with S$48.2 million in FY21 with gas sales continuing to trend upwards. However, higher upstream cost prices continue to impact profitability.

  Moving forward, the global oil and gas markets are expected to remain very tight resulting in price surges. The Company will continue to monitor how the PRC Covid-19 measures and reduced economic output will affect gas demand, however supply shortages for the winter period are expected.

  Our Dawu Receiving station has improved operational efficiency by removing reliance on trucking and construction is underway on the new approx. 28km pipeline from Xiaochang to Dawu, expected to be completed in Q3 FY24.

- **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$14.8 million in FY22 from S$17.1 million in FY21, was due to decreased sale of burn-in boards.

  The market in China will remain a key focus for ESA in FY23. Focus will also be given to the global shifting of semi-conductor testing and related supply chains.

Legal Proceedings

Legal proceedings brought by a former Key Management Personnel as either Plaintiff or Plaintiff- in-Counterclaim are held by the Board to have no merit and the Company will continue to vigorously defend the same. As announced on 30 September, the High Court found in the Company's favour in relation to an Order 14 Application filed by the Company. The Company is advised by its legal advisors that the favourable ruling on the Order 14 Application would significantly reduce the quantum of Mr Smith's Counterclaim even if he were to be successful at trial.

Sustainability Reporting

To affirm the importance of having a sustainability strategy as part of our corporate agenda, a separate sustainability report guided by the Global Reporting Initiative ("GRI") Standards: Core option and SGX-ST listing rules 711 (A) and 711 (B) was released on 3 November 2022.

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 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.

Moving Forward and Acknowledgment

The Board and management as stewards will continue to steer and guide our three core businesses towards our long-term goals of sustainable profitability. On the more immediate front, the Company will defend itself vigourously against all unmeritorious legal proceedings brought against it.

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. The Company will, of course, continue to work with its external auditors, the Singapore Exchange ("SGX") and its other advisors on resolving its legacy issues.

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

8 November 2022

For the financial year ended 30 April 2022 ("FY22"), the Group achieved a Turnover of S$75.4 million, which was S$1.7 million or 2.2% lower than the Turnover of S$77.1 million recorded for the corresponding financial year ended 30 April 2021 ("FY21"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA Electronics Pte. Ltd. recorded a 13.5% decrease in Turnover of S$2.3 million to S$14.8 million in FY22, as compared to a Turnover of S$17.1 million recorded in FY21. 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 FY22 as compared to S$11.8 million in FY21 which had finalised sales agreement with home builders in the 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$60.6 million in FY22, as compared with S$48.2 million in FY21. The 25.7% increase in Turnover of S$12.4 million was mainly due to increase in natural gas sales.

The Group recorded a Loss before Income Tax of S$14.0 million in FY22 and S$6.3 million in FY21.

The Group recorded a Loss after Income Tax of S$12.3 million in FY22 and S$4.8 million in FY21.

The Group had Loss Attributable to Shareholders of S$12.3 million in FY22 and S$5.4 million in FY21 and Loss per Share of 0.199 Singapore cents in FY22 and 0.087 Singapore cents in FY21.

Other Revenue decreased by S$0.4 million to S$0.2 million in FY22, as compared with S$0.6 million FY21. This was mainly due to S$0.4 million decrease in jobs support scheme and government grants.

The Group's Total Cost and Expenses increased by approximately S$5.6 million to S$89.6 million in FY22, compared with S$84.0 million in FY21. This was mainly due to:

(a) S$9.5 million increase in the changes in inventories, raw materials and consumables, which is in line with the increased turnover by the natural gas business of the China subsidiaries;

(b) S$7.3 million land development costs pertaining to Capri's land sales in FY21 and none in FY22;

(c) S$0.3 million increase in amortisation of intangible assets pertaining to the land use rights of China subsidiaries;

(d) S$5.7 million increase in impairment loss of intangible assets mainly from the gas distribution and licensing rights of the China subsidiaries;

(e) S$0.4 million reversal of impairment loss of trade and other receivables mainly from ESA;

(f) S$3.8 million foreign exchange gain 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 strengthened from S$1.328 to S$1.379 (FY21: weakened from S$1.410 to S$1.328);

    (ii) Chinese Renminbi ("RMB"), at exchange rates of 1RMB to S$ which strengthened from S$0.205 to S$0.210 (FY21: strengthened from S$0.200 to S$0.205).

(g) S$0.7 million increase in employee benefit expenses mainly due to S$0.6 million increase from China subsidiaries and net S$0.1 million increase from other subsidiaries of the Group;

(h) S$0.3 million decrease in finance costs mainly due to repayment of bank loans of China subsidiaries;

(i) S$1.2 million increase in other operating expenses mainly due to increase of S$0.6 million professional and consultancy fees in Capri, S$0.6 million in safety production expenses, S$0.2 million travelling and entertainment expenses and S$0.4 million general and administrative expenses of China subsidiaries offset by reduction of S$0.6 million in property taxes and commissions pertaining to Capri's FY21 land sales.

An increase in income tax credit of S$0.3 million to S$1.7 million in FY22, as compared to S$1.4 million FY21, is mainly due to increased write back of S$0.7 million deferred tax liabilities pertaining to the total impairment allocated to distribution and licensing rights and service concession agreements of China subsidiaries offset by S$0.4 million increase in income tax of the Group's subsidiaries in FY22.

As at 30 April 2022, the Total Assets of the Group were S$117.4 million (FY21: S$131.8 million). The Net Current Liabilities of the Group as at 30 April 2022 were S$14.3 million (FY21: S$12.3 million), of which S$16.6 million (FY21: S$18.2 million) was held as cash and cash equivalents.

The Group's total borrowings of S$22.2 million (FY21: S$22.8 million) consist of mainly bank loans and overdrafts obtained by subsidiaries in PRC and ESA. The Group's gearing ratio as at 30 April 2022, based on net debt divided by total capital is 0.33 times (FY21: 0.29 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 2022, the total equity of the Group was S$57.7 million, as compared to S$68.6 million in FY21. The decrease was mainly due to a current year loss of S$12.3 million and S$1.4 million translation gain in other reserve and non-controlling interests.

The net asset value per share is S$0.007 in FY22 (FY21: S$0.008) and the total issued share capital of the Company is 6,180,799,986 (FY21: 6,180,799,986) ordinary shares.

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 2022.

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 2022 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 1.5.2021**	**At 30.4.2022**	**At 21.5.2022**	**At 1.5.2021**	**At 30.4.2022**	**At 21.5.2022**
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

8 November 2022

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.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 April 2022

	Note	2022 $'000	(Restated) 2021 $'000
Revenue	4	**75,393**	77,081
Other items of income			
Fair value gain on financial assets, at fair value through profit or loss	18	**–**	35
Interest income		**36**	31
Other income	5	**205**	574
		241	640
Operating expenses			
Changes in inventories		**498**	(110)
Raw materials and consumables used		**(59,729)**	(49,569)
Development costs		**–**	(7,334)
Amortisation of intangible assets	11	**(4,883)**	(4,630)
Depreciation of property, plant and equipment	12	**(855)**	(774)
Fair value loss on financial assets, at fair value through profit or loss	18	**(18)**	–
Impairment loss on intangible assets	11	**(12,718)**	(7,056)
Reversal of/(impairment loss) on trade and other receivables		**254**	(153)
Foreign exchange gain/(loss), net		**848**	(2,988)
Employee benefits expenses	6	**(7,084)**	(6,388)
Finance costs	7	**(1,211)**	(1,502)
Lease expenses		**(40)**	(39)
Other expenses		**(4,688)**	(3,447)
Total expenses		**(89,626)**	(83,990)
Loss before income tax	8	**(13,992)**	(6,269)
Income tax credit	9	**1,708**	1,430
Loss for the financial year		**(12,284)**	(4,839)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations arising from consolidation		**1,030**	1,569
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations arising from consolidation		**366**	305
Other comprehensive income for the financial year, net of tax		**1,396**	1,874
Total comprehensive loss for the financial year		**(10,888)**	(2,965)
(Loss)/profit attributable to:			
Equity holders of the Company		**(12,288)**	(5,402)
Non-controlling interests		**4**	563
		(12,284)	(4,839)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(11,258)**	(3,833)
Non-controlling interests		**370**	868
		(10,888)	(2,965)
Loss per share for loss attributable to equity holders of the Company			
Basic and diluted (in cents)	10	**(0.199)**	(0.087)

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

At 30 April 2022

	Note	Group 30.4.2022 $'000	Group (Restated) 30.4.2021 $'000	Group (Restated) 1.5.2020 $'000	Company 30.4.2022 $'000	Company 30.4.2021 $'000
Non-current assets						
Intangible assets	11	**69,913**	80,162	87,174	**–**	–
Property, plant and equipment	12	**9,584**	9,976	10,490	**25**	15
Investments in subsidiaries	13	**–**	–	–	**42,812**	48,508
Trade and other receivables	17	**15**	2,794	410	**–**	–
Convertible loan	14	**–**	–	–	**–**	–
Deferred tax assets	23	**427**	459	465	**–**	–
		79,939	93,391	98,539	**42,837**	48,523
Current assets						
Inventories	15	**2,149**	1,651	1,541	**–**	–
Development property	16	**4,380**	4,209	11,880	**–**	–
Trade and other receivables	17	**13,716**	13,744	7,584	**75**	51
Financial assets, at fair value through profit or loss	18	**535**	553	518	**501**	502
Cash and cash equivalents	19	**16,649**	18,203	13,273	**723**	1,258
		37,429	38,360	34,796	**1,299**	1,811
Total assets		**117,368**	131,751	133,335	**44,136**	50,334
Non-current liabilities						
Borrowings	22	**7,812**	9,503	14,150	**–**	9
Deferred tax liabilities	23	**39**	2,967	5,693	**–**	–
		7,851	12,470	19,843	**–**	9
Current liabilities						
Trade and other payables	20	**15,236**	16,746	15,781	**6,357**	6,778
Deferred income		**–**	–	10	**–**	–
Provisions	21	**32**	71	141	**1**	6
Current income tax payable		**833**	953	702	**–**	–
Borrowings	22	**14,357**	13,340	11,240	**–**	4
Contract liabilities	24	**21,312**	19,536	14,018	**–**	–
		51,770	50,646	41,892	**6,358**	6,788
Total liabilities		**59,621**	63,116	61,735	**6,358**	6,797
Net assets		**57,747**	68,635	71,600	**37,778**	43,537
Equity						
Share capital	25	**265,811**	265,811	265,811	**265,811**	265,811
Other reserves	26	**(17,779)**	(18,809)	(20,378)	**1,961**	1,961
Accumulated losses		**(206,800)**	(194,512)	(189,110)	**(229,994)**	(224,235)
Equity attributable to equity holders of the Company		**41,232**	52,490	56,323	**37,778**	43,537
Non-controlling interests		**16,515**	16,145	15,277	**–**	–
Total equity		**57,747**	68,635	71,600	**37,778**	43,537

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 April 2022

	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 2020	265,811	(17,088)	1,961	(5,251)	(189,110)	56,323	15,277	71,600
(Loss)/profit for the financial year	–	–	–	–	(5,402)	(5,402)	563	(4,839)
Other comprehensive income for the financial year								
Exchange differences on translation of foreign operations arising from consolidation	–	1,569	–	–	–	1,569	305	1,874
Total comprehensive income/(loss) for the financial year	–	1,569	–	–	(5,402)	(3,833)	868	(2,965)
Balance at 30 April 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**

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 2020	265,811	1,961	(224,902)	42,870
Profit and total comprehensive income for the financial year	–	–	667	667
Balance at 30 April 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**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2022

	Note	2022 $'000	(Restated) 2021 $'000
Cash flows from operating activities			
Loss before income tax		**(13,992)**	(6,269)
Adjustments for:			
(Reversal of)/impairment loss on trade and other receivables and convertible loan, net		**(254)**	153
Write-back of other payables		**–**	(11)
Amortisation of intangible assets		**4,883**	4,630
Impairment loss of intangible assets		**12,718**	7,056
Depreciation of property, plant and equipment		**855**	774
Interest expenses		**1,142**	1,414
Interest income		**(36)**	(31)
Interest expenses on lease liabilities		**27**	43
Provisions made during the financial year		**32**	71
Fair value loss/(gain) on financial assets, at fair value through profit or loss		**18**	(35)
Unrealised foreign exchange (gain)/loss		**(506)**	2,860
Operating cash flows before working capital changes		**4,887**	10,655
Changes in working capital:			
Inventories		**(494)**	(106)
Development property		**(8)**	7,149
Trade and other receivables		**3,326**	(8,744)
Trade and other payables and contract liabilities		**(5,538)**	1,470
Provisions		**(71)**	(141)
Cash generated from operations		**2,102**	10,283
Interest received		**36**	31
Interest paid on bank overdrafts		**(86)**	(79)
Net income tax paid		**(1,486)**	(929)
Net cash generated from operating activities		**566**	9,306
Cash flows from investing activities			
Purchase of property, plant and equipment		**(258)**	(62)
Proceeds from disposals of property, plant and equipment		**1**	2
Net cash used in investing activities		**(257)**	(60)
Cash flows from financing activities			
Proceeds from borrowings	22(f)	**6,313**	8,074
Repayments of borrowings	22(f)	**(5,734)**	(11,708)
Repayments of lease liabilities	22(f)	**(357)**	(324)
Interest paid on borrowings	22(f)	**(1,056)**	(1,335)
Interest paid on lease liabilities	22(f)	**(27)**	(43)
Net cash used in financing activities		**(861)**	(5,336)
Net (decrease)/increase in cash and cash equivalents		**(552)**	3,910
Cash and cash equivalents at beginning of the financial year		**12,872**	8,933
Effects of exchange rate changes on cash and cash equivalents		**382**	29
Cash and cash equivalents at end of the financial year	19	**12,702**	12,872

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 2022 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

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.

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

2.10 Intangible assets (cont'd)

Intangible assets acquired separately (cont'd)

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 intial 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.

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.

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

2.11 Property, plant and equipment (cont'd)

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.

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.

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

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

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.

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

2.18 Provisions (cont'd)

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.

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.

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

2.19 Leases (cont'd)

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

Lease liabilities (cont'd)

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.

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 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.

Whilst, during the financial year a significant loss was incurred, it is mainly due to the impairment loss on intangible assets which is a non-cash item and is subject to annual assessment. 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 suppliers.

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.

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

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$8,030,000, 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.

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") (cont'd)

On 3 November 2021, Capri received payment of US$1,250,000 (approximately $1,687,000) due under the Sale and Purchase Agreement. The remainder of US$2,780,000 (approximately $3,833,000) is due upon KB sales to third parties over the next 6 to 18 months from 30 April 2022 (Note 17(a)).

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

Due to the up-front capital required for gas network infrastructure, HZLH does have significant borrowings from local financial institutions and this is the major contributor to the Group's current net liabilities position. HZLH is working with Bank of Kunlun Co., Ltd. ("KLB") which is under the umbrella of PetroChina Company Limited, a Chinese oil and gas company that is Asia's largest oil and gas producer, to re-negotiate some of its bank facilities as well as to provide additional facilities. KLB's mandate and expertise is to support oil and gas owners' development. On 16 September 2022, HZLH has obtained a working capital loan amounting to RMB28,000,000 from KLB for a period of 36 months.

HZLH has good rapport with the local governments and its banks which is expected for a mature business of approximately 18 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 successfully negotiated for further repayment terms with a longer tenure. 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.

The infrastructure under the service concession arrangements for Dawu city in Hubei Province, PRC has not been pledged and could be pledged in the future as security to obtain additional fundings if necessary.

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.

(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 did 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. After the relative normalisation of operations following the COVID-19 pandemic, ESA has declared and made dividend payment in addition to its monthly management fees.

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)

In addition, the Company has 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.

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;

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)

(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.

The Group has reviewed and assessed the impact of the application of the Interpretation to its gas distribution business and adjustments have been made accordingly 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 as disclosed in Notes 4, 11, 12 and 35.

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 2022 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 amount, the FVLCD of HZLH is determined based on valuation performed by an independent firm 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.

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.

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

3.2 Key sources of estimation uncertainty (cont'd)

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 $833,000 (2021: $953,000) and $39,000 (2021: $2,967,000) respectively. The Group's deferred tax assets were $427,000 (2021: $459,000) 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:

2022	**Property development $'000**	**Gas distribution $'000**	**Electronics and trading $'000**	**Total $'000**
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**
2021 (Restated)				
Primary geographical markets				
Singapore	–	–	4,408	4,408
PRC	–	48,220	7,917	56,137
Taiwan	–	–	3,168	3,168
USA	11,757	–	205	11,962
Europe	–	–	780	780
Others	–	–	626	626
	11,757	48,220	17,104	77,081
Major product lines				
Semi-conductor components	–	–	17,104	17,104
Gas installation and connection	–	12,343	–	12,343
Gas delivery and usage	–	31,359	–	31,359
Service concession revenue	–	4,518	–	4,518
Property development	11,757	–	–	11,757
	11,757	48,220	17,104	77,081
Timing of revenue recognition				
At a point in time	11,757	12,343	17,104	41,204
Over time	–	35,877	–	35,877
	11,757	48,220	17,104	77,081

4. Revenue (cont'd)

	Group 2022 $'000	Group 2021 $'000
Revenue recognised during the financial year from:		
Amounts included in contract liabilities at the beginning of the financial year (Note 24)	**19,536**	14,018

Management expects that $21,312,000 (2021: $19,536,000) 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 2022 $'000	Group 2021 $'000
Jobs support scheme	**–**	316
Government grants	**12**	104
Sundry income	**193**	143
Write-back of other payables	**–**	11
	205	574

During the previous financial year ended 30 April 2021, government grant income of $316,000 was recognised under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees. The JSS is a temporary scheme introduced in the Singapore Budget 2020 and had been extended up to 2021 by the Government.

6. Employee benefits expenses

	Group	
	2022	2021
	$'000	$'000
*Key management personnel**		
Short-term employee benefits	**943**	736
Defined contribution plans	**25**	25
	968	761
Other staff		
Short-term employee benefits	**5,737**	5,251
Defined contribution plans	**379**	376
	7,084	6,388

	Group	
* Comprise amounts paid to:		
Directors of the Company		
- Remuneration, allowances and bonuses	**457**	268
Directors of subsidiaries		
- Remuneration, allowances and bonuses	**178**	169
- Defined contribution plan expenses	**14**	11
Other key management personnel ("KMP")		
- Salaries, allowances and bonuses	**308**	299
- Defined contribution plan expenses	**11**	14
	968	761

7. Finance costs

	Group	
	2022	2021
	$'000	$'000
Interest expenses		
- lease liabilities (Note 12)	**27**	43
- bank borrowings	**1,056**	835
- bank overdrafts	**86**	79
- loan from KMP	**–**	500
- other bank charges	**42**	45
	1,211	1,502

8. Loss before income tax

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

	Group	
	2022	2021
	$'000	$'000
Audit fees		
- auditor of the Company	**145**	133
- other auditors	**113**	123
Non-audit fees		
- auditor of the Company	**8**	14
- other auditors	**11**	9
Provision for Directors' fees		
- Directors of the Company	**88**	81
- Director of a subsidiary	**–**	3
General repair and maintenance	**358**	319
Professional and consultancy fees	**1,512**	953
Travelling expenses	**186**	85
Utilities	**316**	304
Safety production expenses	**860**	307

9. Income tax credit

	Group	
	2022	2021
	$'000	$'000
Income tax credit for the financial year consist of:		
Current income tax		
- current year	**1,365**	965
- overprovision in prior years	**(5)**	–
Deferred tax assets (Note 23)		
- current year	**42**	15
Deferred tax liabilities (Note 23)		
- current year	**(3,110)**	(2,410)
	(1,708)	(1,430)

Domestic income tax is calculated at 17% (2021: 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% (2021: 25%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. Income tax credit (cont'd)

The income tax 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	
	2022	2021
	$'000	$'000
Loss before income tax	**(13,992)**	(6,269)
Tax at domestic rates applicable to loss in the countries where the Group operates in	**(2,013)**	(1,552)
Expenses not deductible for tax purposes	**501**	460
Income not subject to tax	**(442)**	(487)
Deferred tax assets not recognised	**263**	181
Overprovision in prior years	**(5)**	–
Others	**(12)**	(32)
	(1,708)	(1,430)

Unrecognised deferred tax asset

	Group	
	2022	2021
	$'000	$'000
At beginning of the financial year	**9,188**	9,022
Additions	**263**	181
Exchange translation difference	**(24)**	(15)
At end of the financial year	**9,427**	9,188

Unrecognised deferred tax asset is attributable to unutilised tax losses.

As at 30 April 2022, the Group has unutilised tax losses of approximately $48,578,000 (2021: $47,129,000) 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 $1,116,000 (2021: $1,071,000) 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 2022.

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 2022 $'000	Group 2021 $'000
Losses		
Loss for the financial year attributable to equity holders of the Company	**(12,288)**	(5,402)
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	**(0.199)**	(0.087)

11. Intangible assets

	Intellectual rights $'000	Distribution and licensing rights $'000	Exploration and extraction rights $'000	Land use rights $'000	Service concession arrangements $'000	Total $'000
Group						
2022						
Cost						
At 1 May 2021 (Restated)	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 (Restated)	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	–

11. Intangible assets (cont'd)

	Intellectual rights $'000	Distribution and licensing rights $'000	Exploration and extraction rights $'000	Land use rights $'000	Service concession arrangements $'000	Total $'000
Group						
2021						
Cost						
At 1 May 2020						
- As reported	688	39,619	11,003	1,942	–	53,252
- Prior year adjustments	–	–	–	–	88,045	88,045
- As restated	688	39,619	11,003	1,942	88,045	141,297
Additions						
- As reported	–	–	–	–	–	–
- Prior year adjustments	–	–	–	–	4,518	4,518
- As restated	–	–	–	–	4,518	4,518
Exchange translation difference						
- As reported	–	(2,304)	(639)	42	–	(2,901)
- Prior year adjustments	–	–	–	–	1,888	1,888
- As restated	–	(2,304)	(639)	42	1,888	(1,013)
At 30 April 2021 (Restated)	688	37,315	10,364	1,984	94,451	144,802
Accumulated amortisation and impairment loss						
At 1 May 2020						
- As reported	688	18,259	11,003	528	–	30,478
- Prior year adjustments	–	–	–	–	23,645	23,645
- As restated	688	18,259	11,003	528	23,645	54,123
Amortisation						
- As reported	–	1,278	–	64	–	1,342
- Prior year adjustments	–	–	–	–	3,288	3,288
- As restated	–	1,278	–	64	3,288	4,630
Impairment loss	–	7,056	–	–	–	7,056
Exchange translation difference						
- As reported	–	(1,091)	(639)	12	–	(1,718)
- Prior year adjustments	–	–	–	–	549	549
- As restated	–	(1,091)	(639)	12	549	(1,169)
At 30 April 2021 (Restated)	688	25,502	10,364	604	27,482	64,640

11. Intangible assets (cont'd)

	Intellectual rights $'000	Distribution and licensing rights $'000	Exploration and extraction rights $'000	Land use rights $'000	Service concession arrangements $'000	Total $'000
Group						
2021						
Representing:						
Accumulated amortisation	–	18,446	2,296	604	25,135	46,481
Accumulated impairment loss	688	7,056	8,068	–	2,347	18,159
	688	25,502	10,364	604	27,482	64,640
Net carrying amount						
At 30 April 2021 (As reported)	–	11,813	–	1,380	–	13,193
At 30 April 2021 (Restated)	–	11,813	–	1,380	66,969	80,162
Remaining useful lives	Indefinite	15 - 19 years	10 years	15 years	14 - 18 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 2022 exceeds its recoverable amount of $68,565,000 (2021: $78,782,000). Henceforth, management is of the view that the Group will not be able to recover the carrying amount of the intangible assets, and an impairment of $12,718,000 (2021: $7,056,000) was made. 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(a)).

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 $2,402,000 (2021: $3,043,000).

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 $48,541,000 (2021: $47,057,000) 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 2022 and 30 April 2021 are in relation to the service concession revenue recognised by the Group (Note 4).

11. Intangible assets (cont'd)

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.

The Group has reviewed and assessed the impact of the application of the Interpretation to its gas distribution business and adjustments have been made accordingly 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 as disclosed in Notes 4, 12 and 35.

12. Property, plant and equipment

	Leasehold building $'000	Office equipment $'000	Plant and equipment $'000	Motor vehicles $'000	Construction in progress $'000	Offices and premises $'000	Total $'000
Group							
2022							
Cost							
At 1 May 2021 (Restated)	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 (Restated)	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**

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

	Leasehold building $'000	Office equipment $'000	Plant and equipment $'000	Motor vehicles $'000	Construction in progress $'000	Offices and premises $'000	Total $'000
Group							
2021							
Cost							
At 1 May 2020							
- As reported	12,077	1,642	86,951	1,214	4,035	1,327	107,246
- Prior year adjustments	–	–	(84,010)	–	(4,035)	–	(88,045)
- As restated	12,077	1,642	2,941	1,214	–	1,327	19,201
Additions							
- As reported	11	51	–	17	4,518	–	4,597
- Prior year adjustments	–	–	–	–	(4,518)	–	(4,518)
- As restated	11	51	–	17	–	–	79
Disposals and written off	–	(29)	–	–	–	–	(29)
Reclassifications							
- As reported	(476)	–	4,328	–	(3,852)	–	–
- Prior year adjustments	–	–	(3,852)	–	3,852	–	–
- As restated	(476)	–	476	–	–	–	–
Exchange translation difference							
- As reported	250	5	1,800	22	88	–	2,165
- Prior year adjustments	–	–	(1,800)	–	(88)	–	(1,888)
- As restated	250	5	–	22	–	–	277
At 30 April 2021 (Restated)	11,862	1,669	3,417	1,253	–	1,327	19,528
Accumulated depreciation							
At 1 May 2020							
- As reported	3,387	1,494	26,099	1,041	–	335	32,356
- Prior year adjustments	–	–	(23,645)	–	–	–	(23,645)
- As restated	3,387	1,494	2,454	1,041	–	335	8,711
Charge for the financial year							
- As reported	329	83	3,288	24	–	338	4,062
- Prior year adjustments	–	–	(3,288)	–	–	–	(3,288)
- As restated	329	83	–	24	–	338	774
Disposals and written off	–	(27)	–	–	–	–	(27)
Exchange translation difference							
- As reported	70	5	549	19	–	–	643
- Prior year adjustments	–	–	(549)	–	–	–	(549)
- As restated	70	5	–	19	–	–	94
At 30 April 2021 (Restated)	3,786	1,555	2,454	1,084	–	673	9,552
Net carrying amount							
At 30 April 2021 (As reported)	8,076	114	63,143	169	4,789	654	76,945
At 30 April 2021 (Restated)	8,076	114	963	169	–	654	9,976

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

	Office equipment $'000	Motor vehicles $'000	Total $'000
Company			
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**
2021			
Cost			
At 1 May 2020	23	177	200
Additions	–	17	17
At 30 April 2021	23	194	217
Accumulated depreciation			
At 1 May 2020	21	177	198
Charge for the financial year	1	3	4
At 30 April 2021	22	180	202
Net carrying amount			
At 30 April 2021	1	14	15

Included in additions are right-of-use assets recognised of $Nil (2021: $17,000).

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

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).

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

Amounts recognised in statement of financial position

	Group	
	2022	2021
	$'000	$'000
Carrying amount of right-of-use assets		
Land use rights (Note 11)	**1,348**	1,380
Motor vehicle	**11**	14
Offices and premises under leases	**315**	654
	1,674	2,048
Carrying amount of lease liabilities (Note 22)		
Current	**340**	348
Non-current	**4**	353
	344	701

	Group	
	2022	2021
	$'000	$'000
Additions to right-of-use assets	**–**	17

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

Amounts recognised in profit or loss

	Group	
	2022	2021
	$'000	$'000
<u>Amortisation and depreciation charge for the financial year</u>		
Land use rights (Note 11)	**67**	64
Motor vehicle	**4**	3
Offices and premises under leases	**338**	338
	409	405
Lease expense not included in the measurement of lease liabilities:		
Lease expense - short-term leases	**15**	9
Lease expense - low value assets	**25**	30
Interest expense arising from lease liabilities (Note 7)	**27**	43

Total cash flows for leases during the financial year amounted to $424,000 (2021: $406,000).

13. Investments in subsidiaries

	Company	
	2022	2021
	$'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	**(239,367)**	(233,671)
Net carrying amount	**42,812**	48,508

The movement in the allowance for impairment is as follows:

	Company	
	2022	2021
	$'000	$'000
At beginning of the financial year	**233,671**	193,089
Addition	**5,696**	–
Reclassification	**–**	40,582
At end of the financial year	**239,367**	233,671

13. Investments in subsidiaries (cont'd)

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.

During the financial year ended 30 April 2021, the Company had reclassified $40,582,000 due from EEL as quasi-equity loan. As this amount was fully impaired in prior years, the Company had also reclassified the allowance for impairment accordingly.

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 2022, an impairment loss of $5,696,000 (2021: $Nil) 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 2022 amounted to $37,501,000 (2021: $43,197,000). 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.

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 32.0% (2021: 34.5%), and discounted for lack of marketability of 15.8% (2021: 15.8%).

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

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

ESA Electronics Pte. Ltd.

The Company's carrying amount of its cost of investment in ESA Electronics Pte. Ltd. ("ESA") as at 30 April 2022 amounted to $5,310,000 (2021: $5,310,000). Impairment loss amounted to $16,725,000 has been recognised in prior years.

13. Investments in subsidiaries (cont'd)

ESA Electronics Pte. Ltd. (cont'd)

During the financial year ended 30 April 2022, management performed an impairment test for investment in ESA. 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 method.

Discounted cash flow (for FVLCD) method – revenue is projected to grow between 3.0% - 20.0% (2021: 5.0%) per annum during the period from 2023 to 2027, with gross profit margin based on the actual gross profit margin achieved in 2022. Inflation rate of 2.0% (2021: 2.0%) per annum and terminal growth rate of 2.0% (2021: 2.0%) is applied. The future cash flows are discounted to their present value using a pre-tax discount rate of 12.5% (2021: 11.5%) per annum. The arrived equity value is discounted for lack of marketability of 12.7% (2021: 20.0%).

GPC 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 12.7% (2021: 20.0%).

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 $580,000 (2021: $740,000).

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	
			2022	2021
			%	%
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

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	
			2022	2021
			%	%
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
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

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	
			2022	2021
			%	%
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
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 WeiHuo 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**	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Summarised statements of profit or loss and other comprehensive income				
Revenue	**55,476**	43,702	**14,822**	17,104
Profit before income tax	**1,079**	2,193	**364**	262
Income tax expense	**(1,117)**	(718)	**(271)**	(1)
(Loss)/profit after income tax	**(38)**	1,475	**93**	261
(Loss)/profit allocated to NCI	**(13)**	516	**17**	47
Other comprehensive income allocated to NCI	**366**	305	**–**	–
Total comprehensive income allocated to NCI	**353**	821	**17**	47
Summarised statements of financial position				
Assets				
Current assets	**13,100**	12,438	**11,508**	14,158
Non-current assets	**80,644**	77,558	**733**	1,211
Liabilities				
Current liabilities	**(42,852)**	(38,774)	**(4,401)**	(7,330)
Non-current liabilities	**(7,808)**	(9,149)	**(39)**	(331)
Net assets	**43,084**	42,073	**7,801**	7,708
Accumulated non-controlling interests	**15,079**	14,726	**1,462**	1,445

13. Investments in subsidiaries (cont'd)

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

	Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries		ESA Electronics Pte. Ltd. and its subsidiary	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Summarised statements of cash flows				
Cash flows (used in)/generated from operating activities	**(1,178)**	7,405	**1,446**	(955)
Cash flows used in investing activities	**(35)**	(40)	**(31)**	(14)
Cash flows used in financing activities	**(478)**	(4,969)	**(444)**	(432)
Net cash (outflows)/inflows	**(1,691)**	2,396	**971**	(1,401)

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 2022, the net principal and interest receivable on the convertible loan amounted to $1,491,000 (2021: $1,491,000).

15. Inventories

	Group	
	2022	2021
	$'000	$'000
Work-in-progress	**661**	362
Saleable merchandise	**1,488**	1,289
	2,149	1,651

The cost of inventories recognised as an expense and included in "raw materials and consumables used" amounted to $8,492,000 (2021: $10,792,000).

16. Development property

	Group	
	2022	2021
	$'000	$'000
Unsold development property		
Land at cost	**4,371**	4,029
Development costs	**9**	180
	4,380	4,209

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	
		2022	2021	**2022**	2021
		$'000	$'000	**$'000**	$'000
Non-current					
Trade receivables					
- third party	(a)	**–**	2,770	**–**	–
Non-trade receivables					
- advances to sub-contractors		**15**	24	**–**	–
		15	2,794	**–**	–
Current					
Trade receivables					
- third parties	(a)	**7,591**	9,281	**–**	–
Less: Allowance for impairment		**(7)**	(488)	**–**	–
		7,584	8,793	**–**	–
Non-trade receivables					
- third parties	(b)	**18,423**	17,989	**41**	43
- KMP	(c)	**2,851**	2,781	**–**	–
Less: Allowance for impairment		**(19,132)**	(18,767)	**(32)**	(32)
		2,142	2,003	**9**	11
Due from subsidiaries	(d)	**–**	–	**33,688**	34,626
Less: Allowance for impairment		**–**	–	**(33,661)**	(34,616)
		–	–	**27**	10
Goods and services tax recoverable, net		**149**	11	**4**	–
Prepayments		**3,674**	2,689	**15**	15
Rental, utilities and other deposits		**155**	171	**20**	15
Staff advances		**12**	77	**–**	–
		3,990	2,948	**39**	30
Total current receivables		**13,716**	13,744	**75**	51
Total trade and other receivables		**13,731**	16,538	**75**	51

17. Trade and other receivables (cont'd)

(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 (2021: 30 to 90 days). Trade receivable due from a third party for property development segment of US$2,780,000 (approximately $3,833,000) is non-interest bearing. An amount of US$1,250,000 (approximately $1,687,000) was received during the year and the remaining balance of 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 expects the balance amount will be repaid over the next 6 to 18 months from 30 April 2022 (Note 3.1).

(b) The current non-trade receivables due from third parties included an amount of $5,617,000 (2021: $5,606,000) 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	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Singapore dollar	**858**	1,578	**75**	51
United States dollar	**7,330**	10,782	**–**	–
Renminbi	**5,495**	4,161	**–**	–
Others	**48**	17	**–**	–
	13,731	16,538	**75**	51

18. Financial assets at fair value through profit or loss

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**553**	518	**502**	502
Fair value (loss)/gain	**(18)**	35	**(1)**	–
At end of the financial year	**535**	553	**501**	502

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	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Held for trading				
Listed securities:				
- equity securities (Singapore)	**533**	551	**501**	502
- equity securities (Malaysia)	**2**	2	**–**	–
	535	553	**501**	502

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	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Cash and cash equivalents as per statements of financial position	**16,649**	18,203	**723**	1,258
Bank overdrafts (Note 22)	**(1,347)**	(2,731)	**–**	–
Cash pledged for bank facilities (Note 22)	**(2,600)**	(2,600)	**–**	–
As per consolidated statement of cash flows	**12,702**	12,872	**723**	1,258

Cash and bank balances of the Group amounting to $2,600,000 (2021: $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 $7,204,000 (2021: $8,127,000), equivalent to RMB34,371,000 (2021: RMB39,700,000) 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.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Singapore dollar	**3,218**	3,762	**125**	43
United States dollar	**4,889**	5,430	**598**	1,215
Renminbi	**7,204**	8,127	**–**	–
Others	**1,338**	884	**–**	–
	16,649	18,203	**723**	1,258

20. Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Trade payables				
- third parties	**9,903**	11,959	**–**	–
Non-trade payables				
- third parties	**2,880**	2,816	**300**	300
- subsidiaries	**–**	–	**5,885**	6,326
- KMP	**56**	56	**14**	14
Accrued operating expenses	**2,397**	1,915	**158**	138
	5,333	4,787	**6,357**	6,778
Total trade and other payables	**15,236**	16,746	**6,357**	6,778

Trade payables are non-interest bearing and are generally settled on 60 to 90 days (2021: 60 to 90 days) terms.

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

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Singapore dollar	**2,731**	4,057	**5,601**	6,005
Ringgit Malaysia	**2,987**	3,058	**756**	773
Renminbi	**9,401**	9,477	**–**	–
Others	**117**	154	**–**	–
	15,236	16,746	**6,357**	6,778

21. Provisions

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Provision for employee benefits	**5**	22	**1**	6
Provision for directors' fees	**27**	49	**–**	–
	32	71	**1**	6

21. Provisions (cont'd)

Movements in provisions during the financial year:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**71**	141	**6**	18
Provisions made during the financial year	**32**	71	**1**	6
Amount utilised during the financial year	**(71)**	(141)	**(6)**	(18)
At end of the financial year	**32**	71	**1**	6

22. Borrowings

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Secured				
Bank borrowings	**19,921**	18,874	**–**	–
Bank overdrafts (Note 19)	**1,347**	2,731	**–**	–
	21,268	21,605	**–**	–
Unsecured				
Loan from a third party	**557**	537	**–**	–
Lease liabilities (Note 12)	**344**	701	**–**	13
Total borrowings	**22,169**	22,843	**–**	13
Less: Amount due for settlement within 12 months	**(14,357)**	(13,340)	**–**	(4)
Amount due for settlement after 12 months	**7,812**	9,503	**–**	9

(a) The bank borrowings of the Group included amount of $19,921,000 (2021: $18,874,000) which are secured by infrastructure under service concession arrangements (Note 11). Interest is charged at 4.15% to 6.2% (2021: 4.35% to 7%) per annum.

(b) Bank overdrafts are secured by cash pledged as disclosed in Note 19. Interest is charged at 5% (2021: 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.

22. Borrowings (cont'd)

(e) Borrowings are denominated in the following currencies:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Singapore dollar	**1,691**	3,432	**–**	13
United States dollar	**557**	537	**–**	–
Renminbi	**19,921**	18,874	**–**	–
	22,169	22,843	**–**	13

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

	Bank borrowings	**Loan from a third party**	**Lease liabilities**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 May 2021	18,874	537	701	20,112
Changes from financing cash flows:				
- Proceeds	6,313	–	–	6,313
- Repayment	(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**

	Bank borrowings	**Loan from KMP**	**Loan from a third party**	**Lease liabilities**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 May 2020	20,070	2,002	570	1,008	23,650
Changes from financing cash flows:					
- Proceeds	8,074	–	–	–	8,074
- Repayments	(9,689)	(2,019)	–	(324)	(12,032)
- Interest paid	(835)	(500)	–	(43)	(1,378)
Non-cash changes:					
- New leases	–	–	–	17	17
- Interest expense	835	500	–	43	1,378
Effect of changes in foreign exchange rates	419	17	(33)	–	403
Balance at 30 April 2021	18,874	–	537	701	20,112

23. Deferred tax

Deferred tax assets

	Group	
	2022	2021
	$'000	$'000
At beginning of the financial year	**459**	465
Charged to profit or loss (Note 9)	**(42)**	(15)
Exchange translation difference	**10**	9
At end of the financial year	**427**	459
Deferred tax assets are attributable to the following:		
Property, plant and equipment	**427**	428
Unutilised tax losses	**–**	31
	427	459

Deferred tax liabilities

	Group	
	2022	2021
	$'000	$'000
At beginning of the financial year	**2,967**	5,693
Credited to profit or loss (Note 9)	**(3,110)**	(2,410)
Exchange translation difference	**182**	(316)
At end of the financial year	**39**	2,967
Deferred tax liabilities are attributable to the following:		
Intangible assets	**39**	2,967

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 $427,000 (2021: $459,000). 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.

24. Contract liabilities (cont'd)

The following table provides information about contracts with customers:

	Group		
	2022	2021	1.5.2020
	$'000	$'000	$'000
Trade receivables from contracts with customers	**7,584**	11,563	3,104
Contract liabilities	**21,312**	19,536	14,018

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

	Group	
	2022	2021
	$'000	$'000
Revenue recognised that was included in the contract liability balance at the beginning of the financial year (Note 4)	**19,536**	14,018
Increases due to advances received, excluding amounts recognised as revenue during the financial year (Note 4)	**21,312**	19,536

25. Share capital

	Group and Company			
	Number of share		Issue share capital	
	2022	2021	**2022**	2021
	'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	
		2022	2021	**2022**	2021
		$'000	$'000	**$'000**	$'000
Attributable to equity holders of the Company					
Foreign exchange translation reserve	(a)	**(14,489)**	(15,519)	**–**	–
Capital reduction reserve	(b)	**1,961**	1,961	**1,961**	1,961
Equity - NCI	(c)	**(5,251)**	(5,251)	**–**	–
		(17,779)	(18,809)	**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.

(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

The 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	
	2022	2021
	$'000	$'000
Purchase in relation to service concession arrangements	**1,442**	1,460

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 (2021: 1 external customer) who individually contributed 10% or more of the Group's revenue and is attributable to the segment as detailed below:

		Group	
		2022	2021
	Attributable segment	**$'000**	$'000
Customer 1	Property development	–	11,757

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	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue														
Sale to customers														
- As reported	**–**	–	**–**	11,757	**60,571**	43,702	**14,822**	17,104	**–**	–	**–**	–	**75,393**	72,563
- Prior year adjustments	**–**	–	**–**	–	**–**	4,518	**–**	–	**–**	–	**–**	–	**–**	4,518
- As restated	**–**	–	**–**	11,757	**60,571**	48,220	**14,822**	17,104	**–**	–	**–**	–	**75,393**	77,081
Other items of income	**4**	2	**–**	11	**207**	150	**24**	430	**–**	10	**6**	37	**241**	640
Total external revenue - As reported	**4**	2	**–**	11,768	**60,778**	43,852	**14,846**	17,534	**–**	10	**6**	37	**75,634**	73,203
Total external revenue - Restated	**4**	2	**–**	11,768	**60,778**	48,370	**14,846**	17,534	**–**	10	**6**	37	**75,634**	77,721
Segment profit/(loss)	**196**	(875)	**(815)**	3,072	**(11,439)**	(6,421)	**591**	489	**(222)**	469	**(1,170)**	(1,577)	**(12,859)**	(4,843)
Interest income	**4**	1	**–**	–	**29**	19	**3**	11	**–**	–	**–**	–	**36**	31
Interest expenses	**(1)**	(2)	**–**	–	**(1,056)**	(1,335)	**(110)**	(119)	**–**	–	**(2)**	(1)	**(1,169)**	(1,457)
Profit/(loss) before income tax	**199**	(876)	**(815)**	3,072	**(12,466)**	(7,737)	**484**	381	**(222)**	469	**(1,172)**	(1,578)	**(13,992)**	(6,269)
Income tax (expense)/credit	**–**	–	**(53)**	–	**2,032**	1,431	**(271)**	(1)	**–**	–	**–**	–	**1,708**	1,430
Profit/(loss) for the financial year	**199**	(876)	**(868)**	3,072	**(10,434)**	(6,306)	**213**	380	**(222)**	469	**(1,172)**	(1,578)	**(12,284)**	(4,839)
Non-controlling interests	**–**	–	**–**	–	**13**	(516)	**(17)**	(47)	**–**	–	**–**	–	**(4)**	(563)
Profit/(loss) attributable to equity holders of the Company	**199**	(876)	**(868)**	3,072	**(10,421)**	(6,822)	**196**	333	**(222)**	469	**(1,172)**	(1,578)	**(12,288)**	(5,402)

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	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets and liabilities														
Segment assets	**3,156**	2,771	**8,241**	9,816	**92,410**	101,951	**12,241**	15,369	**19**	24	**1,301**	1,820	**117,368**	131,751
Segment liabilities	**261**	449	**1,238**	921	**50,790**	51,209	**4,419**	7,650	**1,733**	1,719	**1,180**	1,168	**59,621**	63,116
Capital expenditure – As reported	**1**	–	**–**	–	**207**	4,560	**35**	20	**–**	–	**15**	17	**258**	4,597
Capital expenditure – Restated	**1**	–	**–**	–	**207**	42	**35**	20	**–**	–	**15**	17	**258**	79
Impairment loss of intangible assets	**–**	–	**–**	–	**12,718**	7,056	**–**	–	**–**	–	**–**	–	**12,718**	7,056
(Reversal of)/impairment loss of trade and other receivables and convertible loan	**–**	–	**–**	–	**–**	–	**(254)**	153	**–**	–	**–**	–	**(254)**	153
Amortisation of intangible assets - As reported	**–**	–	**–**	–	**4,883**	1,342	**–**	–	**–**	–	**–**	–	**4,883**	1,342
Amortisation of intangible assets - Restated	**–**	–	**–**	–	**4,883**	4,630	**–**	–	**–**	–	**–**	–	**4,883**	4,630
Depreciation of property, plant and equipment - As reported	**9**	9	**–**	–	**348**	3,659	**492**	390	**–**	–	**6**	4	**855**	4,062
Depreciation of property, plant and equipment - Restated	**9**	9	**–**	–	**348**	371	**492**	390	**–**	–	**6**	4	**855**	774

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	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Sales to external customers														
- As reported	**3,469**	4,408	**67,812**	51,619	**394**	11,962	**1,562**	3,168	**707**	780	**1,449**	626	**75,393**	72,563
- Prior year adjustments	**–**	–	**–**	4,518	**–**	–	**–**	–	**–**	–	**–**	–	**–**	4,518
- As restated	**3,469**	4,408	**67,812**	56,137	**394**	11,962	**1,562**	3,168	**707**	780	**1,449**	626	**75,393**	77,081
Other items of income	**30**	477	**207**	150	**–**	11	**–**	–	**–**	–	**4**	2	**241**	640
Total external revenue - As reported	**3,499**	4,885	**68,019**	51,769	**394**	11,973	**1,562**	3,168	**707**	780	**1,453**	628	**75,634**	73,203
Total external revenue - Restated	**3,499**	4,885	**68,019**	56,287	**394**	11,973	**1,562**	3,168	**707**	780	**1,453**	628	**75,634**	77,721
Segment assets	**13,557**	17,199	**92,410**	101,616	**8,241**	10,151	**–**	–	**–**	–	**3,160**	2,785	**117,368**	131,751
Segment liabilities	**7,361**	10,576	**50,790**	51,191	**1,238**	921	**–**	–	**–**	–	**232**	428	**59,621**	63,116
Capital expenditure – As reported	**50**	37	**207**	4,560	**–**	–	**–**	–	**–**	–	**1**	–	**258**	4,597
Capital expenditure – Restated	**50**	37	**207**	42	**–**	–	**–**	–	**–**	–	**1**	–	**258**	79
Non-current assets	**757**	1,204	**78,725**	88,910	**–**	–	**–**	–	**–**	–	**15**	24	**79,497**	90,138

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

During the financial years of 2022 and 2021, 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	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at fair value through profit or loss	**535**	553	**501**	502
Financial assets at amortised cost	**26,542**	32,017	**779**	1,294
	27,077	32,570	**1,280**	1,796
Financial liabilities				
Financial liabilities at amortised cost	**37,405**	39,589	**6,357**	6,791

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 foreign currency denominated monetary assets and monetary liabilities at the end of the financial year were as follows:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Monetary assets				
Singapore dollar	**2,291**	2,289	**–**	–
United States dollar	**10,465**	13,204	**598**	1,215
Hong Kong dollar	**3**	3	**–**	–
Renminbi	**–**	13	**–**	–
Euro	**229**	183	**–**	–
Others	**51**	25	**–**	–
Monetary liabilities				
Singapore dollar	**2,618**	2,608	**–**	–
United States dollar	**3,952**	5,435	**2,699**	2,449
Ringgit Malaysia	**12**	12	**–**	–
Renminbi	**–**	3	**–**	–
Euro	**5**	25	**–**	–
Others	**22**	58	**–**	–

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)

Foreign currency risk (cont'd)

Sensitivity analysis for foreign exchange risk (cont'd)

If the functional currency changes against the following foreign currencies by 10% (2021: 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	
	2022	2021
	$'000	$'000
Group		
USD/SGD		
Strengthen 10%	**651**	777
Weaken 10%	**(651)**	(777)
Company		
USD/SGD		
Strengthen 10%	**(210)**	(123)
Weaken 10%	**210**	123

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.

Sensitivity analysis for price risk

The sensitivity analysis assumes an instantaneous 30% (2021: 30%) change in the quoted equity prices from the end of the financial year, with all variables held constant.

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 (cont'd)

	Decrease/(increase) Loss before tax	
	2022	2021
	$'000	$'000
Group		
Listed in Singapore		
- Increased by 30%	**160**	165
- Decreased by 30%	**(160)**	(165)
Listed in Malaysia		
- Increased by 30%	**1**	1
- Decreased by 30%	**(1)**	(1)
Company		
Listed in Singapore		
- Increased by 30%	**150**	151
- Decreased by 30%	**(150)**	(151)

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.

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.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

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.

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;

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Significant increase in credit risk (cont'd)

- 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).

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.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

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 5 debtors (2021: 4 debtors) that represents 70% (2021: 84%) 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.

Based on the simplified approach for determining credit loss allowance for trade receivables as at 30 April 2022, an allowance for impairment amounting to $7,000 (2021: $488,000) was recognised for credit-impaired receivables as a result of occurrence of credit impairment events.

30. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

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 2022	**12-month or lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
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**
2021				
Trade receivables	Lifetime ECL	12,051	(488)	11,563
Other receivables (current)	Lifetime ECL - credit-impaired	18,767	(18,767)	–
	12-month ECL	2,003	–	2,003
Rental, utilities and other deposits	12-month ECL	171	–	171
Staff advances	12-month ECL	77	–	77
Cash and cash equivalents	N.A. Exposure Limited	18,203	–	18,203

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 2022	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	**33,688**	**(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)**	**–**
2021				
Other receivables (current)	Lifetime ECL - credit-impaired	43	(32)	11
Due from subsidiaries	Lifetime ECL - credit-impaired	34,626	(34,616)	10
Rental, utilities and other deposits	12-month ECL	15	–	15
Cash and cash equivalents	N.A. Exposure Limited	1,258	–	1,258
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 2020	355	18,911	19,266
Loss allowance measured:			
Lifetime ECL			
- simplified approach	153	–	153
Currency translation differences	(20)	(144)	(164)
Balance at 30 April 2021	488	18,767	19,255
Reversal of allowance	(494)	–	(494)
Currency translation differences	13	365	378
Balance at 30 April 2022	**7**	**19,132**	**19,139**

	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 2020	56,804	32	77,407	134,243
Reversal of allowance	–	–	(1,206)	(1,206)
Reclassification	40,582	–	(40,582)	–
Currency translation differences	–	–	(1,003)	(1,003)
Balance at 30 April 2021	97,386	32	34,616	132,034
Reversal of allowance	–	–	(466)	(466)
Currency translation differences	–	–	(489)	(489)
Balance at 30 April 2022	**97,386**	**32**	**33,661**	**131,079**

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	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Less than one year:				
Trade and other payables	**15,236**	16,746	**6,357**	6,778
Borrowings	**14,288**	13,364	**–**	–
Lease liabilities	**355**	390	**–**	5
	29,879	30,500	**6,357**	6,783
Between 2 to 5 years:				
Borrowings	**9,727**	11,714	**–**	–
Lease liabilities	**6**	386	**–**	10
	9,733	12,100	**–**	10
	39,612	42,600	**6,357**	6,793

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 2021.

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	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Net debt	**20,756**	21,386	**5,634**	5,533
Equity attributable to equity holders of the Company	**41,232**	52,490	**37,778**	43,537
Total capital	**61,988**	73,876	**43,412**	49,070
Gearing ratio	**33%**	29%	**13%**	11%

31. Fair value of assets and liabilities

a) 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				
2022				
Financial assets				
Financial assets at fair value through profit or loss	**535**	**–**	**–**	**535**
2021				
Financial assets				
Financial assets at fair value through profit or loss	553	–	–	553

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

a) Fair value hierarchy (cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
2022				
Financial assets				
Financial assets at fair value through profit or loss	**501**	**–**	**–**	**501**
2021				
Financial assets				
Financial assets at fair value through profit or loss	502	–	–	502

During the financial years ended 30 April 2022 and 30 April 2021, 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 has pleaded guilty to the charges and has been convicted accordingly. On 5 May 2022, the remaining 2 persons were convicted by the High Court. Investigations against persons who may 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 issues 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 is 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 the Company and awaiting final order of dismissal.

(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 is 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"), (b) stipend and expense reimbursement claims of Healy, (c) 20% ownership interest in Asia Plan Ltd allegedly owed to Healy, and (d) loans made by Healy for the Falling Water project (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. No substantive action has taken place at the Court of Appeals.

The Defendants believe the Claims are erroneously made and without merit.

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 but has yet to issue a decision.

(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.

33. Writs of summons (cont'd)

(iii) 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 2, 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 2. 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.

(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.

The Board has sought legal advice and is of the strong view that the defamation claim is without merit. However, even if the Court does make a ruling in favour of Mr Smith, the Board is of the view that any final order for damages would not be material. No provision has, therefore, been recorded in the financial statements for this matter as at 30 April 2022.

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.

33. Writs of summons (cont'd)

(iv) 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"). As of the date of approval of the financial statements, the MC Judgement Debt remains unpaid by Mr Smith.

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 will significantly reduce Mr Smith's claim in the HC Suit.

Mr Smith has preliminarily indicated that his claim will be reduced to about $393,593. This remains uncertain as Mr Smith will have to amend and re-calculate his claim.

The Company believes Mr Smith's Defence and Counterclaim have no merit and will vigorously defend the same in the appropriate forum. The Defence and Counterclaim made by Mr Smith, while without merit in the Company's view, is material. Management has investigated the purported amounts owing to Mr Smith. It is noted that these amounts were not recorded in the previous years' financial statements when Mr Smith was employed by the Company.

34. Subsequent event

On 19 September 2022, ESA Electronics Pte. Ltd., a subsidiary, declared a first and final tax exempt (one-tier) dividend of $0.2083 per ordinary share on the 1,200,000 issued ordinary shares amounting to $250,000 to be paid out of its retained earnings to the Company and its other shareholders.

35. Prior year adjustments and comparative figures

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

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

35. Prior year adjustments and comparative figures (cont'd)

The Group has reviewed and assessed the impact of the application of the Interpretation to its gas distribution business and adjustments have been made accordingly 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 as disclosed in Notes 4, 11 and 12.

As a result, certain line items have been adjusted and restated accordingly on the consolidated statement of profit or loss and other comprehensive income, statements of financial position, consolidated statement of cash flows and the related notes to the financial statements for the previous financial year ended 30 April 2021 and the opening balances as at 1 May 2020. The items are adjusted as follows:

	As previously reported $'000	Prior year adjustments $'000	As restated $'000
Consolidated Statement of Profit or Loss and Other Comprehensive Income 2021			
Revenue	72,563	4,518	77,081
Raw materials and consumables used	(45,051)	(4,518)	(49,569)
Amortisation of intangible assets	(1,342)	(3,288)	(4,630)
Depreciation of property, plant and equipment	(4,062)	3,288	(774)
Total expenses	(79,472)	(4,518)	(83,990)
Group			
Statements of Financial Position 1.5.2020			
Non-current assets			
Intangible assets	22,774	64,400	87,174
Property, plant and equipment	74,890	(64,400)	10,490
Group			
Statements of Financial Position 30.4.2021			
Non-current assets			
Intangible assets	13,193	66,969	80,162
Property, plant and equipment	76,945	(66,969)	9,976
Consolidated Statement of Cash Flows 2021			
Cash flows from operating activities			
Amortisation of intangible assets	1,342	3,288	4,630
Depreciation of property, plant and equipment	4,062	(3,288)	774
Changes in working capital:			
Trade and other payables and contract liabilities	5,249	(3,779)	1,470
Cash generated from operations	14,062	(3,779)	10,283
Net cash generated from operating activities	13,085	(3,779)	9,306
Cash flows from investing activities			
Purchase of property, plant and equipment	(3,841)	3,779	(62)
Net cash used in investing activities	(3,839)	3,779	(60)

The adjustments did not have any effect on the net loss for the financial year ended 30 April 2021.

36. 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 2022 were authorised for issue in accordance with a resolution by the Board of Directors on 8 November 2022.

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

This Corporate Governance Report ("CG Report" or "Report") describes the Group's corporate governance framework and practices that were in place during the financial year ended 30 April 2022 ("FY2022") with specific reference to the principles and provisions (hereinafter referred to as the "Principles" and/or "Provisions") of the Code of Corporate Governance 2018 (the "Code"), which forms part of the continuing obligations as described in the Listing Manual (the "Listing Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

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

The Code

The latest version of the Code, published in August 2018, 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. These Provisions, which replace the "Guidelines" of the previous version of Code, are drafted in a simple and direct manner, and describe the tenets of good corporate governance. Companies are expected to comply with the Provisions, and variations from Provisions are acceptable to the extent that companies explicitly state and explain how their practices are consistent with the aim and philosophy of the Principle in question. The explanations of any variation 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.

PROFILE OF DIRECTORS

Mr James Moffatt Blythman

Mr James Moffatt Blythman is the 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 worked previously for multinationals 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, and 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 Bin Mohd Nor is a Non-Executive and Independent Director of the Company. He is a 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, he has driven multiple start-ups in the pharmaceutical, trading and distribution sectors. Among other achievements, he 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 RM12.5million. The Centre was a recipient of the Sun Microsystems Education & Research Grant.

He 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 for Mutiara Smart Sdn Bhd, a wholly owned entity of the Ministry of Finance, Inc., Malaysia within the areas of information technology business and market development. In 2021, he became 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.

Date of first appointment: 30 January 2019
Date of Last election: 11 October 2021

Mr Aswath Ramakrishnan

Mr. Aswath Ramakrishnan is a Non-Executive and Independent Director of the Company. He is a member of the Audit, Nominating and Remuneration Committees. He has a wide experience dealing with various corporate and commercial disputes and he now 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 at 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.

Date of first appointment: 17 July 2020
Date of last election: 25 November 2020

Mr Koh Beng San

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

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. He was appointed non-executive and independent director of Cape EMS Berhad on 5 May 2022.

Date of first appointment: 13 October 2020
Date of last election: 25 November 2020

(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 of Directors ("Board") which is responsible for the overall management of the Company. The Board works closely with the management of the Company (the "Management") and the Management is accountable to the Board.

The Board's primary responsibilities include review and approval of the policies of the Company and setting the direction of the Group to ensure that strategies undertaken would go towards enhancing shareholders' value.

Each Director understands that he must act in good faith and in the best interest of the Company.

The Board comprises four Directors, three of whom are Non-Executive and Independent, and whose collective experience and contribution are compatible with the Company's core businesses and practices. The current size of the Company's Board is appropriate for the size and scope of its business, and 3 of the 4 Directors of the Board are Independent Directors. The criterion of independence is based on the definition set out in the Code and in the Practice Notes of the Listing Rules. The Independent Directors are respected individuals from different backgrounds, whose core competencies, qualifications, skills and experience are extensive and complementary to each other.

The Board meets on a regular basis, usually to coincide with the announcement of the Group's quarterly and full year financial results. Where necessary it also meets to discuss significant business and other developments of the Group on an adhoc basis.

Where appropriate, decisions of the Board are also made by way of written resolutions, e-mail and telephone conferences. Details of the number of Board and committee meetings held for the year under review and the attendance of each Board member at these meetings are provided on page 103 of this CG Report.

Executive Director

The Executive Director, Mr James Moffatt Blythman, was appointed by the Board of Directors 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 Non-Executive and Independent Directors of the Company are Mr Sazali Bin Mohd Nor, Mr Aswath Ramakrishnan and Mr Koh Beng San.

The Board has sought confirmation from each Independent Directors 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 or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment. Where required, the Independent Directors would meet outside of scheduled meetings to discuss issues that have arisen during the course of a financial year and would work with Management to deal with any such issues.

Key Management

James Moffatt Blythman

Executive Director and Chief Financial Officer

James Moffatt Blythman was appointed as Chief Financial Officer on 1 March 2018 and as Executive Director on 28 May 2018. He is responsible for the Group's business strategy and development. Mr Blythman is a qualified CPA (Australia) and Certified Fraud Examiner. He also has 12 years of experience in strategic planning, business development and general management, and considered by the Nominating Committee to be well suited to oversee and steer the Group's diversified businesses. Mr Blythman is bi-lingual and speaks 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 presently 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 Nanyang Technological. He has more than 20 years of working experience in engineering. As the Engineering Director, he manages a team of design engineers. Mr. Danny 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 experience in finance, commercial trading, and business management in mainland China and Hong Kong gained since 1986. Mr On joined Ipco Group (as it was previously known) in 2003 and has been mainly engaged 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 policies which set the desired tone in terms of the organizational culture and accountability it expects of its Directors and Management.

All Directors are required to declare their interest under section 156 of the Companies Act 1967 ("Companies Act" or the "Act")) in respect of any transaction or proposed transaction the Company is entering. All Directors 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").

Where a new director has been nominated because of his or her specialised knowledge, additional orientation is provided for the new director to gain a deeper understanding of the specific business segment(s). Such orientation includes visits to the relevant subsidiary and meetings with management of the subsidiary to understand its operations and financial position. The Company also recommends courses for its Directors to attend to ensure they keep up-to-date with changes in the Companies Act, Listing Rules, the Code and applicable financial reporting standards.

Upon appointment, each Independent Director is given a formal letter setting out his or her duties (including membership to the Audit Committee ("AC"), Remuneration Committee ("RC") and or Nominating Committee ("NC")) and the terms of the various significant policies of the Company.

In the course of their directorships, all Board members are encouraged to attend regular training, particularly on relevant new laws, regulations and changing commercial risks from time to time. Changes to regulations and accounting standards are monitored closely by the Management.

As prescribed by SGX RegCo, all Directors are required to attend accredited courses in sustainability. The Directors attended the following courses:

Director Name	Date	Name of Course
James Blythman	29 April 2022	SGX-GCNS Workshop on Taskforce for Climate-related Financial Disclosure
Sazali Bin Mohd Nor	25 October 2022	Singapore institute of Directors LED - Environmental, Social and Governance Essentials (Core) Singapore
Aswath Ramakrishnan	25 October 2022	Singapore institute of Directors LED - Environmental, Social and Governance Essentials (Core) Singapore
Koh Beng San	29 April 2022	SGX-GCNS Workshop on Taskforce for Climate-related Financial Disclosure

To keep pace with regulatory changes, Directors are briefed either during Board meetings or at specially convened sessions conducted by professionals. For the year under review, the Company Secretary and the Auditors (during the presentation of their audit plan findings) have updated the Board on the latest regulatory and financial standards updates and changes. In addition, Directors would attend training and briefing sessions conducted by outside bodies such as the SID and each of them has also kept abreast of the regulatory, financial, legal and industry changes through their work as professionals in their respective fields.

The Board ensures compliance of regulatory requirements by seeking the advice of the Company Secretary or other professional as and when required.

Provision 1.3 - Matters Requiring Board Approval

The principal functions of the Board are:

(1) to provide entrepreneurial leadership and approve the broad policies, strategies and financial objectives of the Company and monitor the performance of the Management;

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

(3) to oversee the process for evaluating the adequacy of internal controls, financial reporting and compliance;

(4) to approve the change of directors and key management personnel of the Company;

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

(6) to assume responsibility for corporate governance;

(7) to set the Company's values and standards, and ensure that obligations to key stakeholder groups are understood and met; and

(8) to delegate authority to the respective committees, such as the AC, RC and NC), to carry out their duties and make decisions in relation to their specific roles.

The Board has previously approved and adopted internal control procedures and guidelines for the Company as well as a list of matters that require the Board's approval. These have been communicated to Management and are set out below:

- Statutory requirements such as approval of financial statements;
- Other requirements such as the quarter, half-year, full-year results announcements, the annual report and financial statements;
- Corporate strategies, business re-organisation, financial restructuring and action plans;
- Investment and divestment proposals;
- Financial/Funding arrangements and decisions of the Group;
- Nomination of Directors and appointment of key executives;
- Material acquisition and disposal of assets/investments;
- 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;
- The appointment and removal of the Company Secretary and internal and external auditors and key management staff;
- Acquisition/disposal proposals, annual budgets, major funding proposals and other material transactions;
- Share issuance;
- Other transactions of a material nature requiring announcement and/or approval of the SGX-ST and the Listing Rules, and all other matters of strategic importance; and
- 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.

The Board ensures compliance of regulatory requirements by seeking the advice of the Company Secretary or other professional as and when required.

Provision 1.4 - Board Committees

The Board has established a Nominating Committee, a Remuneration Committee and an Audit Committee, 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 pages of this CG Report. Each Committee is chaired by an Independent Director and all members are Independent Directors. The effectiveness of each Committee is also regularly 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 full Board meets at least four times a year formally. Whenever warranted by circumstances, ad hoc non-scheduled Board meetings are convened. In addition to these meetings, some matters concerning the Group are also put to the Board for its decision by way of written resolutions.

The number of Board meetings and other meetings held in FY2022 and the attendances of the Directors at these meetings are set out below:

Meetings of Board, Audit, Nominating, and Remuneration Committees

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	5	6	1	1
Number of meetings attended				
Mr James Moffatt Blythman (1)	5	6	1	1
Mr Sazali Bin Mohd Nor	5	6	1	1
Mr Aswath Ramakrishnan	4	5	1	1
Mr Koh Beng San	5	6	1	1

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

The Board requires that Directors disclose to the Company if they serve on multiple Boards so that the Company can assess if such Directors have sufficient time for the affairs of the Company. This assessment is made at the same time that the Board assesses the effectiveness of each Director 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 action agreed during Board meetings, and also from time to time when there is any material or significant development to the Group's business.

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

All Directors have direct access to Management, the Company Secretary and if required, external advisors of the Company at the Company's expense. The Board acknowledges 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 an effective Board which has 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 in Malaysia. The Board as at 30 April 2022 comprised 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 in the best interest of the Company. No Independent Director falls under any of the circumstances described in Rule 210(5)(d) of the Listing Manual.

With 3 Independent Directors being senior members of their respective industries, the Independent Directors regularly and constructively challenge and guide Management in developing business strategies and reviewing the performance of management. The Board is effective in its function and can exercise independent judgment in all areas of their duties and functions in relation to the Management.

The Independent Directors have confirmed their independence, and the Board has determined, having considered the views of the NC, that all Independent Directors are independent.

Mr Blythman, Executive Director and Chief Financial Officer has a deemed interested in the 880,000,000 (14.24%) shares held by Meridian Equities Pte Ltd by virtue of his ownership of Meridian Equities Pte Ltd.

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 a majority of the Board. The Company does not currently have a chairman.

Provision 2.4 - Composition of 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 such as legal, accounting, banking, finance, financial risk and fraud evaluation, business and management experience, industry knowledge, strategic planning experience and customer-based experience 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 has adopted a comprehensive diversity policy ("Diversity Policy") which aims to support the Group's business and strategic objectives better so that the Group as a whole may achieve sustainable growth through the enhanced decision-making process of the Board from the different perspectives contributed by a diverse board made up of individuals with different by complementary skills, business experience, industry disciplines, gender, age, ethnicity and cultural, geographical background and nationalities, tenure of service and other distinguishing qualities of its members

The Diversity Policy provides a framework for setting its diversity objectives, which includes:

(a) setting targets to achieve diversity on its Board;

(b) plans and timelines for achieving the targets set;

(c) the requirement to report the progress made towards achieving the targets set within the timelines; and

(d) a description of how the combination of skills, talents, experience and diversity of its directors serve the needs and plans of the Group.

The Board has 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 director to the Board.

The current members of the Board, while comprising only males, boasts a range of skillsets, experiences, industry disciplines, ages, cultural and nationality diversity. While the Board will strive to achieve the stated range of diversity set out in its Diversity Policy, it will only appoint or recommend the appointment of a director if his or her overall skills-set, experience (and the requisite knowledge that the NC recommends are needed to enhance the effectiveness of the Board) are found to be suitable and appropriate for the Group's development and strategic objectives. 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 Non-executive and Independent Directors meet to discuss issues without the presence of Management, and they will report the conclusions of such meetings to the Board at the next scheduled Board meeting and formalize any action agreed 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 a majority of Independent Directors, and Management is led by the sole 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 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 core 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) the Board's effectiveness on all aspects of its role;

(b) that the agenda is set for all board meetings in 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) effective communication with shareholders;

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

(g) the facilitation of effective contribution of non-executive and independent directors in particular; and

(h) promotion of high standards 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 the Management is separate and distinct, and each position has its separate set of duties and responsibilities. The duties and responsibilities are not reduced in writing as leadership of the Board is helmed by the Independent Directors, while leadership of the Management is helmed by the Executive Director who is also Chief Financial Officer.

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.

Principle 4: Board Membership

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

New directors are appointed by the Board after the NC has reviewed and recommended their appointments. The NC formally discusses and agrees on the re-appointment of current Directors in a formal and open process during an NC meeting and makes its recommendation to the Board thereafter. In recommending the re-appointment 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 look into whether the Director to be re-appointed had 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 had been under any investigations by his own professional association or regulatory body.

When the need for a new director arises, the NC will review the expertise, skills and attributes of the current Board, identify the additional requirements and shortlist candidates with the appropriate profiles for nomination. New directors are 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 will interview at least 2 shortlisted candidates. All appointments of proposed new directors are discussed and formalised in a formal and open process during NC and Board meetings.

New directors must subject themselves for re-election at the Annual General Meeting ("AGM") of the Company following their initial appointment. Regulation 89 of the Company's Constitution also requires at least one-third of the Board to retire via rotation at every AGM. Retiring directors are eligible for re-appointments at AGM. Directors who are appointed casually to fill a vacancy must retire at the next AGM and are eligible for re election.

Provision 4.1 - Establishment of Nominating Committee

The Board has constituted a NC which comprises all three Independent Directors. The Chairman of the NC is Mr Sazali Bin Mohd Nor. No alternate director has been appointed by any of the current sitting Directors.

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 as a Director of the Company; and

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

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

Provision 4.2 - Majority of the Nominating Committee is Independent

The current members of the NC are Mr Sazali Bin Mohd Nor, Chairman of the NC, Mr Aswath Ramakrishnan and Mr Koh Beng San, 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 and refer them to the NC for interview and assessment of their credentials and suitability for the appointment. In addition, the NC has the liberty to instruct executive search companies, receive referrals from personal contacts (as relevant), deliberate on and consider any such 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. New directors are 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 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.

For the year under review, the NC did not make any nominations.

Provision 4.4 - NC's determination of directors' independence

In accordance with the requirements of the Code, the NC has 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 there are other factors that may impede a Director's independence, such relationship or factors will be disclosed in the Annual Report for FY2022.

As at the end of the financial year ended 30 April 2022, no Independent Director has any relationship with the Company, nor is there any circumstance which would impede an Independent Director's independence, having regard to Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Manual.

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.

Page 123 of this CG Report details 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 for its Directors but takes into account the number of directorships and principal commitments each Director has in assessing its ability to discharge his duties. For the financial year ended 30 April 2022, no Director served on more than 5 boards at any one time an the Board is of the view that each its Independent Director has been able to diligently discharge his 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. No external facilitator has been engaged to perform the Board assessment process.

For the financial year ended 30 April 2022, all Directors were requested to complete a Board Assessment Checklist designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. The performance criteria for the 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 compilation and the consolidated responses were presented to the NC for review before submitting 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.

Following the review, the Board is of the view that the Board and its Board Committees operate effectively, and each Director contributes to the overall effectiveness of the Board.

The factors taken into consideration for the re-nomination of the Directors for the current year are based on the Directors' attendance at meetings held during the year including their preparation and participation made at Board and other meetings.

For the forthcoming annual general meeting to be held, the NC has recommended that Mr Aswath Ramakrishnan and Mr Koh Beng San be nominated to 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-elected, a separate resolution seeking shareholders' approval for each of their re-election has been tabled in the Notice of AGM appended to this Report.

(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 a RC to review and deliberate the compensation packages of Board members as well as key management of the Company and the Group.

The 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 remuneration of Directors and key management;
- review and recommend to the Board, the terms of service agreements of Directors and key executives; and
- consider the disclosure requirements for Directors and key executives' remuneration as required by the Listing Manual and the Code.

All recommendations of the RC will be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are assessed by the RC. In determining remuneration packages of Executive Directors and key executives, the RC seeks to ensure that Executive Directors and key management are appropriately rewarded. The RC will also consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contributions to the Company's performance as a whole, and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

In discharging their duties, the RC may seek professional advice relating to the remuneration of Directors and key management. 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 that the terms of such contacts are complied with by both parties.

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

The RC is responsible for recommending to the Board, a general framework of remuneration for the Board and key management personnel. The RC reviews and recommends remuneration policies and packages that attract, retain and motivate Directors and key management personnel to run the Company successfully. The review of remuneration packages takes into consideration the longer-term interests of the Group and ensures that the interests of the Directors align with those of the shareholders. The review covers all aspects of remuneration, including but not limited to Directors' salaries, fees, allowances, bonuses, options, share-based incentive and award and benefits-in-kind. The management is responsible for recommending a framework of remuneration for the key executives to the RC. In reviewing and recommending remuneration policies for the key executives, the management uses various criteria including the aforesaid guidelines.

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

The RC reviews the Company's obligations in the event of the termination of the executive Directors and key management personnel's contracts of service to ensure they contain fair and reasonable termination clauses.

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 2022, 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 their individual performance. The RC will take into consideration the remuneration and employment conditions within the industry and comparable companies in recommending 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.

In respect of longer-term incentives, the Group does not currently have any share plan in place. The Board is, however, considering implementing such a share plan in the future. The priority for the Board has been to continue to stabilise the Group's business and to regularise any past non-compliance of good corporate governance since taking over management and oversight of the Group in early 2018.

For the year under review, no recommendation has been made to the RC for any performance bonus to be given to, and no change to the terms of the service contract of, the Executive Director has been proposed.

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 Annual Report for FY2022, 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 Code recommends that companies should fully disclose the amount and breakdown of remuneration for each individual director and the CEO on a named basis, for confidentiality and commercial reasons, the Board has deviated from complying with Provision 8.1(a) of the Code, and provides 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 2022.

Independent Directors are paid a Director's fee 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 current level of fees proposed for the Independent Directors to be appropriate, given the current financial and operational position of the Group. The RC will review the current proposed fees when the overall position of the Group has stabilised and improved.

The gross remuneration recommended and tabled for shareholders' approval at the upcoming AGM for FY2022 is $52,277 (details of which are set out below).

FY2022 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 table below shows the remuneration breakdown of the Executive Director.

Key Management Personnel Above S$250,000 to below S$500,000	Salary*(a) %	Fees %	Bonus %	Other benefits %	Total %
Mr James Moffatt Blythman	21%	74%	–	5%	100%

Independent Directors are paid Director's fees 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' fees of a total S$52,277 have been recommended by the Board and tabled for shareholders' approval at the upcoming AGM. The RC considers the current level of fees proposed for non-executive Directors to be appropriate, given the current financial and operational positions of the Group. The RC will review the current proposed fees when the overall position of the Group has stabilised and improved.

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).

For confidentiality and commercial reasons, the Board has deviated from complying with Provision 8.1(b) of the Code. The Company only partially complies with the above recommendation by providing below a breakdown, showing the level and mix of each of the top five (5) management personnel's remuneration (who are not Directors or the CEO) in bands of S$250,000 for the financial year ended 30 April 2022:

The total remuneration paid to the Executive Director and key management of the Group for FY2022 was approximately S$1,002,929 and is disclosed in the respective bands set out in the table below. The Board believes that given the confidentiality and commercial sensitivity attached to remuneration matters, the remuneration should not be disclosed in exact dollar terms.

As Notes 6 and 8 of the Financial Statements also set out such information, the Board is of the opinion that the information disclosed here is sufficient to shareholders for their understanding of the Company's compensation policies.

To maintain confidentiality of the key executives' remuneration, only their remuneration mix is disclosed as follows:

Key Management Personnel Below S$250,000	Salary*(a) %	Fees %	Bonus %	Other benefits %	Total %
Mr Wilson On Wang Sang	100%	–	–	–	100%
Mr William Koh	93%	–	7%	–	100%
Mr Danny Ong Swee Hin	94%	–	6%	–	100%

(a) Salary is inclusive of defined contribution plan.

Provision 8.2 - Remuneration of related employees

For the financial year ended 30 April 2022, no employee was related to a substantial shareholder, a Director, or the Chief Financial Officer, and no employee was an immediate family member of a Director, 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 under Provisions 8.1 and 8.2 above. 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.

(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 of the Group.

The external auditors will highlight any material 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 will ensure that the followed up and actions are promptly and duly implemented as recommended by the external auditors to be implemented. Management will also regularly review in consultation with the AC and the Board the Group's overall risks positions, both existing and emerging risks, and current controls put in place to assess if any further controls need to be put in place, including recommendations made by the internal auditors.

The AC and the Board acknowledge 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 controls on a continuing basis.

The Board will, at least, on an annual basis, review 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 the reviewed by the management.

The Group's financial risk management objectives are discussed under Note 30(b) of the Audited Consolidated Financial Statements for FY2022.

For the financial year ended 30 April 2022, the Board and the AC have received assurance from the Executive Director and Chief Financial Officer and key management personnel that the financial records of the Company have been properly maintained and that the financial statements give a true and fair view of the Company's operations and finances.

For FY2022, there were certain discrepancies between the unaudited consolidated financial statements and the audited consolidated financial statements of the Group, such discrepancies have on 8 November been announced on the SGXNET. For FY2022, the external auditors made certain qualifications and emphasis of matters in the auditors' report, and the same has on 8 November 2022 been announced on the SGXNET.

The Board and AC have also 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 are adequate and effective in addressing the key risks identified in its current business environment, including financial, operational, compliance and information technology functionalities.

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, 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 2022. The AC is also satisfied that the internal audit function is independent, effective and has been adequately resourced.

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

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 and members of the AC. There is no restriction imposed on the number of members in the AC committee, 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:

(a) reviews 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 the Management to the external auditors;

(b) reviews 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) reviews the scope and results of the internal audit function and ensuring co-ordination between the internal and external auditors and the Management;

(d) reviews the co-operation given by the Company's officers to the external auditors;

(e) reviews 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) reviews 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) reviews 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) undertakes such other reviews and projects as may be requested by the Board;

(j) reviews, at least annually, the adequacy and effectiveness of the internal audit function;

(k) ensures 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) oversees the Group's whistle-blowing policy;

(m) reviews and nominates external auditors for appointment/re-appointment and approving their remuneration and terms of engagement;

(n) reviews 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) discloses 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. In the financial year under review, the AC has reviewed and approved the audit plan, the quarterly, half-yearly and full-year unaudited results for announcement purposes.

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 auditing firm is a member of the AC (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing 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

The AC has appointed as Internal Auditors, CLA Global TS (formerly known as Nexia TS) is a company of CLA Global TS Public Accounting Corporation, an independent network member of CLA Global Limited (CLA Global) who is a leading global organisation comprised of independent accounting and advisory firms. CLA Global TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The internal audit team from CLA Global TS comprised of the engagement lead, a manager and experienced staff members. The engagement lead who is a member of the Association of Chartered Certified Accountants and a member of the Institute of Internal Auditors Singapore, has more than 13 years of professional experience performing and leading internal audits, internal control reviews, corporate governance, compliance and enterprise risk management related reviews. He has served companies listed in Singapore, Hong Kong and Chile, private companies, not-for-profit organisations, Institutions of Public Character and public sector agencies.

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 subsequent financial year, the AC will review and approve the audit plans and the results of the internal auditor's examination of the Company's system of internal controls.

The AC is satisfied that the internal audit function is independent and the internal auditors have adequate resources to perform its function effectively and is staffed by suitably qualified and experienced professionals with the relevant experience.

The Board recognises its 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 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 aggregate amount of fees paid to the external auditor of the Company, broken down into audit and non-audit services during FY2022 are disclosed in the Note 8 to the Financial Statements. The audit partner assigned to the audit has not been in charge of more than five (5) consecutive audits.

Service Category	**Fees Paid/Payable (S$'000)**
Audit Service	145
Non-Audit Service	8
Total Fees	**153**

For FY2022, the AC has undertaken a review of the non-audit services performed by the external auditors and are of the opinion that the value and scope of the non-audit services performed by the external auditors would not affect the independence of the external auditors. There was no interested party transaction during the financial year under review .

The Board together with the assistance of the NC, reviews and assesses at the end of each financial year and from time to time to ensure that the members of the AC are appropriately qualified to discharge their responsibilities. The Board is of the view that for the financial year under review 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 the AC's responsibilities. The AC has taken measures to keep abreast of changes to accounting standards and issues which have a direct impact on the financial statements of the Company by attending seminars to update themselves.

The Group's external auditors, Baker Tilly TFW, is an accounting firm registered with the Accounting and Corporate Regulatory Authority. 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 Group is satisfied that Baker Tilly and the audit engagement partner assigned to the audit have adequate resources and experience to meet its audit obligations. In this connection, the Group confirms that it is in compliance with Rule 712 and Rule 715, read together with Rule 716 of the Listing Manual in relation to the appointment of external auditors. 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 AGM.

The Board and the AC are also satisfied that notwithstanding that the financial statements of the Company's subsidiaries in China are audited by BDO China-Shu Lun Pan CPAs, such appointment would not compromise the standard and effectiveness of the audit of the issuer.

(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 AGMs and Extraordinary General Meetings ("EGM"). 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 AGMs. 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.

In light of the on-going COVID-19 situation, the Company has ensured that its Annual Report for FY22 is available to all shareholders electronically and the Notice of AGM is made available on SGXNET to all shareholders before the meeting. 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 AGM, 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 auditors were present at the last AGM held on 11 October 2021 to assist the Directors in addressing any relevant queries on the Audited Consolidated Financial Statements for the financial year ended on 30 April 2021 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 AGM minutes will be made available via SGXNET.

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.

In view of the on-going COVID-19 situation, the forthcoming AGM to be held in respect of FY2022 will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Order provides for alternative arrangements for meetings held by companies, and is deemed to have come into force on 27 March 2020. Alternative arrangements relating to attendance at the AGM via electronic means i.e. live audio-visual webcast or live audio-only stream, with live voting online by shareholders in attendance electronically or the appointment of the Chairman of the meeting as proxy to vote, the live submission of questions to the Board at the AGM or the submission of questions in advance of the AGM, which are substantial and relevant to the agenda of the AGM, will be put in place.

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.

In view of the regulatory announcement released by SGX-ST on 27 April 2020 providing issuers with additional guidance on the conduct of general meetings during this safe management period, the Company will publish minutes of the AGM within one month after the AGM on SGX-Net. Questions submitted online and responded to during the AGM held by electronic means will also be published as part of the minutes. Questions from shareholders should be submitted in accordance with the procedure set out in the notice of AGM published on the SGX-Net on 8 November 2022.

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 first to rebuild and strengthen its financial position. With the financial and other impact that have been caused by the COVID-19 pandemic, the Group is looking 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 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 2022 which was released on 3 November 2022.

To enable shareholders to contact the Company easily, the contact details of the company are set out in the contents page of the Annual Report for FY22 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 FY2022, 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 FY2022, the Group did not enter into any interested person transactions 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, Non-Executive and Independent Directors and consist of the AC. 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 by writing, telephonically 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 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 investigation is necessary, the whistleblowing committee member will direct an independent investigation to be conducted. 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.

Statement of Compliance

The Board is pleased to confirm that for the financial year ended 30 April 2022, the Company has generally adhered to the principles and guidelines set out in the Code.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUALS

Mr Aswath Ramakrishnan and Mr Koh Beng San are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be held 30 November 2022 ("AGM") under Ordinary Resolutions 3 and 4 (respectively) as set out in the Notice of AGM dated 8 November 2022.

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 Aswath Ramakrishnan**	**Mr Koh Beng San**
Date of Initial Appointment	17 July 2020	13 October 2020
Date of last re-appointment (if applicable)	25 November 2020	25 November 2020
Age	37	48
Country of principal residence	Malaysia	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board acknowledges the contributions made by Mr Ramakrishnan since his appointment, in particular, his input and advice regarding the various litigation that Group is involved in. Mr Ramakrishnan is retiring pursuant to Regulation 89 of the Company's Constitution and is seeking re-election. The Board (on the recommendation of the NC) recommends Mr Ramakrishnan's re-election.	The Board acknowledges the contributions made by Mr Koh since his appointment. As the AC Chairman, Mr Koh has been instrumental in ensuring that the financial statements of the Company and its subsidiaries have been kept and maintained in good order and that all internal controls put in place and required to be put in place are performed timeously and effectively. Mr Koh is retiring pursuant to Regulation 89 of the Company's Constitution and is seeking re-election. The Board (on the recommendation of the NC) recommends Mr Koh's re-election.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Appointment	Non-Executive Appointment
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Independent Director and member of the AC, RC and NC.	Non-Executive and Independent Director, Chairman of the AC, and member of the RC and NC.

Name of Director	Mr Aswath Ramakrishnan	Mr Koh Beng San
Professional qualifications	LLB & LLM (Northumbria University) Barrister at Law	Fellow Member of Association of Chartered Certified Accountant, UK and Member of Malaysian Institute of Accountants and Asean Chartered Professional Accountant
Working experience and occupation(s) during the past 10 years	Year 2012 – United National International Criminal Tribunial for the Former Yogoslavia (The Hague) Defence Team Member Year 2014 to 2018 – Messrs. Shearn Delamore & Co – Associate Year 2018 to current – Messrs. Ahmad Deniel, Ruben & Co – Partner and Head of Dispute Resolution Department	Year 2003 to 2020 - Finance Director of Southern Industrial Gas Sdn Bhd a wholly owned subsidiary of SIG Gases Bhd a main market listed company on Bursa Malaysia Securities Bhd Year 2020 to Present Director of Koh BS & Co, Accountants (2020 to present)
Shareholding interest in the listed issuer and its subsidiaries	No	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	No	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
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]	Partner and Head of Dispute Resolution Department, Messrs. Ahmad Deniel, Ruben & Co	Director of Koh BS & Co, Accountants Non-Executive and Independent Director of Cape EMS Berhad (appointed on 5 May 2022)

Name of Director	Mr Aswath Ramakrishnan	Mr Koh Beng San
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.	Non-Executive and Independent Director of the Company from 17 July 2020 to date	Non-Executive and Independent Director of the Company from 13 October 2020 to date
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 Ramakrishnan and Mr Koh have confirmed negative on items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Rules.

STATISTICS OF SHAREHOLDERS AS AT 3 NOVEMBER 2022

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 3 NOVEMBER 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.04	179	0.00
100 - 1,000	447	3.88	438,534	0.01
1,001 - 10,000	3,278	28.48	19,101,494	0.31
10,001 - 1,000,000	7,153	62.15	1,249,532,389	20.21
1,000,001 AND ABOVE	627	5.45	4,911,727,390	79.47
TOTAL	**11,510**	**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 3 November 2022, 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.

TWENTY LARGEST SHAREHOLDERS AS AT 3 NOVEMBER 2022

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	893,903,374	14.46
2	PHILLIP SECURITIES PTE LTD	714,878,653	11.57
3	MAYBANK SECURITIES PTE. LTD.	191,109,200	3.09
4	DBS NOMINEES PTE LTD	153,774,900	2.49
5	ONG SOH NEO	100,000,000	1.62
6	NG QUEK PENG	76,383,900	1.24
7	HUANG QINGPING	65,000,000	1.05
8	OCBC SECURITIES PRIVATE LTD	64,987,098	1.05
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	35,697,800	0.58
15	CITIBANK NOMINEES SINGAPORE PTE LTD	32,274,400	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	29,903,600	0.48
19	SHEN JIANKUN	29,100,000	0.47
20	TIEW YEW SENG	28,901,000	0.47
	TOTAL	2,699,015,225	43.68

SHARES HELD BY THE PUBLIC AS AT 3 NOVEMBER 2022

Based on information available to the Company as at 3 November 2022, 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.

This Notice of Annual General Meeting (the "**Notice**") of Renaissance United Limited (the "**Company**") has been made available on SGXNET at the link: https://www.sgx.com/securities/company-announcements and the Company's website at: www.ren-united.com. **A printed copy of the Notice will NOT be dispatched to shareholders.**

Please read the instructions under the section "Special Notice Regarding Measures to Minimize Risk of Community Spread of 2019 Novel Coronavirus ("**COVID-19**")" for detailed instructions and information on how you may be able to participate in the AGM proceedings.

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of the Company will be convened and held by way of electronic means via a live webcast on 30 November 2022 at 11:00 a.m. 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 2022 together with the Directors' Statement and the Auditors' Report thereon. ***[Resolution 1]***

2. To approve Directors' fees of S$52,277/- (2021:S$48,398). ***[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 Aswath Ramakrishnan.
   [See Explanatory Note 2]

4. To re-elect the following Director retiring pursuant to Regulation 89 of the Company's Constitution: ***[Resolution 4]***

   Mr Koh Beng San.
   [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 SGX-ST) 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, 8 November 2022

EXPLANATORY NOTES:

(1) Includes Directors fees paid by the Company's subsidiaries.

(2) Mr Aswath Ramakrishnan has submitted himself for re-nomination and re-appointment. Mr Ramakrishnan will, upon re-election, remain as a Non-Executive and Independent Director of the Company, a member of the Audit, Nominating and Remuneration Committee. Please refer to page 122 of the Annual Report for more information on Mr Ramakrishnan.

(3) Mr Koh Beng San has submitted himself for re-nomination and re-appointment. Mr Koh will, upon re-election, remain as a Non-Executive and Independent Director of the Company, Chairman of the Audit Committee, and a member of the Nominating and Remuneration Committees. Please refer to page 122 of the Annual Report for more information on Mr Koh.

(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.

Special Notice Regarding Measures to Minimize Risk of Community Spread of 2019 Novel Coronavirus ("COVID-19")

This AGM is convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Order 2020"). Printed copies of the Annual Report 2022 will not be sent to members but will be published on the SGX website at www.sgx.com and on the Company's website at the link: http://www.ren-united.com.

Alternative arrangements have been made for shareholders to participate in the AGM proceedings via electronic means are set out below.

A. Live AGM Webcast:

1. Shareholders (including CPF and SRS investors) or their duly appointed proxies may participate in the AGM proceedings through the Live AGM Webcast or listen in on the live audio-only stream. To do so, shareholders will need to register via the link: https://conveneagm.com/sg/renunited2022 (the "**Registration Link**"). The Registration Link will open for registration at 11.00 am on 9 November 2022 until 11.00 a.m. on 27 November 2022 (the "Registration Deadline") to enable the Company to verify their status.

2. Following the verification, authenticated shareholders or their duly appointed proxies will receive an email by 5.00 p.m. on 29 November 2022 containing instructions on how to access the live audio-visual webcast or the live audio-only stream of the AGM proceedings, how to submit questions live and online (in real time) and how to vote live and online (in real time).

3. Shareholders must not forward the abovementioned instructions to other persons who are not shareholders of the Company and who are not entitled to attend the AGM.

4. Shareholders who register by the Registration Deadline but do not receive an email response by 5.00 p.m. on 29 November 2022 may contact the Company by email at corp@ren-united.com or by phone at (65) 9619 2295.

B. Voting at the AGM

1. Voting for all resolutions will be conducted by a poll. Voting at the AGM may be carried out in one of two ways, by:

   (a) a member or its duly appointed proxy(ies) live and online (in real time) by logging onto the link: https://conveneagm.com/sg/renunited2022;

   (b) submitting a proxy form (in advance of the AGM) appointing the Chairman of the meeting to cast votes, or abstain from voting, on their behalf. Please note that the proxy form appointing the Chairman of the meeting must be directed, i.e., the shareholder must indicate for each Resolution whether the Chairman of the meeting is to vote "for" or "against" or "abstain" from voting.

2. The proxy form, (which can be accessed on SGXNET at the link: https://www.sgx.com/securities/company-announcements or the Company's website at the link: http://www.ren-united.com) duly completed and signed, must be submitted in one of the following manner:

   (a) if submitted by post, be deposited at the Company's Share Registrar office, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via the Registration Link at https://conveneagm.com/sg/renunited2022,

   in either case, by no later than 11.00 a.m. on 27 November 2022, being 72 hours before the time fixed for the holding of the AGM at 11.00 a.m. on 30 November 2022.

3. CPF OR SRS investors may:

   (a) may vote live and online (in real time) 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 contact and instruct their respective CPF Agent Banks or SRS Operators 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 by 11.00 a.m. on 27 November 2022.

C. Submission of Questions:

1. Shareholders (or their duly appointed proxies) who participate by way of observing the live audio-visual webcast or live audio-only stream of the AGM proceedings may ask questions live and online (in real time) during the AGM by submitting their questions online via the Registration Link: https://conveneagm.com/sg/renunited2022.

2. The directors of the Company will endeavour to address as many substantial and relevant questions submitted online as possible during the AGM. However, Shareholders should note that there may not be sufficient time available at the AGM to address all questions raised. Please note that questions individual responses will not be sent to Shareholders.

3. Alternatively, Shareholders (including CPF and SRS investors) may submit questions relating to any of the resolutions as set out in the Notice of AGM in advance of the AGM via the Registration Link: https://conveneagm.com/sg/renunited2022.

4. Questions in advance of the AGM may be submitted via the Registration Link at any time after the publication of the Notice of AGM on 8 November 2022 until 11.00 a.m. on 22 November 2022, if they are not exercising their votes live and online during the AGM. Shareholders are requested to submit their questions as early as possible so as to allow the Company sufficient time to respond.

5. For questions submitted in advance of the AGM, the Company will provide replies to all questions which are substantial and relevant to the resolutions as set out in the Notice of AGM by publication on the SGXNET and the Company's website at by 11.00 a.m. by 24 November 2022, which is 72 hours before the commencement of the time period during which Shareholders must submit their proxy forms if they are not exercising their votes live and online during the AGM.

6. The Company will also publish the minutes of the AGM (which will include all responses to questions, which are substantial and relevant to the resolutions as set out in the Notice of the AGM, submitted live and online during the AGM) on the SGXNET and the Company's website within one month after the date of the AGM.

Important Reminder:

Due to the constantly evolving COVID-19 situation (and/or pursuant to any legislative amendments and directives or guidelines from government agencies or regulatory authorities), the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM.

Notes on AGM (these notes are to be read in conjunction with the Special Notice Regarding Measures to Minimize Risk of Community Spread of COVID-19):

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to participate in the AGM to be held electronically via a live-audio visual webcast. Where a member appoints more than one (1) proxy, the proportion of his/her shareholding to be represented by each proxy must be specified in each of the proxy forms. As this AGM is held by electronic means, pursuant to the COVID-19 Order 2020, members should note that if they themselves or their duly appointed proxies are not participating at the AGM to vote live and online, the only person they can appoint as proxy to vote on their behalf at the AGM is the Chairman of the meeting. Please be reminded that in that case, the proxy form appointing the Chaiman of the meeting must be directed, ie, the shareholder must indicate for each resolution whether the Chairman of the meeting is directed to vote "for" or "against" or "abstain".

2. Pursuant to Section 181(1C) of the Companies Act, any member who is a Relevant Intermediary is 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 a member who is a Relevant Intermediary appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed must be specified in the relevant proxy form. As this AGM is held by electronic means, pursuant to the COVID-19 Order 2020, members who are Relevant Intermediaries should note that if the relevant CPR and or SRS investors have not requested for themselves to be appointed proxies to participate in the AGM and vote live and online, the only person Relevant Intermediaries can appoint as proxy to vote on their behalf at the AGM is the Chairman of the meeting. Please be reminded that in that case, the proxy form appointing the Chairman of the meeting must be directed, ie, the shareholder must indicate for each Resolution whether the Chairman of the meeting is directed to vote "for" or "against" or "abstain".

3. The duly executed proxy form appointing a proxy(ies) must be sent by post to Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 or submitted via the Registration Link: by 11.00 a.m. on 27 November 2022.

4. The proxy form appointing a proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where a proxy form 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 duly executed proxy form(s).

5. 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 time set for the AGM in order for the depositor to be entitled to participate and vote at the AGM either live and online or by proxy.

Personal Data Privacy Terms:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to participate, ask questions and vote (live and online or by proxy) 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 in order 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 for any penalties, liabilities, claims, demands, losses and damages suffered or incurred by the Company as a result of the member's breach of the warranty given as aforementioned.

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 vote live and online (in real time) 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 contact and instruct their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM to allow sufficient time for their respective Relevant Intermediaries to submit a proxy form(s) to appoint the Chairman of the meeting to vote on their behalf by 11.00 a.m. on 27 November 2022.

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 or to vote by this proxy form on my/our behalf (as the case may be) at the 30th Annual General Meeting ("**AGM**") of the Company to be held by electronic means at 11.00 a.m. on 30 November 2022 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 8 November 2022, 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 2022			
2.	To approve Directors' fees of S$52,277/- (2021:S$48,398).			
3.	Re-election of Mr Aswath Ramakrishnan as a Director			
4.	Re-election of Mr Koh Beng San as a Director			
5.	To re-appoint Messrs Baker Tilly TFW LLP as Auditor of the Company and to authourise 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 8 November 2022 for the full text of the Resolutions to be passed.

Dated this ________ day of __________________ 2022

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 may vote by registering to participate in the AGM themselves or by their duly appointed proxies live and online in accordance with the instructions set out in the Special Notice Regarding Measures to Minimize Risk of Community Spread of 2019 Novel Coronavirus which is appended to the Notice of AGM.
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 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 a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy must be specified in the relevant proxy form.
4. A "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
5. 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 a member 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.

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Postage
Stamp

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 proxy form appointing a proxy must be signed under the hand of the appointor or by 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 its attorney or a duly authorised officer. Where a proxy form(s) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be sent with the executed proxy form either by post or by via the Registration Link, failing which the proxy form may be treated as invalid.
8. The duly executed instrument appointing a proxy or proxies 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 submitted via the Registration Link: https://conveneagm.com/sg/renunited2022 no later than seventy-two (72) hours before the time and date 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 8 November 2022.

GENERAL: 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