Annual Report 2019

RENAISSANCE UNITED LIMITED

CONTENTS

CORPORATE INFORMATION

DIRECTORS

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

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

Mr Joseph Chen
(Independent and Non-Executive Director)

Mr Ng Fook San
(Independent and Non-Executive Director)

COMPANY SECRETARY

Mr Allan Tan Poh Chye

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SHARE REGISTRAR

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Singapore 068898

AUDITOR

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

Partner-in-charge : Ms Tay Guat Peng
(Appointed since financial year ended 30 April 2018)

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")**

  Substantial progress on the Falling Water Plat/Planned Development District ("PDD") project has been made since the Pierce County Hearing Examiner (HEX) approved the 4th Tri-Annual Review of the project on March 26, 2018. Extending the plat for another year and adopting a more comprehensive set of milestone conditions for continued development of the Plat/PDD to full build-out of the revised overall density for Phase 4.

  The decision of the HEX limited the maximum number of new residential single-family building lots to a total of 592 resulting in a maximum of 261 new-residential lots, and set forth a total of 17 conditions that must be met prior to final approval of all remaining phases of Falling Water.

  The second condition includes the specific milestone dates that the Capri must meet to maintain the entitlements in effect (unless otherwise approved by the HEX), of which there were 3 that had to be met prior to the end of 2018, all of which were met by the Capri. In addition, Capri had on 15 July completed 2 additional tasks namely a request for the 23rd year extension and submitting a complete application for Site Development Permit for road and storm drainage improvements encompassing Phase 1 of Division 4.

  During the year, Capri incurred significant engineering and consultancy expenses meeting the abovementioned milestones.

  Capri continues to receive interest from major home builders for the development/sale of Falling Water's next phase of 261 new residential lots.

- **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 Hubei Zonglianhuan Energy Investment Management Inc. ("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, PRC.

  China's new gas infrastructure which relies heavy on LNG imports whilst it develops its pipelines to Central Asia has not come online fast enough to service the increased demand brought about by the change of energy mix preferencing gas over coal. China's major suppliers have supplemented supply by imports and have passed on these additional costs to downstream customers such as HZLH. In addition, LNG prices are subject to swings in the commodity market which cannot be controlled by users such as HZLH.

  HZLH's selling prices are set by local price bureaus and there is no mechanism by which upstream gas cost increases can be automatically passed on to end-users. This has resulted in reduced margins and severely impacted HZLH's financial performance. Difficult trading conditions are expected to continue in FY2020. However, the connection of Guangshui receiving station to the upstream pipeline in May 2019 is already have a positive effect on performance.

  It is not expected China will alter its energy mix strategy preferencing gas with several new LNG receiving stations due to come online within the next 12 months and plans for significant long-term investments in gas infrastructure and further industry reform.

In addition to the impairment of the share disposal proceeds due by Xiaogan He Shun Investment Management Centre LLP the Company has also impaired the amount due from a key management staff. The Company has sought legal advice on its recoverability options and will take the necessary steps to protect its interest.

As a result of declining financial performance of HZLH, the distribution and licensing rights (S$23,458,000) have been impaired.

- **ESA Electronics Pte Ltd ("ESA")**

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

  ESA's financial performance improved compared with FY2018 with the increase of profitability mainly contributed by burn-inboard sales to customers in Taiwan, China and Philippines.

  ESA is in an industry that has high risks of technological obsolescence and supply chain vulnerability especially in current shifts in global trade practices and sanctions on semi-conductor industry initiated by the US and Japan. The outlook is highly uncertain and business volatility is expected to deteriorate in the near and medium term. The changing landscape is likely to see China further develop and integrate its own semi-conductor industry. ESA has already employed a sales engineer based in Shanghai to further grow the China market and better service existing customers.

Proposed subscription of 1,230,000,000 new ordinary shares in the share capital of the Company

The Company announced on 7 May 2019 that it had entered into Amendment Agreements with the Subscribers to amend the Issue Price and Subscription Agreement. Pursuant to the Amendment Agreements, the Issue Price shall be revised to $S0.0011 for each Subscription Share. Consequently, the aggregate cash consideration to be raised from the Proposed Subscription Agreement shall be $S1,353,00.

In respect of the proposed acquisition, the proceeds will be used to for the Company's working capital requirements and to meet the expenses to be incurred in the process of due diligence for potential acquisitions of business as and when they arise.

Entry into a non-binding memorandum of understanding

The Company announced on 26 February 2019 that it had entered into a non-binding memorandum of understanding (the "MOU") with Broadland Garment Industries Sdn Bhd (the "Vendor"). Pursuant to the MOU, the Company shall enter into negotiations with the Vendor for the proposed acquisition of a majority stake in the issued and paid-up share capital of Broadland Garment International Sdn Bhd.

The proposed acquisition is part of the Company's efforts to diversify its business operations and broaden its stream of income and revenue to achieve a more consistent and sustainable financial growth.

Legal Proceedings

Significant management attention was placed on defending legal proceedings in Singapore and in Washington. The Washington proceedings are still on-going and we believe they are without merit. The Company continues to defend all these claims through its attorneys in Washington.

The Company is pleased to note that the legal proceedings in relation to a previous key management personnel and its subsidiary Nueviz Investment Private Limited as announced on 7 May 2018 have been resolved.

Sustainability Reporting

To affirm the importance of having a sustainability strategy on 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) will be produced to accompany this 2019 Annual Report.

In this sustainability report, we will provide insights into the way we do business, while highlighting our environmental, social, governance ("ESG") factors and economic performance. Specifically, we will focus 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

The Company will continue its efforts on improving the performance of its existing manufacturing and gas distribution businesses, and to diversify its business through the proposed acquisition which it hopes will renew the interest of its current shareholders and new investors in its shares. The Company will also work with the Exchange on new initiatives to revitalise the equity market generally.

James Moffatt Blythman
Executive Director and Chief Financial Officer
On Behalf of the Board
13 August 2019

For the financial year ended 30 April 2019 ("FY19"), the Group achieved a Turnover of S$63.0 million, which was S$4.4 million or 7.5% higher than the Turnover of S$58.6 million recorded for the corresponding financial year ended 30 April 2018 ("FY18"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA recorded a 2.5% decrease in Turnover of S$0.6 million to S$22.8 million in FY19, as compared to a Turnover of S$23.4 million recorded in FY18. The decrease was mainly due to less demand of burn-in boards by semi-conductor manufacturers in the current year.

- Capri recorded a Turnover of S$0.1 million in FY19 and none in FY18 as there was no finalised sales agreement with home builders in the previous year.

- Excellent Empire, via its wholly-owned subsidiary, China Environmental Energy Protection Investment Ltd ("China Environmental"), 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$40.1 million in FY19, as compared with S$35.2 million in FY18. The 13.8% increase in Turnover of S$4.9 million was mainly due to increase in natural gas sales to industrial users and new household consumers.

The Group recorded a Loss before Income Tax of S$40.3 million in FY19, as compared with S$26.8 million recorded in FY18.

The Group recorded a Loss after Income Tax of S$33.5 million in FY19, as compared with S$27.6 million recorded in FY18.

Correspondingly, in FY19 the Group had Loss Attributable to Shareholders of S$34.4 million and Loss per Share of 0.556 Singapore cents (FY18: Net Loss Attributable to Shareholders S$28.5 million and Loss per Share of 0.485 Singapore cents).

Other Revenue increased by S$0.7 million to S$2.0 million in FY19, as compared with S$1.3 million FY18. This was mainly due:

(a) an decrease of S$0.6 million in write back of other payables and accrued expenses mainly arising from expiry of mandatory period for claims;

(b) a foreign exchange gain of S$1.4 million in FY19 arising from the revaluation of foreign currency denominated balances primarily in:

    (i) United States Dollars ("US$"), at exchange rates of 1 US$ to S$ which strengthened from S$1.324 to S$1.362 (FY18: weakened from S$1.396 to S$1.324);

    (ii) Chinese Renminbi ("RMB"), at exchange rates of 1 RMB to S$ which weakened from S$0.209 to S$0.202 (FY18: strengthened from S$0.202 to S$0.209);

(c) a decrease of S$0.1 million in interest, sundry income and gain on disposal of property, plant and equipment.

The Group's Total Cost and Expenses increased by approximately S$18.5 million to S$105.2 million in FY19, compared with S$86.7 million in FY18. This was mainly due to:

(a) S$10.0 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 China subsidiaries;

(b) S$0.3 million increase in depreciation of fixed assets mainly from China subsidiaries;

(c) S$0.5 million increase in allowance for impairment of intangible assets from the Distribution and Licensing Rights of China subsidiaries;

(d) S$0.1 million allowance for impairment loss of available-for-sale financial asset in FY18 and none in FY19;

(e) S$16.2 million loss from deconsolidation of subsidiaries due to loss of control in the board representation;

(f) S$3.1 million decrease in impairment loss of doubtful receivables mainly from China subsidiaries;

(g) S$2.0 million decrease in Employee Benefit Expenses mainly due to a reduction of headcount of senior salaried staff in the Company and higher bonuses accrued in previous FY18 by ESA;

(h) S$0.3 million decrease in finance costs offset by S$0.5 million increase in other administrative expenses mainly from China subsidiaries;

(i) S$3.5 million exchange loss in FY18 and none in FY19, see (b) above.

An Income Tax credit of S$6.7 million in FY19 compared to Income Tax Expense of S$0.8 million in FY18 mainly due to S$0.1 million increase in current tax expenses from S$0.8 million in FY18 to S$0.9 million in FY19, offset by S$7.6 million write back of deferred tax liabilities arising from the impairment of the Distribution and Licensing Rights of China companies which are impaired in FY19.

As at 30 April 2019, the Total Assets of the Group were S$112.8 million (FY18: S$136.3 million). The decrease of S$23.5 million is mainly due to S$23.5 million Impairment Loss of Intangible Assets of the Group's subsidiaries.

The Net Current Liabilities of the Group as at 30 April 2019 were S$13.8 million (FY18: S$5.5 million), of which S$11.2 million (FY18: S$8.5 million) was held as cash and cash equivalents.

The Group's total borrowings and finance lease liabilities of S$20.3 million (FY18: S$20.4 million) consist of mainly bank loans and overdrafts obtained by subsidiaries in China and ESA. The Group's gearing ratio as at 30 April 2019, based on net debt divided by total capital is 0.44 times (FY18: 0.31 times). Net debt is calculated as total borrowings, finance lease payables 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 2019, the total equity of the group was S$55.4 million, as compared to S$76.3 million in FY18. The decrease was mainly due to a current year loss of S$33.5 million, S$0.4 million dividend payment to non-controlling interests of a subsidiary, S$2.9 million translation loss in other reserve and non-controlling interests offset by S$15.9 million arising from de-recognition of a subsidiary with loss of control.

The net asset value per share is S$0.01 in FY19 (FY18: S$0.01) and the total issued share capital of the Company is 6,180,799,986 (FY18: 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 (formerly known as Ipco International 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 2019.

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 15 to 108 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 2019 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, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); 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 Company will be able to pay its debts as and when they fall due.

Directors

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

Mr Joseph Chen	-	Independent and Non-Executive Director
Mr Ng Fook San	-	Independent and Non-Executive Director
Mr Sazali Bin Mohd Nor	-	Independent and Non-Executive Director (Appointed on 30 January 2019)
Mr James Moffatt Blythman	-	Executive 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 1.5.2018**	**At 30.4.2019**	**At 21.5.2019**	**At 1.5.2018**	**At 30.4.2019**	**At 21.5.2019**
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 were 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.

Shareholdings in Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH")

The Board has met representatives of He Shun Investment Management Centre LLP ("HeShun") and a key management personnel ("KMP") to whom 30% of the shares in HZLH were disposed of in 2015 with payment fulling due in March and May 2018 respectively.

Apart from the initial deposit, no further payments have been received by the Group and as such HeShun and the KMP are in breach of their respective agreements. Under these agreements there is no mechanism by which non-payment shall affect the automatic return of said shares. The Company through its China lawyers has issued letters of demand.

The Board is optimistic that an amicable solution can be found with minimal disruption to the operations of HZLH.

For further information on previously referred Employee Share Scheme please see pages 7 to 9 in the Company's Annual Report for the financial year ended 30 April 2018.

HZLH and its subsidiaries ("HZLH Group")

Management is currently making arrangements to ensure that the financial information of HZLH Group are in form and content which are appropriate and proper for the purpose of the preparation of the consolidated financial statements moving forward.

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 Joseph Chen (Chairman)
Mr Ng Fook San
Mr Sazali Bin Mohd Nor (Appointed on 30 January 2019)

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	Joseph Chen Director

13 August 2019

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Renaissance United Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 15 to 108, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 April 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Impairment assessment of the Group's intangible assets and property, plant and equipment and the Company's investment in Excellent Empire Ltd ("EEL") and quasi-equity loan to EEL

   As disclosed in Note 11 and Note 12 to the financial statements, the net carrying amount of the Group's intangible assets and property, plant and equipment as at 30 April 2019 amounted to $Nil and $74,807,000 respectively. An impairment loss amounted to $23,458,000 was recognised in the current financial year to write down intangible assets to its recoverable amount of $Nil.

   As further disclosed in Note 13 to the financial statements, the net carrying amount of the Company's investment in EEL and quasi-equity loan to EEL as at 30 April 2019 amounted to $12,497,000 and $Nil respectively which represent investment in EEL group, after recognising impairment loss of $50,928,000 and $555,000 respectively during the current financial year.

   During the financial year, the Group performed an impairment assessment to determine the recoverable amounts of the Group's intangible assets and property, plant and equipment. The recoverable amounts were adopted in the impairment assessment of the Company's investment in EEL and quasi-equity loan to EEL as well.

   Based on management's impairment assessment of the recoverable amounts as disclosed in Note 11, Note 12, and Note 13 to the financial statements, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves with respect to the recoverable amounts determined by management. Consequently, we are unable to determine whether any adjustments might be necessary in respect of the carrying amounts of the Group's intangible assets and property, plant and equipment and the Company's investment in EEL and quasi-equity loan to EEL as at 30 April 2019 and the impairment losses as recognised in profit or loss during the current financial year.

2. Financial information of Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries ("HZLH group")

   The financial information of a subsidiary, HZLH group were consolidated into the consolidated financial statements of the Group for the financial year ended 30 April 2019. The total assets and total liabilities of HZLH group included in the consolidated statement of financial position of the Group as at 30 April 2019 are $85,489,000 (2018: $82,148,000) and $46,536,000 (2018: $41,943,000) respectively. The revenue and net profit of HZLH group amounted to $40,072,000 (2018: $35,201,000) and $225,000 (2018: $3,684,000) respectively, are included in the consolidated statement of profit or loss and other comprehensive income of the Group for the financial year ended 30 April 2019.

   We are unable to satisfy ourselves that the financial information of HZLH group are in form and content appropriate and proper for the purpose of the preparation of the consolidated financial statements of the Group for the financial year ended 30 April 2019.

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

Basis for Disclaimer of Opinion (cont'd)

3. Transaction relating to Employee Share Scheme

During the previous financial year ended 30 April 2018, the Board of Directors had based on legal advice adjusted for the transaction between China Environmental Energy Protection Investment Limited ("CEEP") and Xiaogan He Shun Investment Management Centre LLP ("He Shun") as a disposal of shares in HZLH instead of a share-based payment transaction as reflected in previous years' financial statements. Accordingly, the Group's interest in HZLH was restated to 65% as at 30 April 2018 from 85% as previously disclosed in the previous years' financial statements.

We are unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the accounting treatment for the above-mentioned share transactions and on the adjustments made in prior financial year's financial statements arising from the accounting for the share transactions.

We are also unable to satisfy ourselves as to whether there should be any charge of the share-based payment to the profit or loss in the current financial year and whether the Equity - NCI balance of $4,521,000 (2018: $7,285,000) at 30 April 2019 is fairly stated.

During the financial year ended 30 April 2019, the Group recognised an impairment loss of $2,741,000 on the balance receivable from a key management personnel as disclosed in Note 17(a)(ii) to the financial statements. During the financial year ended 30 April 2018, we were unable to obtain sufficient appropriate audit evidence on the existence and recoverability of the balance receivable as at 30 April 2018. Consequently, we are unable to satisfy ourselves as to whether the impairment loss should be recognised in the current financial year or previous financial year ended 30 April 2018.

4. Development properties

As disclosed in Note 16 to the financial statements, the net carrying amount of the Group's development property as at 30 April 2019 amounted to $10,543,000 (2018: $10,131,000).

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 land held for sale as at 1 May 2017 contained misstatements as the management was unable to provide supporting documents for the accumulated brought forward costs of development properties. Accordingly, we are unable to satisfy ourselves that the development costs stated at cost are fairly stated as at 30 April 2019.

5. Investment in subsidiary

As disclosed in Note 13 to the financial statements, the net carrying amount of the Company's investment in ESA Electronics Pte. Ltd. ("ESA") as at 30 April 2019 amounted to $5,310,000 (2018: $5,310,000), after deducting impairment loss of $16,725,000 (2018: $16,725,000). Management determined that no further impairment loss is required on the Company's investment in ESA for the current financial year.

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence about the recoverable amount of the Company's investment in ESA as at 30 April 2019. Consequently, we are unable to determine whether any adjustment in respect of the net carrying amount of the Company's investment in ESA as at 30 April 2019 is necessary.

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

Basis for Disclaimer of Opinion (cont'd)

6. Contingent liabilities

   As disclosed in Note 20 and Note 35 to the financial statements,

   (a) On 17 July 2018, the Company and its subsidiary, Capri Investments L.L.C. ("Capri") received writ of summons from a Washington Company, Westridge Development LLC and G. Patrick Healy. The claim relates to claim of ownership of approximately 15 acres of real property in Pierce County, Washington.

   The Company has discussed with its lawyers and believes the claims have no merit. Accordingly, these claim amounts have not been recognised in the financial statements as at 30 April 2019.

   (b) Subsequent to the end of the reporting period on 13 May 2019, the Company and its subsidiary, Capri been served with a complaint filed in the Pierce County Superior Court in the State of Washington by attorneys for Renovatio LLC. The complaint relates to claim of monies owing arising from (i) a breach of payment for services rendered by one G. Patrick Healy ("Healy"), (ii) stipend and expense reimbursement claims of Healy, (iii) 20% ownership interest in Brentwood Overseas Ltd/Asia Plan Ltd allegedly owed to Healy, and (iv) loans made by Healy for the Falling Water project owned by the subsidiary. The Company and Capri believe that the claims are erroneously made and without merit.

   (c) A former key management personnel informed the auditor that as at 30 April 2019, there is an outstanding amount owing to him of $1,025,000 under the terms of his employment contract. The Company, as of date of this report, has not been served a writ of summons for this claim. The Company has sought preliminary legal advice from its lawyers. No provision has been recorded in the financial statements as at 30 April 2019.

   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 the all above claims in respect of the financial year ended 30 April 2019.

7. Appropriateness of going concern assumption

   As disclosed in Note 3.1 to the financial statements, the Group incurred a net loss of $33,532,000 (2018: $27,558,000) and the Company incurred a net loss of $51,605,000 (2018: $65,792,000). As at 30 April 2019, the Group's and the Company's current liabilities exceeded the current assets by $13,846,000 (2018: $5,455,000) and $5,591,000 (2018: $5,473,000) respectively. These conditions indicate the existence of material uncertainties which may cast significant doubt on the ability of the Group and the Company to continue as going concerns and therefore they may not be able to realise their assets and discharge their liabilities in the normal course of business.

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

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

Basis for Disclaimer of Opinion (cont'd)

7. Appropriateness of going concern assumption (cont'd)

   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 statement 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.

   The validity of the going concern basis on which the financial statements are prepared is dependent on certain assumptions and the successful outcome of the Group's and the Company's various efforts as disclosed in Note 3.1 to the financial statements, the outcome of which are uncertain at the date of this report.

   In light of the material uncertainties described above, we are unable to obtain sufficient appropriate audit evidence to conclude as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Consequently, we are unable to determine whether any adjustments in respect of the Group's and the Company's financial statements for the financial year ended 30 April 2019 are necessary.

8. Comparative figures

   Our independent auditor's report dated 3 October 2018 expressed a disclaimer of opinion on the financial statements for the financial year ended 30 April 2018 as we were unable to obtain all information, explanations and supporting documents that we consider necessary for the purpose of our audit. The basis for disclaimer of opinion on the financial statements for the financial year ended 30 April 2018 are disclosed in Note 36 to the financial statements.

   Since opening balances as at 1 May 2018 entered into the determination of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended 30 April 2019, as well as affect how the balances presented in the Group's and Company's statements of financial position as at 30 April 2019 are derived, we are unable to determine whether adjustments might have been found necessary in respect of the Group's and the Company's financial statements for the financial year ended 30 April 2019.

   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 year's figures and the corresponding figures.

9. Matters with Commercial Affairs Department ("CAD")

   We draw your attention to Note 34 to the financial statements, which describes the investigations by the 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.

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

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 Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International), 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether 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 Tay Guat Peng.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

13 August 2019

For the financial year ended 30 April 2019

	Note	2019 $'000	2018 $'000
Revenue	4	**62,996**	58,622
Other items of (expenses)/income			
Financial assets, at fair value through profit or loss			
- fair value loss	18	**(62)**	(8)
- net loss on disposal		**–**	(3)
Other income	5	**1,968**	1,301
		1,906	1,290
Operating expenses			
Changes in inventories		**(1,063)**	124
Raw materials and consumables used		**(45,299)**	(36,486)
Amortisation of intangible assets	11	**(1,346)**	(1,324)
Depreciation of property, plant and equipment	12	**(3,395)**	(3,054)
Impairment loss of intangible assets	11	**(23,458)**	(22,987)
Impairment loss of available-for-sale financial assets	14	**–**	(167)
Impairment loss of trade and other receivables		**(2,782)**	(5,849)
Impairment loss of convertible loan	24	**(81)**	(81)
Loss from derecognition of subsidiary	13(b)	**(16,233)**	–
Foreign exchange loss, net		**–**	(3,501)
Employee benefits expenses	6	**(6,948)**	(8,990)
Finance costs	7	**(829)**	(1,104)
Operating lease expenses		**(488)**	(548)
Other expenses		**(3,237)**	(2,742)
Total expenses		**(105,159)**	(86,709)
Loss before income tax	8	**(40,257)**	(26,797)
Income tax credit/(expense)	9	**6,725**	(761)
Loss for the financial year		**(33,532)**	(27,558)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating of foreign operations		**(1,864)**	2,092
Reclassification of exchange differences on translating of foreign operations due to derecognition of subsidiary upon loss of control		**(1,018)**	–
Other comprehensive (loss)/income for the financial year		**(2,882)**	2,092
Total comprehensive loss for the financial year		**(36,414)**	(25,466)
(Loss)/profit attributable to:			
Equity holders of the Company		**(34,357)**	(28,473)
Non-controlling interests		**825**	915
		(33,532)	(27,558)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(36,342)**	(27,532)
Non-controlling interests		**(72)**	2,066
		(36,414)	(25,466)
Loss per share for loss attributable to equity holders			
Basic and diluted (in cents)	10	**(0.556)**	(0.485)

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

STATEMENTS OF
FINANCIAL POSITION

As at 30 April 2019

		Group			Company		
		30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	Note	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Non-current assets							
Intangible assets	11	**–**	23,698	50,092	**–**	–	–
Property, plant and equipment	12	**74,807**	74,573	64,462	**5**	9	95
Investments in subsidiaries	13	**–**	–	–	**17,808**	69,291	70,761
Trade and other receivables	17	**527**	331	2,946	**–**	–	–
Convertible loan	24	**–**	–	–	**–**	–	–
Deferred tax assets	25	**487**	979	910	**–**	–	–
		75,821	99,581	118,410	**17,813**	69,300	70,856
Current assets							
Available-for-sale financial assets	14	**–**	540	707	**–**	540	540
Inventories	15	**1,596**	2,660	12,962	**–**	–	–
Development property	16	**10,543**	10,131	–	**–**	–	–
Trade and other receivables	17	**13,132**	14,870	9,339	**513**	1,159	64,239
Financial assets, at fair value through profit or loss	18	**521**	43	51	**502**	9	14
Cash and cash equivalents	19	**11,225**	8,490	9,036	**141**	98	74
		37,017	36,734	32,095	**1,156**	1,806	64,867
Total assets		**112,838**	136,315	150,505	**18,969**	71,106	135,723
Non-current liabilities							
Trade and other payables	20	**–**	–	367	**–**	–	–
Finance lease liabilities	22	**–**	–	2	**–**	–	2
Borrowings	23	**6,569**	10,018	11,733	**–**	–	–
Deferred tax liabilities	25	**–**	7,823	8,706	**–**	–	–
		6,569	17,841	20,808	**–**	–	2
Current liabilities							
Trade and other payables	20	**22,209**	22,091	17,528	**6,523**	6,998	7,346
Provisions	21	**242**	94	294	**104**	75	294
Finance lease liabilities	22	**–**	2	46	**–**	2	46
Current income tax payable		**933**	793	920	**–**	–	–
Borrowings	23	**13,697**	10,341	8,891	**120**	204	–
Contract liabilities	28	**13,782**	8,868	7,876	**–**	–	–
		50,863	42,189	35,555	**6,747**	7,279	7,686
Total liabilities		**57,432**	60,030	56,363	**6,747**	7,279	7,688
Net assets		**55,406**	76,285	94,142	**12,222**	63,827	128,035

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

As at 30 April 2019
(continued)

		Group			Company		
		30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	Note	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Equity							
Share capital	26	**265,811**	265,811	264,227	**265,811**	265,811	264,227
Other reserves	27	**(18,225)**	(19,004)	(21,612)	**1,961**	1,961	1,961
Accumulated losses		**(207,298)**	(172,941)	(144,468)	**(255,550)**	(203,945)	(138,153)
Equity attributable to equity holders of the Company		**40,288**	73,866	98,147	**12,222**	63,827	128,035
Non-controlling interests		**15,118**	2,419	(4,005)	**–**	–	–
Total equity		**55,406**	76,285	94,142	**12,222**	63,827	128,035

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 April 2019

	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 2017	264,227	(14,654)	1,961	(8,919)	(144,468)	98,147	(4,005)	94,142
(Loss)/profit for the financial year	–	–	–	–	(28,473)	(28,473)	915	(27,558)
Other comprehensive income/ (loss) for the financial year								
Exchange differences on translation of foreign operations	–	974	–	(33)	–	941	1,151	2,092
Total other comprehensive income/(loss) for the financial year	–	974	–	(33)	–	941	1,151	2,092
Total comprehensive income/ (loss) for the financial year	–	974	–	(33)	(28,473)	(27,532)	2,066	(25,466)
Dilution of interests in a subsidiary without loss of control (Note 13(c))	–	–	–	936	–	936	5,089	6,025
Issuance of ordinary shares (Note 26)	1,584	–	–	–	–	1,584	–	1,584
Transactions with non-controlling interests	–	–	–	731	–	731	(731)	–
Balance at 30 April 2018	265,811	(13,680)	1,961	(7,285)	(172,941)	73,866	2,419	76,285
(Loss)/profit for the financial year	–	–	–	–	(34,357)	(34,357)	825	(33,532)
Other comprehensive loss for the financial year								
Exchange differences on translation of foreign operations	–	(967)	–	–	–	(967)	(897)	(1,864)
Reclassification due to derecognition of subsidiary	–	(1,018)	–	–	–	(1,018)	–	(1,018)
Total other comprehensive loss for the financial year	–	(1,985)	–	–	–	(1,985)	(897)	(2,882)
Total comprehensive loss for the financial year	–	(1,985)	–	–	(34,357)	(36,342)	(72)	(36,414)
Changes in ownership interests in a subsidiary								
Reclassification due to derecognition of subsidiary	–	–	–	2,767	–	2,767	13,183	15,950
Dividends paid	–	–	–	–	–	–	(415)	(415)
Transactions with non-controlling interests	–	–	–	(3)	–	(3)	3	–
Balance at 30 April 2019	**265,811**	**(15,665)**	**1,961**	**(4,521)**	**(207,298)**	**40,288**	**15,118**	**55,406**

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

For the financial year ended 30 April 2019

	Share capital $'000	Capital reduction reserve $'000	Accumulated losses $'000	Total equity $'000
Company				
Balance at 1 May 2017	264,227	1,961	(138,153)	128,035
Issuance of ordinary shares (Note 26)	1,584	–	–	1,584
Loss and total comprehensive loss for the financial year	–	–	(65,792)	(65,792)
Balance at 30 April 2018	265,811	1,961	(203,945)	63,827
Loss and total comprehensive loss for the financial year	–	–	(51,605)	(51,605)
Balance at 30 April 2019	**265,811**	**1,961**	**(255,550)**	**12,222**

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

For the financial year ended 30 April 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Loss before income tax		**(40,257)**	(26,797)
Adjustments for:			
Impairment loss of trade and other receivables and convertible loan		**2,863**	5,930
Loss from derecognition of subsidiary		**16,233**	–
Write-back of other creditors and accrued expenses		**(295)**	(873)
Other receivables written off		**3**	63
Intangible assets written off		**–**	1
Property, plant and equipment written off		**5,147**	–
Amortisation of intangible assets		**1,346**	1,324
Depreciation of property, plant and equipment		**3,395**	3,054
Impairment loss of intangible assets		**23,458**	22,987
Impairment loss of available-for-sale financial assets		**–**	167
Gain on disposal of property, plant and equipment		**(87)**	(12)
Interest expenses		**804**	1,079
Interest income		**(159)**	(288)
Provisions made during the financial year		**233**	94
Write back of provisions		**–**	(205)
Fair value loss on financial assets, at fair value through profit or loss		**62**	8
Unrealised foreign exchange (gain)/loss		**(1,241)**	3,330
Operating cash flow before working capital changes		**11,505**	9,862
Changes in working capital:			
Inventories		**1,064**	(193)
Development property		**(121)**	364
Trade and other receivables		**2,188**	(3,484)
Trade and other payables and contract liabilities		**3,701**	5,080
Provisions		**(85)**	(89)
Cash generated from operations		**18,252**	11,540
Interest received		**58**	207
Net income tax paid		**(725)**	(1,383)
Net cash generated from operating activities		**17,585**	10,364
Cash flows from investing activities			
Addition of intangible assets	11	**(505)**	(14)
Net cash outflow due to derecognition of subsidiary	13(b)	**(14)**	–
Purchase of property, plant and equipment	12	**(13,842)**	(11,057)
Proceeds from disposals of property, plant and equipment		**220**	158
Net cash used in investing activities		**(14,141)**	(10,913)

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

For the financial year ended 30 April 2019
(continued)

	Note	**2019 $'000**	2018 $'000
Cash flows from financing activities			
Proceeds from borrowings	23(g)	**2,636**	5,952
Proceeds from issuance of shares	26	**–**	1,584
Dividend paid to non-controlling interests of a subsidiary		**(415)**	–
Repayments of borrowings		**(3,144)**	(6,040)
Repayments of finance leases		**(2)**	(46)
Interest paid		**(764)**	(1,035)
Net cash (used in)/generated from financing activities		**(1,689)**	415
Net increase/(decrease) in cash and cash equivalents		**1,755**	(134)
Cash and cash equivalents at beginning of the financial year		**4,284**	4,347
Effects of exchange rate changes on cash and cash equivalents		**(59)**	71
Cash and cash equivalents at end of the financial year	19	**5,980**	4,284

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 7 Jalan Kilang, #07-01, Singapore 159407.

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 to the financial statements.

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, Chapter 50 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 bank borrowings 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 December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises the standards and interpretations that are identical to the International Financial Reporting Standards. As required by the listing requirements of Singapore Exchange ("SGX"), the Group has adopted SFRS(I) on 1 May 2018.

These financial statements for the financial year ended 30 April 2019 are the first set of financial statements of the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 April 2018 were prepared in accordance with Singapore Financial Reporting Standards ("FRS").

In adopting SFRS(I) on 1 May 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) *1 First-time Adoption of SFRS(I)*.

Under SFRS(I), these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 30 April 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group and the Company have also presented statements of financial position as at 1 May 2017, which is the date of transition to SFRS(I).

In addition to the adoption of the new framework, the Group also concurrently applied all new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are effective for the current financial year. The application of these new and revised SFRS(I) and SFRS(I) INT do not have a material effect on the financial statements, except as described below:

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 replaces FRS 18 *Revenue*, FRS 11 *Construction contracts* and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in SFRS(I) 15 by applying a 5-step approach.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted SFRS(I) 15 using the full retrospective approach. The Group has elected the practical expedient to apply the standard to contracts that are not completed at the date of initial application.

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

2.1 Basis of preparation (cont'd)

New and revised standards (cont'd)

SFRS(I) 15 Revenue from Contracts with Customers (cont'd)

At the date of initial application and 30 April 2019, the Group has assessed that the adoption of SFRS(I) 15 does not have any material impact to the financial position and results of the Group, except as follows:

Presentation of contract assets and liabilities

The Group does not have contract assets. Upon adoption of SFRS(I) 15, the Group has changed the presentation of the advance payments received from customers, classified as trade and other payables, of $13,782,000 (2018: $8,868,000) as contract liabilities.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 which replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace FRS 39 incurred loss model.

The Group and the Company applied SFRS(I) 9 using a modified retrospective approach, with date of initial application on 1 May 2018. The Group and the Company have not restated the comparative information, which continues to be reported under FRS 39. Differences arising from the adoption of SFRS(I) 9 have been recognised directly in retained earnings and other components of equity.

The impact upon adoption of SFRS(I) 9 as at 1 May 2018 was as follows:

(a) Classification and measurement

Under SFRS(I) 9, the Group and the Company classify their financial assets based on entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Group's and the Company's business model was made as of the date of initial application on 1 May 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised principal and interest were made based on the facts and circumstances as at the initial recognition of the assets.

The following were the changes in classification and measurement arising from adopting SFRS(I) 9:

- Loans and receivables (including trade and other receivables (excluding prepayments and goods and service tax recoverable, net) and cash and cash equivalents) as at 30 April 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 May 2018; and

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

2.1 Basis of preparation (cont'd)

New and revised standards (cont'd)

SFRS(I) 9 Financial Instruments (cont'd)

The impact upon adoption of SFRS(I) 9 as at 1 May 2018 was as follows (cont'd):

(a) *Classification and measurement (cont'd)*

The following were the changes in classification and measurement arising from adopting SFRS(I) 9 (cont'd):

- The assets classified as available-for-sale financial assets as at 30 April 2018 were quoted securities. Management has performed a review of the classification of these quoted securities under SFRS(I) 9 and concluded that these should be classified as financial assets, at fair value through profit or loss ("FVTPL") and has made necessary reclassifications.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's and the Company's financial liabilities.

The following summarises the Group and the Company's required or elected reclassifications as at 1 May 2018 upon adoption on SFRS(I) 9:

		SFRS(I) 9 measurement category	
FRS 39 measurement category	**Original carrying amount $'000**	**FVTPL $'000**	**Amortised cost $'000**
Group			
Loans and receivables (including cash and cash equivalents)	21,058	–	21,058
Financial assets, at fair value through profit or loss	43	43	–
Available-for-sale financial assets	540	540	–

		SFRS(I) 9 measurement category	
FRS 39 measurement category	**Original carrying amount $'000**	**FVTPL $'000**	**Amortised cost $'000**
Company			
Loans and receivables (including cash and cash equivalents)	1,221	–	1,221
Financial assets, at fair value through profit or loss	9	9	–
Available-for-sale financial assets	540	540	–

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

2.1 Basis of preparation (cont'd)

New and revised standards (cont'd)

SFRS(I) 9 Financial Instruments (cont'd)

The impact upon adoption of SFRS(I) 9 as at 1 May 2018 was as follows (cont'd):

(b) Impairment

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of their financial assets at amortised cost either on a 12-month or lifetime basis. At the date of initial application and 30 April 2019, the Group has assessed that the adoption of SFRS(I) 9 does not have any material impact to the financial position and results of the Group.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting date but are not yet effective for the financial year ended 30 April 2019 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 and the Company except as disclosed below.

SFRS(I) 16

SFRS(I) 16 replaces the existing FRS 17 *Leases*. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheet to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The Group and the Company plan to adopt the new standard on the required effective date using the modified retrospective approach and recognises any differences in the carrying amounts of assets and liabilities resulting from the adoption of SFRS(I) 16 at the date of initial application in the opening accumulated profits as at 1 May 2019. Right-of-use assets are recognised at an amount equal to the lease liability (adjusted for any prepaid or accrued lease payments) on adoption.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group and the Company's operating leases. As at the reporting date, the Group and the Company have operating lease of $762,000 and $42,000 respectively (Note 30). The Group is currently assessing the potential impact of the application of SFRS(I) 16 on the financial statements of the Group and the Company in the period of their initial application.

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.

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

2.2 Basis of consolidation (cont'd)

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, 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.

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 statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary company, 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 non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to equity holders of the Company.

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

2.2 Basis of consolidation (cont'd)

When a change in the Company's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated losses if required by a specific FRSs.

Any retained equity interest in the previous subsidiary company is remeasured at fair value at the date that control is lost. The difference between the carrying amounts of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

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 good or 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 or service 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. 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 make good 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 (financial asset) 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.

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

2.4 Revenue recognition (cont'd)

Revenue from service orders

Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions, revenue is recognised as the services are provided.

Natural gas installation and connection

Revenue from natural gas installation and connection is recognised when the installation and connection services are rendered.

The customers are required to pay in advance for the full contract amount. If the services are not rendered by the Group, a contract liability is recognised (Note 28).

Natural gas delivery and usage

Revenue from delivery and usage of natural gas is recognised at a point in time when control is transferred to the customer, which generally coincides with the time when the gas is delivered to customers and 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.

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 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.

2.6 Employee benefits

Pension obligations

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 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)

2.6 Employee benefits (cont'd)

Employee leave entitlements

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.7 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.

Deferred income 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 income 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 income tax is provided on 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. Summary of significant accounting policies (cont'd)

2.8 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.

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)

2.9 Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

Distributions received from joint ventures are adjusted against the carrying amount of the investment. When the Group's share of losses in joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

In the Company's financial statements, investments in joint ventures are carried at cost less accumulated impairments loss. On disposal of investment in joint ventures, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.10 Intangible assets

Goodwill

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

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

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.

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

2.10 Intangible assets (cont'd)

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.

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.

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 an item 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.

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

2.11 Property, plant and equipment (cont'd)

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.

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 30
Motor vehicles	3 to 5

Construction in progress, which represents plant and equipment pending installation, is stated at cost less impairment loss, and is not depreciated. Cost comprises direct costs incurred during the periods of construction, installation and testing, 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 to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but 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

The accounting policy for financial assets before 1 May 2018 is as follows:

Classification

The Group classifies its financial assets according to the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale.

Financial assets, at fair value through profit or loss

This category has two sub-categories: "financial assets held for trading", and those designated upon initial recognition at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at initial recognition are those that are managed and their performance are evaluated on a fair value basis, in accordance with a documented Group's investment strategy. Derivatives are also categorised as "held for trading" unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the end of the reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" (excluding prepayments, advance payment for construction of plant and equipment and goods and services tax recoverable, net), "cash and cash equivalents" and "convertible loan" on the statements of financial position.

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

2.13 Financial assets (cont'd)

The accounting policy for financial assets before 1 May 2018 is as follows (cont'd):

Classification (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the end of the reporting period.

Recognition and derecognition

Regular 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.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Available-for-sale investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measurable, are measured at cost less impairment loss. Loans and receivables are subsequently carried at amortised cost using the effective interest method, less impairment.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including effects of currency translation, are recognised in profit or loss in the financial year in which the changes in fair values arise.

Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in fair value reserve/other comprehensive income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in fair value reserve/other comprehensive income, together with the related currency translation differences.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss.

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

2.13 Financial assets (cont'd)

The accounting policy for financial assets before 1 May 2018 is as follows (cont'd):

Impairment

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

Available-for-sale financial assets

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that was recognised directly in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised.

Impairment losses on debt instruments classified as available-for-sale financial assets are reversed through profit or loss when the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised. However, impairment losses recognised in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss.

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

2.13 Financial assets (cont'd)

The accounting policy for financial assets before 1 May 2018 is as follows (cont'd):

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.

The accounting policy for financial assets from 1 May 2018 onwards is as follows:

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 if 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 entity's business model for managing the financial asset 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.

Subsequent measurement

Debt instruments

Debt instruments include trade and other receivables (excluding prepayments, advance payment for construction of plant and equipment and goods and services tax recoverable, net) and cash and cash equivalents. The subsequent measurement category is depending on the Group's business model for managing the asset and cash flow characteristics of the asset:

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

2.13 Financial assets (cont'd)

The accounting policy for financial assets from 1 May 2018 onwards is as follows (cont'd):

Subsequent measurement (cont'd)

Debt instruments (cont'd)

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 to 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 and presented in "Other income".

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 income or 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 (expenses)/income".

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).

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

2.13 Financial assets (cont'd)

The accounting policy for financial assets from 1 May 2018 onwards is as follows (cont'd):

Impairment (cont'd)

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 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 advance payments received from customers), finance lease liabilities 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.

2.15 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 portion 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.

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

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 cash and which are subject to an insignificant risk of change 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, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance leases is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

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

2.19 Leases (cont'd)

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

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.

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

2.23 Share capital

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

2.24 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.

2.25 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, management has made the following judgements apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Going concern assumption

During the financial year ended 30 April 2019, the Group incurred a net loss of $33,532,000 (2018: $27,558,000) and the Company incurred a net loss of $51,605,000 (2018: $65,792,000). As at 30 April 2019, the Group's and the Company's current liabilities exceeded the current assets by $13,846,000 (2018: $5,455,000) and $5,591,000 (2018: $5,473,000) respectively. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's abilities to continue as going concerns.

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)

The 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:

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

Substantial progress on the Falling Water Plat/Planned Development District ("PDD") project has been made since the Pierce County Hearing Examiner (HEX) approved the 4th Tri-Annual Review of the project on March 26, 2018, extending the plat for another year and adopting a more comprehensive set of milestone conditions for continued development of the Plat/PDD to full build-out of the revised overall density for Phase 4.

The decision of the HEX limited the maximum number of new residential single-family building lots to a total of 592 resulting in a maximum of 261 "new-residential" lots, and set forth a total of 17 conditions that must be met prior to final approval of all remaining phases of Falling Water.

The second condition includes the specific milestone dates that the Capri must meet to maintain the entitlements in effect (unless otherwise approved by the HEX), of which there were 3 that had to be met prior to the end of 2018, all of which were met by the Capri. In addition, Capri had on 15 July 2019 completed 2 additional tasks. These included submitting a request for the 23rd year extension and submitting a complete application for Site Development Permit for road and storm drainage improvements encompassing Phase 1 of Division 4.

Capri continues to receive interest from major home builders for the development/sale of Falling Water's next phase of 261 new residential lots.

On 8 May 2018, Capri filed a complaint in King County Superior Court (the "Court") for money due and owing and breach of promissory note (the "Suit") against HeHome Development, Inc. ("HeHome"). The Suit arises out of a purchase and sale agreement for real property between the Capri as seller and HeHome as purchaser dated 3 March 2015, as amended by a "First Amendment" on 13 March 2015, and a "Second Amendment" on 29 April 2015 (collectively, the "Agreement").

Pursuant to the Agreement, Capri agreed to sell and HeHome agreed to buy property in the Falling Water Planned Development District (the "Property"). The Property had been subdivided into 96 individual single family lots (each, a "Lot"), to be sold to third parties after closing pursuant to the Agreement. The total purchase price for the Property was US$5,000,000, of which US$3,000,000 has been paid and US$2,000,000 remains unpaid and is evidenced by a Promissory Note (the "Note") which was to be paid in equal installments of US$20,800 as HeHome sold each of the 96 Lots after closing.

HeHome sold the entire Property for approximately US$12,000,000 on 25 September 2018. In its answer to the Suit, HeHome has alleged various defenses including misrepresentation and failure of conditions. Capri believes these defenses are without merit.

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)

Capri recently was awarded a partial summary judgment on its claim for breach of promissory note, and judgment was entered against HeHome by the Superior Court for $2,000,000 plus interest at 12% accruing from September 2018, and its attorneys' fees and costs. However, the Court reserved the Defendant's defenses and counterclaims which relate to that claim; and HeHome has appealed the order granting partial summary judgment to the Washington State Court of Appeals, Div. I, No. 79881-2-I. HeHome had an automatic right to stay enforcement of the judgment under RAP 7.1 upon the posting of a bond. The Court of Appeals has stayed enforcement of the judgment upon HeHome depositing a further US$1,000,000 with the Court.

HeHome filed a motion to stay the lower Court's proceedings pending its appeal. This motion was denied. Therefore, trial is set to continue on 5 November 2019. The appeal of the Court's entry of final judgment upon Capri's summary judgment motion is not likely to impact the trial proceedings and the Court's entry of judgment on Capri's promissory note claim is not likely to change at trial.

(b) ESA Electronics Pte Ltd ("ESA")

ESA's financial performance improved compared with FY2018 with the increase in profit before tax mainly contributed by burn-inboard sales to customers in Taiwan, People's Republic of China ("PRC") and Philippines.

Uncertainty brought about by the trade war between the PRC and the United States of America ("USA") has had a negative impact on the global semi-conductor industry as demand weakens. As a result of major Chinese firms facing supply chain disruptions and access to foreign technology, PRC has already started to ramp up its own semi-conductor industry. ESA has employed a sales engineer based in Shanghai to grow the PRC market and better service existing customers.

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

HZLH is providing a utility service on a concession basis. It has good rapport with the local governments and its banks. Its banks are unlikely to "call-in" loans without a long notice period as this may cause disruption to civic services. Banks in the People's Republic of China ("PRC") do recognise such concession type arrangements as it is an increasing popular way for local governments to fund infrastructure projects.

Of the four townships it held 30-year gas supply concessions, 3 has seen significant build-up of pipeline to its consumer, commercial and industrial users through re-investing of all its profits and funding from the banks. The cashflows are stable from its broad customer base and its profitability will grow in tangent with the population growth of its subscriber groups.

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

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

Going concern assumption (cont'd)

(c) Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH") (cont'd)

The fourth concession Guangshui is in its ramp-up stage. This township has a large industrial users and is expected to exceed the other 3 concessions in terms of revenue and cashflow. The connection of Guangshui receiving station to the upstream pipeline in May 2019 has been completed. It is anticipated that this would have a positive effect on the financials moving forward.

Being listed on PRC's New Third Board, HZLH has in place a vehicle to raise additional finance in this market if required. HZLH is in discussions with financial institutions in PRC which showed positive interest in the financial backing of HZLH should it require funding.

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 normal 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 normal 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.

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 assesses 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 and its value in use.

In determining the recoverable amount, the fair value less cost to sell ("FVLCS") is determined based on fair value less costs to sell of HZLH and valuation of development properties of Capri and its net assets and net assets of other CGU which approximate their recoverable amounts.

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

As at 30 April 2019, the carrying amounts of intangible assets, property, plant and equipment and investment in subsidiaries are disclosed in Notes 11, 12 and 13.

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

3.2 Key sources of estimation uncertainty (cont'd)

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

In determining the net realisable value of the Group's inventories and development property, an estimation of the realisable value of inventories on hand and recoverable amount of development property is performed based on the most reliable evidence available at the time the estimates are made. This represents the value of the inventories and development property which are expected to realise as estimated by the management. These estimates take into consideration the fluctuations of price or cost, or any inventories on hand and development property that may not be realised, directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the financial year. The carrying values of the Group's inventories and development property at the end of the financial year were disclosed in Notes 15 and 16 respectively.

Calculation of loss allowance

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

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

As the calculation of loss allowance on trade receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying value of trade receivables at reporting date are disclosed in Notes 17 and 32.

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 $933,000 (2018: $793,000) and $Nil (2018: $7,823,000) respectively. The Group's deferred tax assets were $487,000 (2018: $979,000) at the end of the financial year.

4. Revenue

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

2019	Property development $'000	Gas distribution $'000	Electronics and trading $'000	Total $'000
Primary geographical markets				
Singapore	–	–	4,799	4,799
PRC	–	40,072	4,335	44,407
Taiwan	–	–	10,210	10,210
Philippines	–	–	114	114
USA	95	–	951	1,046
Others	–	–	2,420	2,420
	95	**40,072**	**22,829**	**62,996**
Major product lines				
Semiconductor components	–	–	22,829	22,829
Gas installation and connection	–	10,383	–	10,383
Gas delivery and usage	–	29,689	–	29,689
Others	95	–	–	95
	95	**40,072**	**22,829**	**62,996**
Timing of revenue recognition				
At a point in time	–	40,072	22,829	62,901
Over time	95	–	–	95
	95	**40,072**	**22,829**	**62,996**
2018				
Primary geographical markets				
Singapore	–	–	5,944	5,944
PRC	–	35,201	1,136	36,337
Taiwan	–	–	8,834	8,834
Philippines	–	–	3,348	3,348
USA	–	–	719	719
Others	–	–	3,440	3,440
	–	35,201	23,421	58,622
Major product lines				
Semiconductor components	–	–	23,421	23,421
Gas installation and connection	–	12,068	–	12,068
Gas delivery and usage	–	23,133	–	23,133
	–	35,201	23,421	58,622
Timing of revenue recognition				
At a point in time	–	35,201	23,421	58,622

4. Revenue (cont'd)

	Group	
	2019	2018
	$'000	$'000
Revenue recognised during the financial year from:		
Amounts included in contract liabilities at the beginning of the financial year (Note 28)	**8,868**	7,876

Management expects that $13,782,000 of the advance payments from customers as at the end of reporting period will be recognised as revenue during the next reporting period.

The Group has applied the exemption in paragraph C5(d) of the transitional rules in SFRS(I) 15 and therefore has not dislosed the amount of revenue that will be recognised in future periods for comparative period.

5. Other income

	Group	
	2019	2018
	$'000	$'000
Foreign exchange gain, net	**1,370**	–
Gain on disposal of property, plant and equipment	**87**	12
Interest income	**159**	288
Sundry income	**57**	128
Write-back of other payables and accrued expenses	**295**	873
	1,968	1,301

6. Employee benefits expenses

	Group	
	2019	2018
	$'000	$'000
*Key management personnel**		
Short-term employee benefits	**701**	861
Defined contribution plans	**30**	41
	731	902
Other staff		
Short-term employee benefits	**5,770**	7,391
Defined contribution plans	**447**	697
	6,948	8,990

6. Employee benefits expenses (cont'd)

	Group	
	2019	2018
	$'000	$'000
*** Comprise amounts paid to:**		
Directors of the Company		
- Remuneration, allowances and bonuses	**182**	210
Directors of subsidiaries		
- Remuneration, allowances and bonuses	**203**	315
- Defined contribution plan expenses	**16**	16
Other key management personnel		
- Remuneration, allowances and bonuses	**316**	336
- Defined contribution plan expenses	**14**	25
	731	902

Please refer to Note 20 for amounts under disputes by a former key management personnel.

7. Finance costs

	Group	
	2019	2018
	$'000	$'000
Interest expenses		
- finance leases	**–**	1
- bank borrowings	**788**	1,014
- loan from third party	**16**	24
- unwinding of discount on non-current other receivables and payables, net	**–**	40
- other bank charges	**25**	25
	829	1,104

8. Loss before income tax

	Group 2019 $'000	Group 2018 $'000
Loss before income tax is arrived at after charging/(crediting) the following:		
Audit fees		
- auditor of the Company	**125**	130
- other auditors	**122**	151
Non-audit fees		
- auditor of the Company	**10**	–
- other auditors	**(1)**	18
Provision for Directors' fees		
- Directors of the Company	**96**	68
- Directors of a subsidiary*	**36**	36
General repair and maintenance	**351**	432
Professional and consultancy fees	**1,082**	491
Travelling expenses	**301**	308
Utilities	**457**	474
Safety production expenses	**9**	215

* 3 directors of a subsidiary are also directors of the Company.

9. Income tax (credit)/expense

	Group 2019 $'000	Group 2018 $'000
Income tax (credit)/expense for the financial year consist of:		
Current income tax		
- current year	**827**	1,448
- overprovision in prior years	**(3)**	(192)
- withholding tax	**43**	–
	867	1,256
Deferred tax assets (Note 25)		
- current year	**453**	(52)
Deferred tax liabilities (Note 25)		
- current year	**(8,045)**	(443)
	(6,725)	761

Domestic income tax is calculated at 17% (2018: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2018: 17%) to loss before income tax as a result of the following differences:

	Group	
	2019	2018
	$'000	$'000
Loss before income tax	**(40,257)**	(26,797)
Tax calculated at statutory tax rate of 17%	**(6,844)**	(4,555)
Effect of different tax rates in other countries	**59**	399
Expenses not deductible for tax purposes	**8,458**	5,436
Income not subject to tax	**(478)**	(259)
Over provision of current income tax	**(3)**	(192)
Deferred tax assets recognised in prior years	**–**	(74)
Deferred tax assets not recognised	**162**	416
Deferred tax liabilities credited to profit or loss	**(8,045)**	–
Utilisation of unrecognised deferred tax assets	**–**	(410)
Others	**(34)**	–
	(6,725)	761

Unrecognised deferred tax asset

	Group	
	2019	2018
	$'000	$'000
At beginning of the financial year	**8,204**	8,002
Additions	**81**	416
Utilisation	**82**	(410)
Prior year over estimation	**–**	(187)
Exchange translation difference	**341**	383
At end of the financial year	**8,708**	8,204

Unrecognised deferred tax asset is attributable to unutilised tax losses.

As at 30 April 2019, the Group has unutilised tax losses of approximately $44,214,000 (2018: $42,583,000) 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 the People's Republic of China ("PRC") amounting to $1,070,000 (2018: $1,887,000) 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	
	2019	2018
	$'000	$'000
Losses		
Loss for the financial year attributable to equity holders of the Company	**(34,357)**	(28,473)
Number of shares		
Number of shares	**6,180,799,986**	6,180,799,986
Weighted average number of ordinary shares in issue	**6,180,799,986**	5,869,786,287
Loss per share (in cents)		
Basic and diluted	**(0.556)**	(0.485)

11. Intangible assets

	Goodwill $'000	**Intellectual rights $'000**	**Distribution and licensing rights $'000**	**Exploration and extraction rights $'000**	**Land use rights $'000**	**Total $'000**
Group						
2019						
Cost						
At 1 May 2018	83,801	688	37,202	11,730	1,505	134,926
Additions	–	–	–	–	505	505
Deconsolidation of subsidiary [Note 13(b)]	(64)	–	–	(1,437)	–	(1,501)
Exchange translation difference	1,747	–	1,068	336	(55)	3,096
At 30 April 2019	**85,484**	**688**	**38,270**	**10,629**	**1,955**	**137,026**
Accumulated amortisation and impairment loss						
At 1 May 2018	83,801	688	14,656	11,730	353	111,228
Amortisation	–	–	1,276	–	70	1,346
Impairment loss	–	–	21,912	–	1,546	23,458
Deconsolidation of subsidiary [Note 13(b)]	(64)	–	–	(1,437)	–	(1,501)
Exchange translation difference	1,747	–	426	336	(14)	2,495
At 30 April 2019	**85,484**	**688**	**38,270**	**10,629**	**1,955**	**137,026**
Representing:						
Accumulated amortisation	62,497	–	16,358	2,296	409	81,560
Accumulated impairment loss	22,987	688	21,912	8,333	1,546	55,466
	85,484	**688**	**38,270**	**10,629**	**1,955**	**137,026**
Net carrying amount						
At 30 April 2019	–	–	–	–	–	–
Remaining useful lives	Indefinite	Indefinite	17 - 21 years	–	17 years	

11. Intangible assets (cont'd)

	Goodwill $'000	Intellectual rights $'000	Distribution and licensing rights $'000	Exploration and extraction rights $'000	Land use rights $'000	Total $'000
Group						
2018						
Cost						
At 1 May 2017	87,112	688	39,225	12,390	1,449	140,864
Additions	–	–	–	–	14	14
Write off	–	–	–	–	(6)	(6)
Exchange translation difference	(3,311)	–	(2,023)	(660)	48	(5,946)
At 30 April 2018	83,801	688	37,202	11,730	1,505	134,926
Accumulated amortisation and impairment loss						
At 1 May 2017	63,260	688	14,143	12,390	291	90,772
Amortisation	–	–	1,269	–	55	1,324
Write off	–	–	–	–	(5)	(5)
Impairment loss	22,987	–	–	–	–	22,987
Exchange translation difference	(2,446)	–	(756)	(660)	12	(3,850)
At 30 April 2018	83,801	688	14,656	11,730	353	111,228
Representing:						
Accumulated amortisation	60,814	–	14,656	2,233	353	78,056
Accumulated impairment loss	22,987	688	–	9,497	–	33,172
	83,801	688	14,656	11,730	353	111,228
Net carrying amount						
At 30 April 2018	–	–	22,546	–	1,152	23,698
Remaining useful lives	Indefinite	Indefinite	18 - 22 years	–	18 years	
Net carrying amount						
At 1 May 2017	23,852	–	25,082	–	1,158	50,092
Remaining useful lives	Indefinite	Indefinite	19 - 23 years	–	19 years	

Impairment test for intangible assets

During the financial year, management performed an impairment review of intangible assets as a result of:

- During the financial year, management estimated the recoverable amount of cost of investment in Excellent Empire Limited's ("EEL") as described in Note 13; and

- Following the results of that said estimation, the Company recorded an impairment of its quasi-equity loans of approximately $555,000 and the Company also recorded an impairment of its cost of investment in EEL by $50,928,000.

Based on management's assessment, management is of the view that the Group will not be able to recover the carrying amount of the intangible assets. Therefore, an impairment on intangible assets of $23,458,000 was made.

11. Intangible assets (cont'd)

Impairment test for goodwill

Goodwill acquired through business combinations has been allocated to the group's CGU identified. An impairment test is carried out at the end of each financial year to assess if there is any impairment loss. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Group		
	30.4.2019	30.4.2018	1.5.2017
	$'000	$'000	$'000
Excellent Empire Limited and its subsidiaries	**–**	22,987	23,852

The group CGU included 4 operating units in the gas distribution segment in the PRC.

At the end of each financial year, the management will assess the recoverable amount of the Group's intangible assets allocated to the cash-generating unit ("CGU"). Goodwill was fully impaired in the previous financial year ended 30 April 2018.

In the previous financial year ended 30 April 2018, the recoverable amount of CGU has been computed based on market-based approach in which enterprise value divided by earnings before interest, tax, depreciation, and amortisation multiple was adopted ("EV/EBITA"). The EV/EBITA adopted several listed companies with business scopes and operations similar to the CGU as comparable companies. Thereafter, the arrived equity value is adjusted for marketability discount and control premium of 15.9% and 26% respectively. The fair value hierarchy is Level 3.

If the marketability discount and control premium had been higher/lower by 1% from management's estimates, the estimated recoverable amount and the impairment charge would be as follows:

	Group	
	2018	
	Estimated recoverable amount	**Increase/ (decrease) in impairment charge**
	$'000	**$'000**
Marketability discount		
1% higher than the management's estimates	74,646	573
1% lower than the management's estimates	76,424	(582)
Control premium		
1% higher than the management's estimates	76,226	(454)
1% lower than the management's estimates	75,041	316

12. Property, plant and equipment

	Leasehold building $'000	Office equipment $'000	Plant and equipment $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
Group						
2019						
Cost						
At 1 May 2018	12,790	1,557	74,579	2,595	9,203	100,724
Additions	772	75	25	–	8,763	9,635
Disposals and written off	–	(12)	(185)	(258)	(5,094)	(5,549)
Reclassification	–	13	9,879	–	(9,892)	–
Deconsolidation of subsidiary [Note 13(b)]	–	(23)	–	(136)	–	(159)
Exchange translation difference	(451)	(14)	(2,574)	(74)	1,599	(1,514)
At 30 April 2019	**13,111**	**1,596**	**81,724**	**2,127**	**4,579**	**103,137**
Accumulated depreciation						
At 1 May 2018	2,722	1,451	20,311	1,667	–	26,151
Charge for the financial year	214	59	2,969	153	–	3,395
Disposals and written off	–	(11)	–	(258)	–	(269)
Deconsolidation of subsidiary [Note 13(b)]	–	(21)	–	(136)	–	(157)
Exchange translation difference	(86)	(7)	(657)	(40)	–	(790)
At 30 April 2019	**2,850**	**1,471**	**22,623**	**1,386**	**–**	**28,330**
Net carrying amount						
At 30 April 2019	**10,261**	**125**	**59,101**	**741**	**4,579**	**74,807**
2018						
Cost						
At 1 May 2017	8,806	1,539	61,851	2,587	11,371	86,154
Additions	22	59	40	–	11,095	11,216
Disposals	(24)	(98)	(94)	(64)	–	(280)
Reclassification	3,388	–	10,255	–	(13,643)	–
Exchange translation difference	598	57	2,527	72	380	3,634
At 30 April 2018	12,790	1,557	74,579	2,595	9,203	100,724
Accumulated depreciation						
At 1 May 2017	1,802	1,468	17,060	1,362	–	21,692
Charge for the financial year	521	50	2,185	298	–	3,054
Disposals	–	(76)	–	(58)	–	(134)
Exchange translation difference	399	9	1,066	65	–	1,539
At 30 April 2018	2,722	1,451	20,311	1,667	–	26,151
Net carrying amount						
At 30 April 2018	10,068	106	54,268	928	9,203	74,573
At 1 May 2017	7,004	71	44,791	1,225	11,371	64,462

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

	Office equipment $'000	Motor vehicles $'000	Total $'000
Company			
2019			
Cost			
At 1 May 2018	23	435	458
Disposals	–	(258)	(258)
At 30 April 2019	**23**	**177**	**200**
Accumulated depreciation			
At 1 May 2018	14	435	449
Charge for the financial year	4	–	4
Disposals	–	(258)	(258)
At 30 April 2019	**18**	**177**	**195**
Net carrying amount			
At 30 April 2019	**5**	**–**	**5**
2018			
Cost			
At 1 May 2017	18	435	453
Additions	5	–	5
At 30 April 2018	23	435	458
Accumulated depreciation			
At 1 May 2017	10	348	358
Charge for the financial year	4	87	91
At 30 April 2018	14	435	449
Net carrying amount			
At 30 April 2018	9	–	9
At 1 May 2017	8	87	95

At the end of the financial year, the Group had property, plant and equipment with a carrying amount of approximately $57,676,000 (2018: $43,747,000) pledged to financial institutions as security for bank borrowings granted to certain subsidiaries (Note 23).

Borrowing costs of $Nil (2018: $45,000) which arose from financing were specifically entered into for the construction of the plant and equipment were capitalised by the Group during the financial year. Interest charged in the previous financial year was ranged between 4.57% to 5.20% per annum.

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

For the purpose of consolidated statement of cash flows, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	2019	2018
	$'000	$'000
Additions of property, plant and equipment	**9,635**	11,216
Decrease/(increase) in payable for property, plant and equipment	**4,207**	(159)
Cash payments to acquire property, plant and equipment	**13,842**	11,057

13. Investments in subsidiaries

		Company	
	30.4.2019	30.4.2018	1.5.2017
	$'000	$'000	$'000
Unquoted equity shares, at cost	**184,793**	184,793	184,793
Quasi-equity loan	**50,244**	50,244	50,244
	235,037	235,037	235,037
Less: Allowance for impairment	**(217,229)**	(165,746)	(164,276)
Net carrying amount	**17,808**	69,291	70,761

The movement in the allowance for impairment is as follows:

	Company	
	2019	2018
	$'000	$'000
At beginning of the financial year	**165,746**	164,276
Addition during the financial year	**51,483**	1,470
At end of the financial year	**217,229**	165,746

Quasi-equity loan

Quasi-equity loan represents an interest-free loan provided by the Company to its subsidiary, Excellent Empire Ltd ("EEL"), which is not expected to be repaid in the foreseeable future. EEL has in turn invested substantially the proceeds from the quasi-equity loan to expand the operations of natural gas in the PRC.

Impairment test for investment in subsidiaries

Management has assessed the recoverable amounts of EEL group and ESA Electronics Pte. Ltd. at the end of the financial year based on fair value less costs to sell method.

13. Investments in subsidiaries (cont'd)

EEL group

The management performed an impairment test for investment in EEL as this subsidiary had been persistently making losses. The Company's carrying amount of its cost of investment in EEL and quasi-equity loan to EEL as at 30 April 2019 amounted to $12,497,000 and $Nil respectively. An impairment loss of $50,928,000 (2018: $Nil) and $555,000 (2018: $1,470,000) has been recognised in profit or loss in the current financial year for its investment in EEL group and its quasi-equity loan to EEL group respectively during the current financial year.

The recoverable amount of investment in EEL has been computed using the weighted average values from using three market-based valuations methods. These methods are:

1) EV/EBITA - where the enterprise value is divided by earnings before interest, tax, depreciation, and amortisation;

2) EV/EBIT - where the enterprise value is divided by earnings before interest and tax; and

3) P/E - where price of the share is divided by the earnings per share.

The EV/EBITA, EV/EBIT and P/E were adopted from several listed companies with business scopes and operations similar to the EEL Group. The arrived equity values are discounted for the lack of liquidity of 15%. These equity values were weighted and an average calculated value was derived. The fair value hierarchy is Level 3.

The recoverable amount of Capri is based on valuation of its development properties and other entities in EEL group has been computed based on FVLCS. The FVLCS is determined based on the net assets of the respective entities which management had estimated that the book value are fairly comparable at market value which approximates the FVLCS to sell the entities. The fair value measurement for disclosure purpose is categorised in Level 3 of the fair value hierarchy.

ESA Electronics Pte. Ltd.

The Company's carrying amount of its cost of investment in ESA Electronics Pte. Ltd. ("ESA") as at 30 April 2019 amounted to $5,310,000. Impairment loss amounted to $16,725,000 has been recognised in prior years.

Management performed an impairment test for investment in ESA. The recoverable amount has been computed based on the price/earnings ratio as of September 2018 of 9.788 with reference to several listed companies with businesses similar in scopes and operations of ESA, adjusted for marketability discount.

13. Investments in subsidiaries (cont'd)

Other entities

The 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 FVLCS. The FVLCS is determined based on the net assets of the respective entities which management had estimated that the book value are fairly comparable at market value which approximates the FVLCS to sell the entities. The fair value measurement for disclosure purpose is categorised in Level 3 of the fair value hierarchy.

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

Name of subsidiary	Principal activities	Country of incorporation and operations	Effective equity interest held by the Group 30.4.2019	30.4.2018
			%	%
Ipco Constructors Private Limited(1)	Engineering, construction and warehousing	Singapore	**100**	100
Friendship Bridge Holding Company Private Limited(1)	Investment securities trading	Singapore	**100**	100
Nueviz Investment Private Limited(1)	Investment securities trading	Singapore	**100**	100
ESA Electronics Pte. Ltd.(2)	Trading and providing consultancy services in semi-conductor industry	Singapore	**81.25**	81.25
Ipco International Construction Limited#	Dormant	Hong Kong	**100**	100
Millgate Asia Limited#	Dormant	Hong Kong	**100**	100
Renaissance United Development Sdn. Bhd. (fka Ipco Constructors Sdn. Bhd.)#	Engineering, construction and infrastructure development	Malaysia	**100**	100
Renaissance United Group Sdn. Bhd. (fka Ipco 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	Investment holding	British Virgin Islands	**100**	100
Held by Ipco Contractors (S.A.):				
Ipco China Gas Pipelines Limited#	Dormant	British Virgin Islands	**70**	70

13. Investments in subsidiaries (cont'd)

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

Name of subsidiary	Principal activities	Country of incorporation and operations	Effective equity interest held by the Group **30.4.2019** %	30.4.2018 %
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
Grand Prosper Group Limited(b)	Investment holding	Hong Kong	**–**	75
Held by China Environmental Energy Protection Investment Limited:				
Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH")(3)(c)	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(3)#	Dormant	People's Republic of China	**58.5**	58.5
Hai Yang Zhong Huan Natural Gas Co., Ltd(3)#	Dormant	People's Republic of China	**58.5**	58.5

13. Investments in subsidiaries (cont'd)

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

Name of subsidiary	Principal activities	Country of incorporation and operations	Effective equity interest held by the Group 30.4.2019 %	30.4.2018 %
Held by Hubei Zonglianhuan Energy Investment Management Inc. (cont'd):				
Rushan Zhong Huan Natural Gas Co., Ltd[(3)#]	Dormant	People's Republic of China	**58.5**	58.5
Sino Gas Holdings Pte. Limited[(1)]	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
Held by Grand Prosper Group Limited:				
Deshi Oil and Gas Exploration Co., Ltd[#]	Dormant	People's Republic of China	**–**	67.5

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 considered as a significant subsidiary as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited

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 Company.

13. Investments in subsidiaries (cont'd)

(b) Grand Prosper Group Limited

The Company, through its wholly subsidiary, EEL, has a 75% equity interest in Grand Prosper Group Limited ("GP"), a Hong Kong registered company. As the directors of GP are Goh Hin Calm, Carlson Clark Smith and Su Xuan, the Company had attempted to change the directors by way of an Extraordinary General Meeting ("EGM") to be held on 17 August 2018. On the date of the EGM, quorum was not met and the EGM was adjourned. Subsequent attempts to reconvene the EGM was unsuccessful.

On 30 April 2019, management has assessed the situation surrounding GP and concluded that the Company has lost control over GP and its subsidiary. Consequently, GP and its subsidiary has been deconsolidated from the Group on that same date.

The assets and liabilities of GP and its subsidiary were as follows:

	Group 2019 $'000
Assets	
Intangible assets (Note 11)	–
Property plant and equipment (Note 12)	2
Trade and other receivables	77
Cash and cash equivalents	14
Total assets	93
Liabilities	
Other payables and accruals	(542)
Amount due to EEL	(51,369)
Total liabilities	(51,911)
Foreign exchange translation reserve	(1,018)
Net liabilities derecognised	(52,836)
Loss on derecognition of subsidiary	
Consideration received	–
Net liabilities derecognised	52,836
Non-controlling interests derecognised	(13,183)
Equity - NCI derecognised	(2,767)
Impairment of amount due from derecognised subsidiary	(51,369)
Amount due to derecognised subsidiary	(1,750)
Loss from derecognition of subsidiary	(16,233)
Net cash outflow due to derecognition of subsidiary	(14)

13. Investments in subsidiaries (cont'd)

(c) Dilution of interests in a subsidiary without loss of control

2018

The equity ownership of HZLH by the Group is determined to be 65% following investigation done by the current Board of Directors (the "Board") in connection with the sale of HZLH shares by CEEP in March 2015 to He Shun, a limited partnership formed by key employees of HZLH. Based on the legal advice obtained, the Group's ownership of HZLH is stated at 65% and not 85% as previously reported.

The Board reviewed the agreements, resolutions and legal advice relating to the previously referred Employee Share Scheme ("ESS"). The Board would like to note the following timeline relating to the ESS:

The Agreements and Amendments between China Environmental Energy Protection Investment Limited ("CEEP") and Xiaogan He Shun Investment Management Centre LLP ("He Shun")

1. On 10 March 2015, CEEP, a fully owned subsidiary of the Group entered into a share disposal agreement with He Shun for 16 million registered capital in HZLH for the consideration of RMB28 million, representing a disposal of 20% equity interest to He Shun. An initial payment of 5% of consideration was to be made within 30 days of execution of the agreement. The shares were transferred on 31 May 2015 before the first payment of RMB1.4 million was made on 1 June 2015 followed by RMB600,000 on 20 January 2016.

2. On 21 May 2015, an amendment was made to the agreement to increase the consideration to RMB28.8 million with the rest of the terms and conditions remaining unchanged.

3. On 21 May 2015, a supplementary agreement was made to the agreement to allot 5 million from the 16 million registered capital of HZLH to its 8* key executives. The balance of 11 million shares under the custody of Mr On Wang Sang who is the General Partner of He Shun will be reserved for future allocation to other HZLH employees.

The CEEP Circular Resolution dated 22 May 2015.

On 22 May 2015, CEEP resolved that a disposal of 6.25% equity interest (RMB5 million) was made to He Shun for the consideration of RMB 9 million, which is a RMB 4 million premium over the equity interest. The 6.25% equity interest received by He Shun is to be distributed to HZLH's current senior management. A deposit of 5% of consideration is to be paid within 30 days of 22 May 2015 with the balance to be settled within 3 years. The consideration for the disposal of equity interest being RMB1.80 per share, being equivalent to the net asset value per share of HZLH at that time. In this respect, it was resolved that the equity will be held by CEEP (78.75%), Guangzhou City Qiu Sheng Energy Investment Co., Ltd (5%), He Shun (6.25%) and Mr On Wang Sang (10%)**.

Comments by the current Board

CEEP resolution is self-contradicting as its 20% equity of HZLH shares were already disposed to He Shun on 10 March 2015. He Shun is a limited partnership and is not under the control of CEEP. As such, the CEEP resolution has no bearing on the share ownership of He Shun.

13. Investments in subsidiaries (cont'd)

(c) Dilution of interests in a subsidiary without loss of control (cont'd)

2018 (cont'd)

Declaration of Trust by General Partner of He Shun

On 20 June 2016, Mr On Wang Sang as General Partner of He Shun, declared in a letter to BDO LLP that for the period from 10 March 2015 to 20 June 2016, 11 million shares representing a 13.75% interest of HZLH was held on trust on behalf of CEEP.

This is contrary to the share disposal agreement between He Shun and CEEP in 2015 which stated that the General Partner would hold the unallocated shares in trust for He Shun.

Legal opinion dated 3 August 2016 by Shanghai Shen Da (Wuhan)

On 3 August 2016, the Company received legal advice from Shanghai Shen Da (Wuhan) Law Firm with its key findings below:

a. The equity transfer from CEEP to He Shun was completed on 31 March 2015. CEEP cannot rely on the letter of trust declaration to claim it owns the shares that have already been disposed to He Shun; and

b. Under the Share Disposal Agreement, CEEP and He Shun can resolve any monetary dispute on the shares disposed in the Agreement through mediation or court process under the Laws of People's Republic of China.

However, the records that the Board currently has access to may not be complete and as such reserves the right to amend and/or re-state if additional documentation is discovered which provides further clarification on the ESS.

* *10 Key executives rather than 8 were admitted as partners of He Shun.*

** *A 10% equity interest in HZLH was disposed to Mr On Wang Sang for a consideration of RMB14.4 million.*

The effects of dilution of interests in HZLH without loss of control are summarised as follows:

	Group $'000
Consideration from sale of HZLH (RMB28,800,000)	6,025
Less: Carrying amount of non-controlling interests	(5,089)
Excess recognised in equity attributable to equity holders of the Company	936

As at 30 April 2018, the balance receivable from He Shun amounting to $5,606,000 (RMB26,800,000) after off-setting of the deposit of RMB2,000,000 received in 2017. As disclosed in Note 17(c), the balance has been impaired.

13. Investments in subsidiaries (cont'd)

(d) 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		Grand Prosper Group Limited and its subsidiary		ESA Electronics Pte. Ltd. and its subsidiary	
	2019	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Summarised statements of profit or loss and other comprehensive income						
Revenue	**40,072**	35,201	**–**	–	**22,829**	23,421
Profit/(loss) before income tax	**1,052**	4,950	**1,259**	(3,265)	**2,789**	2,391
Income tax (expense)/credit	**(827)**	(1,266)	**–**	–	**(450)**	45
Profit/(loss) after income tax	**225**	3,684	**1,259**	(3,265)	**2,339**	2,436
Profit/(loss) allocated to NCI	**72**	1,276	**314**	(818)	**439**	457
Other comprehensive (loss)/income allocated to NCI	**(913)**	1,153	**16**	(2)	**–**	–
Total comprehensive (loss)/income allocated to NCI	**(841)**	2,429	**330**	(820)	**439**	457
Summarised statements of financial position						
Assets						
Current assets	**8,717**	6,318	**–**	88	**13,958**	13,922
Non-current assets	**76,772**	75,830	**–**	6	**591**	1,190
Liabilities						
Current liabilities	**(40,011)**	(31,962)	**–**	(8,160)	**(6,071)**	(6,763)
Non-current liabilities	**(6,548)**	(10,018)	**–**	(43,700)	**–**	–
Net assets/(liabilities)	**38,930**	40,168	**–**	(51,766)	**8,478**	8,349
Accumulated non-controlling interests	**13,528**	13,992	**–**	(13,138)	**1,590**	1,565
Summarised statements of cash flows						
Cash flows generated from operating activities	**15,584**	10,335	**–**	–*	**2,921**	918
Cash flows (used in)/generated from investing activities	**(14,168)**	(11,065)	**–**	–	**11**	(7)
Cash flows used in financing activities	**(408)**	(288)	**–**	–	**(2,210)**	–
Net cash inflows/(outflows)	**1,008**	(1,018)	**–**	–*	**722**	911

* Amount below $1,000

14. Available-for-sale financial assets

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**540**	707	**540**	540
Impairment loss recognised in profit or loss	**–**	(167)	**–**	–
Transferred to financial assets, at fair value through profit or loss (Note 18)	**(540)**	–	**(540)**	–
Exchange translation difference	**–**	–	**–**	–
At end of the financial year	**–**	540	**–**	540

Available-for-sale financial assets comprise the following:

	Group			Company		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Mutual fund, at fair value	**–**	–	167	**–**	–	–
Quoted equity securities, at fair value	**–**	540	540	**–**	540	540
	–	540	707	**–**	540	540

The investment in quoted equity securities and mutual fund have neither fixed maturity date nor coupon rate.

The fair values of quoted equity securities are based on closing quoted market prices on the last market day of the financial year. The quoted securities are listed on the SGX-ST.

The fair value of mutual fund is determined by net asset value ("NAV") derived by dividing the total value of all the cash and securities in a fund's portfolio, less any liabilities, by the number of shares outstanding. NAV computation is undertaken once at the end of each trading month based on the closing market prices of the portfolio's securities.

Available-for-sale financial assets are denominated in Singapore dollar.

The quoted equity securities are classified and measured as financial assets at FVTPL beginning 1 May 2018.

15. Inventories

	Group		
	30.4.2019	30.4.2018	1.5.2017
	$'000	$'000	$'000
Work-in-progress	**1,437**	2,630	2,441
Saleable merchandise	**159**	30	26
Land held for sale	**–**	–	10,495
	1,596	2,660	12,962

The cost of inventories recognised as an expense and included in "raw materials and consumables used" amounted to $12,531,000 (2018: $12,825,000).

In the previous financial year ended 30 April 2018, land held for sale was classified to development property (Note 16).

16. Development property

	Group		
	30.4.2019	30.4.2018	1.5.2017
	$'000	$'000	$'000
Unsold development property			
Land at cost	**10,422**	9,888	–
Development costs	**121**	243	–
	10,543	10,131	–

In the previous financial year ended 30 April 2018, development property was reclassified from inventories (Note 15).

The development property comprises a parcel of land which is located near the cities of Seattle and Tacoma in the state of Washington, USA and is currently in the planning stage of its next phase of its Falling Water Project.

As of 30 April 2018, the Group has reclassified the Falling Water project as development property. 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.

16. Development property (cont'd)

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; and

(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, which include boundary and topographic design surveys, design and approval of the large on-site sewerage system and the attendant approval-in-principle from Washington State Department of Health ("DOH").

When final engineering construction plans are completed, Capri will be in a position to commence marketing the 261 residential lots to local home builders. The engineering works is between nine to twelve months, depending on the availability of the sub-consultants and the approval process of the DOH.

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

17. Trade and other receivables

		Group			Company		
		30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	Note	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Non-current							
Non-trade receivables							
- third party	(a)(i)	**–**	3,972	4,188	**–**	3,972	4,188
- key management personnel ("KMP")	(a)(ii)	**–**	–	2,694	**–**	–	–
- advance payments for construction of plant and equipment		**527**	331	252	**–**	–	–
		527	4,303	7,134	**–**	3,972	4,188
Less: Allowance for impairment		**–**	(3,972)	(4,188)	**–**	(3,972)	(4,188)
Total non-current receivables		**527**	331	2,946	**–**	–	–
Current							
Trade receivables							
- third parties	(b)	**5,363**	5,295	3,653	**–**	–	–
Less: Allowance for impairment		**(369)**	(378)	(259)	**–**	–	–
		4,994	4,917	3,394	**–**	–	–

17. Trade and other receivables (cont'd)

		Group			Company		
		30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	Note	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Non-trade receivables							
- third parties	(c)	**22,237**	26,279	20,818	**41**	10,527	10,859
- KMP	(a)(ii)	**2,741**	2,824	–	**–**	–	–
- due from a director	(d)	**7**	–	–	**7**	–	–
Less: Allowance for impairment		**(18,747)**	(21,894)	(16,553)	**(32)**	(10,527)	(10,698)
		6,238	7,209	4,265	**16**	–	161
Due from subsidiaries	(e)	**–**	–	–	**83,237**	82,475	81,568
Less: Allowance for impairment		**–**	–	–	**(82,778)**	(81,394)	(17,527)
		–	–	–	**459**	1,081	64,041
Goods and services tax recoverable, net		**15**	452	12	**4**	19	–
Prepayments		**1,481**	1,850	1,464	**16**	17	20
Rental, utilities and other deposits		**376**	391	175	**18**	40	10
Staff advances		**28**	51	29	**–**	2	7
		1,900	2,744	1,680	**38**	78	37
Total current receivables		**13,132**	14,870	9,339	**513**	1,159	64,239
Total trade and other receivables		**13,659**	15,201	12,285	**513**	1,159	64,239

(a)(i) The non-current non-trade receivable relates to a tender deposit paid to a third party to secure a potential investment in Indonesia. The amount is unsecured, interest-free and not repayable within the next twelve months. The amount was fully impaired during the financial year ended 30 April 2010 based on the recoverability assessment made by the management. The parties involved in the securing of the potential investment had initiated a legal claim against the third party and a final award was issued in favour of the parties involved. However, there was no repayment made by the third party. This amount was written off in the current financial year.

(a)(ii) The amount due from KMP, Mr On Wang Sang, arising from consideration receivable from the disposal of HZLH shares by CEEP remains payable. The Directors are in negotiation with Mr On to resolve the outstanding payment. The amount is fully impaired during the financial year.

(b) Trade receivables due from third parties are non-interest bearing and generally have credit terms of 30 to 90 days (2018: 30 to 90 days).

17. Trade and other receivables (cont'd)

(c) In 2018, the current non-trade receivables due from third parties included an amount of $9,535,000 arising from the disposal of 70% equity interest in PT Prestasi Cipta Pertiwi (a former subsidiary) to a third party. The amount is unsecured, interest-free and repayable on demand. The amount was fully impaired based on the recoverability assessment performed by the management during the previous financial year. The amount was written off during the financial year.

The current non-trade receivables due from third parties included an amount of $5,606,000 (2018: $5,606,000) arising from the disposal of 20% equity interest in HZLH to a third party with a payment term of 3 years (Note 27(d)) and expire in 2019. The amount was fully impaired during the financial year ended 30 April 2018 based on the recoverability assessment performed by the management.

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

(d) The amount due from a director relates to advance for payment of operating expenses.

(e) 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		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Singapore dollar	**846**	1,484	1,317	**65**	472	23,873
United States dollar	**7,830**	7,410	5,704	**448**	687	40,364
Renminbi	**4,961**	6,270	5,176	**–**	–	–
Others	**22**	37	88	**–**	–	2
	13,659	15,201	12,285	**513**	1,159	64,239

18. Financial assets, at fair value through profit or loss

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**43**	51	**9**	14
Classified from available-for-sale financial assets (Note 14)	**540**	–	**540**	–
Fair value loss	**(62)**	(8)	**(47)**	(5)
At end of the financial year	**521**	43	**502**	9

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		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Held for trading						
Listed securities:						
- equity securities (Singapore)	**519**	41	49	**502**	9	14
- equity securities (Malaysia)	**2**	2	2	**–**	–	–
	521	43	51	**502**	9	14

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		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Fixed deposit	**–**	3	3	**–**	3	3
Cash and bank balances	**11,225**	8,487	9,033	**141**	95	71
As per statements of financial position	**11,225**	8,490	9,036	**141**	98	74
Bank overdrafts (Note 23)	**(2,645)**	(1,606)	(2,089)	**–**	–	–
Cash pledged for bank facilities (Note 23)	**(2,600)**	(2,600)	(2,600)	**–**	–	–
As per consolidated statements of cash flows	**5,980**	4,284	4,347	**141**	98	74

Cash and bank balances of the Group amounting to $2,600,000 (2018: $2,600,000) were pledged to banks to secure credit facilities granted to the subsidiaries (Note 23).

As at 30 April 2018, fixed deposit with a financial institution matured at 4 months from the end of the financial year with an interest rate of 0.15% per annum.

Significant restriction

Cash and bank balances of approximately $4,230,000 (2018: $3,215,000), equivalent to RMB21,000,000 (2018: RMB15,366,000) held with the subsidiaries in the PRC are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

19. Cash and cash equivalents (cont'd)

Cash and cash equivalents are denominated in the following currencies:

	Group			Company		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Singapore dollar	**3,618**	3,032	3,003	**141**	91	73
United States dollar	**3,189**	2,140	1,466	**–**	7	1
Renminbi	**4,220**	3,214	4,233	**–**	–	–
Others	**198**	104	334	**–**	–	–
	11,225	8,490	9,036	**141**	98	74

20. Trade and other payables

	Group			Company		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Non-current						
Other payables (Note 27(d))	**–**	–	367	**–**	–	–
Current						
Trade payables						
- third parties	**1,553**	2,874	1,741	**–**	–	–
Non-trade payables						
- third parties	**12,095**	5,710	1,648	**334**	368	725
- subsidiaries	**–**	–	–	**5,995**	6,482	6,242
- KMP	**158**	317	432	**14**	16	166
- payable for property, plant and equipment	**5,575**	9,782	9,623	**–**	–	–
Accrued operating expenses	**2,828**	3,408	4,084	**180**	132	213
	20,656	19,217	15,787	**6,523**	6,998	7,346
Total current payables	**22,209**	22,091	17,528	**6,523**	6,998	7,346
Total trade and other payables	**22,209**	22,091	17,895	**6,523**	6,998	7,346

Trade payables are non-interest bearing and are generally settled on 60 to 90 days (2018: 60 to 90 days) terms.

The current non-trade payables are unsecured, interest-free and repayable on demand and to be settled in cash, except for an amount of $Nil (2018: $379,000) due to a subsidiary of the Company with interest charge at Nil% (2018: 7.5% to 8.5%) per annum.

20. Trade and other payables (cont'd)

The Company has written back the following amounts in the previous financial year:

- $250,000, being balance of security deposit payable to a third party in relation to the Company's investment activity; and

- $45,000 and $20,000, being staff disputed benefit payable to a former director and the former key management personnel of the Group.

Included in amount payable to key management personnel is balance due to a former director amounted to $15,000. Subsequent to year end, a former key management personnel informed the auditor the compensation owing to him under the terms of his employment contract. A discrepancy amounted to $1,025,000 has been brought to the attention of the Board. Management has investigated the purported amounts owing to the former KMP. It is noted that these amounts were not recorded in the previous years' financial statements when the KMP was employed by the Company. The Company as of date of this report has not been served a writ of summons, however has sought preliminary legal advice from its lawyers. No provision has been recorded in the financial statements as at 30 April 2019.

Trade and other payables are denominated in the following currencies:

		Group			**Company**	
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Singapore dollar	**3,535**	2,519	543	**2,982**	6,192	6,578
United States dollar	**–**	660	2,496	**2,757**	–	–
Ringgit Malaysia	**3,099**	3,181	3,031	**784**	806	768
Renminbi	**15,546**	15,505	11,625	**–**	–	–
Others	**21**	226	200	**–**	–	–
	22,209	22,091	17,895	**6,523**	6,998	7,346

21. Provisions

		Group			**Company**	
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Provision for employee benefits	**101**	7	206	**8**	7	206
Provision for directors' fees	**141**	87	88	**96**	68	88
	242	94	294	**104**	75	294

21. Provisions (cont'd)

Movements in provisions during the financial year:

During the financial year, the Company has written back the provision for employee benefits so as to be in compliance with the Company's staff employee personnel policies.

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
At beginning of the financial year	**94**	294	**75**	294
Provisions made during the financial year	**233**	94	**104**	75
Write-back during the financial year	**–**	(205)	**–**	(205)
Amount utilised during the financial year	**(85)**	(89)	**(75)**	(89)
At end of the financial year	**242**	94	**104**	75

22. Finance lease liabilities

	Group and Company		
	30.4.2019	30.4.2018	1.5.2017
	$'000	$'000	$'000
Minimum lease payments due			
Within one year	**–**	2	47
After one year but within five years	**–**	–	2
	–	2	49
Future finance charges			
Within one year	**–**	–	(1)
	–	2	48
Present value of minimum lease payments			
Within one year	**–**	2	46
After one year but within five years	**–**	–	2
	–	2	48

The effective interest rates during the financial year ranged from Nil% to Nil% (2018: 3.48% to 4.30%) per annum.

23. Borrowings

	Group			Company		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Secured						
Bank borrowings	**14,934**	18,014	17,715	**–**	–	–
Bank overdrafts	**2,645**	1,606	2,089	**–**	–	–
Loan from KMP	**2,016**	–	–	**–**	–	–
	19,595	19,620	19,804	**–**	–	–
Unsecured						
Loans from business associates	**551**	535	820	**–**	–	–
Loan from third party	**120**	204	–	**120**	204	–
Total borrowings	**20,266**	20,359	20,624	**120**	204	–
Less: Amount due for settlement within 12 months	**(13,697)**	(10,341)	(8,891)	**(120)**	(204)	–
Amount due for settlement after 12 months	**6,569**	10,018	11,733	**–**	–	–

(a) The bank borrowings of the Group included amount of $14,934,000 (2018: $18,014,000) which are secured by property, plant and equipment (Note 12). Interest is charged at 4.35% to 7.00% (2018: 4.57% to 7.00%) per annum.

(b) Bank overdrafts are secured by cash pledged as disclosed in Note 19. Interest is charged at 5% (2018: 5%) per annum.

(c) The loan from KMP, Mr On Wang Sang, is secured by HZLH's 100% shareholding in Dawu Jiaxu Natural Gas Company Limited with fixed interest charged at 4.35% (2018: Nil) per annum and is payable within 12 months from 23 January 2019.

(d) The loans from business associates are unsecured, interest-free and repayable on demand.

(e) The loan from third party are unsecured with fixed interest charged at 12% (2018: 12%) per annum.

(f) The management estimates the carrying amounts of bank borrowings approximate their fair value as these financial liabilities are subject to floating interest rates.

(g) Borrowings are denominated in the following currencies:

	Group			Company		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Singapore dollar	**2,765**	1,810	2,089	**120**	204	–
United States dollar	**551**	535	820	**–**	–	–
Renminbi	**16,950**	18,014	17,715	**–**	–	–
	20,266	20,359	20,624	**120**	204	–

23. Borrowings (cont'd)

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

	Bank borrowings	**Finance lease liabilities (Note 22)**	**Loan from third party**	**Loan from KMP**	**Loan from business associates**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 May 2018	18,014	2	204	–	535	18,755
Changes from financing cash flows:						
- Proceeds	620	–	–	2,016	–	2,636
- Repayments	(3,044)	(2)	(100)	–	–	(3,146)
- Interest paid	(764)	–	–	–	–	(764)
Non-cash changes:						
- Interest expense	788	–	16	–	–	804
Effect of changes in foreign exchange rates	(680)	–	–	–	16	(664)
Balance at 30 April 2019	**14,934**	**–**	**120**	**2,016**	**551**	**17,621**
Balance at 1 May 2017	17,715	48	–	–	820	18,583
Changes from financing cash flows:						
- Proceeds	5,752	–	200	–	–	5,952
- Repayments	(6,040)	(46)	–	–	–	(6,086)
- Interest paid	(1,014)	(1)	(20)	–	–	(1,035)
Non-cash changes:						
- Interest expense	1,014	1	24	–	–	1,039
- Write back	–	–	–	–	(248)	(248)
Effect of changes in foreign exchange rates	587	–	–	–	(37)	550
Balance at 30 April 2018	18,014	2	204	–	535	18,755

24. Convertible loan

On 25 June 2011, the Group entered into a Convertible Loan Agreement with Hudson Minerals Holdings Pte Ltd (the "Borrower"), to advance the borrower 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.

If the Group exercises the Option, the equity interest held by the Group will be 3.9% of the total shareholding of the Borrower. The management estimates the carrying value of the convertible loan approximates its fair value. 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. The principal was impaired before FY2017 and interest receivable on the convertible loan of $81,000 (2018: $81,000) were fully impaired during the financial year ended 30 April 2019 based on the recoverability assessment performed by the management. The Company's lawyers have written to the Borrower demanding payment in default of the loan agreement. The Board in consultation with its lawyers are assessing further legal options.

Movement in allowance for impairment loss during the financial year:

	Group and Company	
	30.4.2019	30.4.2018
	$'000	$'000
At beginning of the financial year	**1,329**	1,248
Allowance made during the financial year	**81**	81
At end of the financial year	**1,410**	1,329

25. Deferred tax

	Deferred tax assets Group	
	2019	2018
	$'000	$'000
At beginning of the financial year	**979**	910
Transfer (to)/from profit or loss	**(453)**	52
Exchange translation difference	**(39)**	17
At end of the financial year	**487**	979

	Group		
	30.4.2019	30.4.2018	1.5.2017
	$'000	$'000	$'000
Deferred tax assets are attributable to the following:			
Property, plant and equipment	**454**	980	505
Unutilised tax losses	**31**	149	424
Others	**2**	(150)	(19)
	487	979	910

25. Deferred tax (cont'd)

	Deferred tax liabilities Group	
	2019	2018
	$'000	$'000
At beginning of the financial year	**7,823**	8,706
Transfer to profit or loss	**(8,045)**	(443)
Exchange translation difference	**222**	(440)
At end of the financial year	**–**	7,823

Deferred tax liabilities of the Group are attributable to temporary difference arising from intangible assets.

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 $2,670,000 (2018: $3,374,000). 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.

26. Share capital

	Group and Company			
	Number of share		Issue share capital	
	2019	2018	**2019**	2018
	'000	'000	**'000**	'000
Issued and fully paid with no par value				
At beginning of financial year	**6,180,800**	5,300,800	**265,811**	264,227
Issuance of ordinary shares of the Company	**–**	880,000	**–**	1,584
At end of 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.

27. Other reserves

		Group			Company		
		30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
		$'000	$'000	$'000	**$'000**	$'000	$'000
Attributable to equity holders of the Company							
Foreign exchange translation reserve	(a)	**(15,665)**	(13,680)	(14,654)	**–**	–	–
Capital reduction reserve	(b)	**1,961**	1,961	1,961	**1,961**	1,961	1,961
Equity - NCI	(c)	**(4,521)**	(7,285)	(8,919)	**–**	–	–
		(18,225)	(19,004)	(21,612)	**1,961**	1,961	1,961
Non-controlling interest							
Share-based payment reserve	(d)	**–**	–	731	**–**	–	–

(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.

During the financial year ended 30 April 2018, the Group has recognised the impact of the dilution in shareholding from 85% to 65% in HZLH and an adjustment amounting to $5,089,000 and $936,000 has been recognised to the Non-controlling interests in the statement of financial position and Equity - NCI respectively in the consolidated statement of changes in equity.

27. Other reserves (cont'd)

(d) Share-based payment reserve

The share-based payment reserve represents the value of service received from employees of the Group relating to equity settled share-based payment transactions.

Please refer to Directors' Statement and Note 13(c) for details.

Below is an extract from the FY2017 Annual Report page 76.

Equity-settled share-based payment

On 21 May 2015, the Board of Directors and Remuneration Committee of the Company approved and adopted the Employee Share Scheme ("ESS") of a subsidiary, CEEP. Under the ESS, key executives of the Group are granted registered capital of HZLH, a subsidiary in the PRC. The ESS is restricted to key executives of the Group.

(i) 10% equity interest (equivalent RMB8 million registered capital) in HZLH

RMB8 million registered capital in HZLH was granted to a key management personnel of the Group for a consideration of RMB14.4 million ($3.1 million equivalent) on 7 July 2015. There is no vesting condition attached and the amount is payable within 3 years from date of grant.

(ii) 20% equity interest (equivalent RMB16 million registered capital) in HZLH

RMB16 million registered capital in HZLH was transferred to Xiaogan He Shun Investment Management Centre LLP ("He Shun"), registered in the PRC, for the purpose of the ESS for a consideration of RMB28.8 million. On 27 April 2016, the Group granted RMB5.6 million registered capital to certain key executives of the Group by admitting these executives as partners of He Shun for a consideration of RMB10.08 million, payable within 3 years from date of grant. These executives shall remain as employees of HZLH for a period of 3 years as part of the vesting condition. Subsequent to the vesting period, these executives cannot sell more than 25% of their respective interest in He Shun per annum. As at 30 April 2017, RMB10.4 million registered capital in HZLH have not been granted to any key executives.

In respect of the RMB5.6 million registered capital granted, a deposit of RMB2 million ($425,000 equivalent) was received. In view that the vesting condition has not been met, cash received from those key executives will be recorded as financial liability until the end of the vesting period, where it will be reclassified to non-controlling interests.

On 4 May 2017, He Shun admitted two additional partners without the knowledge of the Board of Directors of the Company. The Board of Directors of the Company is in the process of seeking legal advice on how to resolve this matter and also in the midst of discussion with the management of HZLH to select and grant the remaining registered capital to eligible employees.

27. Other reserves (cont'd)

(d) Share-based payment reserve (cont'd)

(ii) 20% equity interest (equivalent RMB16 million registered capital) in HZLH (cont'd)

The details of the grants were as follows:

Grant date	7 July 2015	27 April 2016
Exercise price per equity interest	RMB1.80	RMB1.85
Fair value per equity interest	RMB2.01	RMB2.01
Equity interest in HZLH granted	RMB8 million	RMB5.6 million
Vesting period	Nil	3 years

Market prices of equity instruments granted were not available at the grant date. Consequently, the fair value of the equity instruments under the ESS granted were measured at their intrinsic value, and incorporated the following factors in setting the value of equity instruments:

i. Observable Price-Earnings ratio of comparable companies in same industry and listed on China's National Equities Exchange Quotations;

ii. The earnings of HZLH of the past 12 months; and

iii. No dividends were incorporated into the measurement of fair value as there was no historical payment trend.

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

28. 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.

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

	Group	
	2019	2018
	$'000	$'000
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(8,868)**	(7,876)
Increases due to advances received, excluding amounts recognised as revenue during the financial year	**13,782**	8,868

29. 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 significant related party transactions.

30. Commitments

Operating lease commitments - as lessee

At the end of the financial year, the commitments in respect of non-cancellable operating leases for the rental of office premises from non-related parties were as follows:

	Group			Company		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Not later than one financial year	**421**	461	508	**42**	84	143
Later than one financial year but not later than five financial years	**341**	383	904	**–**	42	209
	762	844	1,412	**42**	126	352

The lease agreements provide for periodic revision of rental rates in the future. Operating lease payments represent rents payable by the Group and the Company for office premises. Leases are negotiated for an average term of 1 to 3 years and rentals are fixed for an average of 1 to 3 years. There are no arrangements for contingent rent payments.

Capital commitments

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

	Group		
	30.4.2019	30.4.2018	1.5.2017
	$'000	$'000	$'000
Acquisition of property, plant and equipment	**1,087**	1,663	482

Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities as follows:

Amount confirmed by a former key management personnel of the Company (Note 20).

31. 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 not including non-recurring gains and losses and foreign exchange gains or losses.

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;
- Development of residential real estate for sale;
- Supplying gas to households, commercial and industrial users;
- Manufacture and sale of electronic components; 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, land held for sale, 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.

31. 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, Philippines 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.

With the exception of Singapore, the People's Republic of China, the United States of America, Taiwan, Philippines and Europe, no other individual geographical area contributed more than 10% of consolidated sales and assets. 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

No external customer individually contributed 10% or more of the Group's revenue during the current and previous financial year.

31. 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	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue														
Sale to customers	**–**	–	**95**	–	**40,072**	35,201	**22,829**	23,421	**–**	–	**–**	–	**62,996**	58,622
Other revenue	**407**	142	**–**	584	**415**	199	**248**	102	**228**	82	**608**	283	**1,906**	1,392
	407	142	**95**	584	**40,487**	35,400	**23,077**	23,523	**228**	82	**608**	283	**64,902**	60,014
Inter-segment revenue	**–**	(102)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(102)
Total external revenue	**407**	40	**95**	584	**40,487**	35,400	**23,077**	23,523	**228**	82	**608**	283	**64,902**	59,912
Segment profit/(loss)	**276**	(906)	**(607)**	442	**(41,596)**	(26,061)	**2,922**	2,528	**35**	83	**(642)**	(2,092)	**(39,612)**	(26,006)
Interest income	**–**	–	**–**	–	**32**	164	**46**	42	**81**	81	**–**	1	**159**	288
Interest expenses	**–**	–	**–**	–	**(721)**	(968)	**(67)**	(88)	**–**	–	**(16)**	(23)	**(804)**	(1,079)
Profit/(loss) before income tax	**276**	(906)	**(607)**	442	**(42,285)**	(26,865)	**2,901**	2,482	**116**	164	**(658)**	(2,114)	**(40,257)**	(26,797)
Income tax credit/(expense)	**–**	–	**–**	–	**7,178**	(823)	**(450)**	45	**–**	–	**(3)**	17	**6,725**	(761)
Profit/(loss) for the financial year	**276**	(906)	**(607)**	442	**(35,107)**	(27,688)	**2,451**	2,527	**116**	164	**(661)**	(2,097)	**(33,532)**	(27,558)
Non-controlling interests	**–**	–	**–**	–	**(386)**	(458)	**(439)**	(457)	**–**	–	**–**	–	**(825)**	(915)
Profit/(loss) attributable to equity holders of the Company	**276**	(906)	**(607)**	442	**(35,493)**	(28,146)	**2,012**	2,070	**116**	164	**(661)**	(2,097)	**(34,357)**	(28,473)

31. 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	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets and liabilities														
Segment assets	**11**	20	**13,474**	13,045	**84,083**	107,749	**14,548**	14,733	**17**	30	**705**	738	**112,838**	136,315
Segment liabilities	**394**	525	**1,629**	939	**46,151**	50,070	**6,060**	6,763	**1,714**	193	**1,484**	1,540	**57,432**	60,030
Capital expenditure	**–**	–	**–**	–	**10,088**	11,139	**52**	91	**–**	–	**–**	–	**10,140**	11,230
Impairment loss of trade and other receivables and convertible loan	**9**	–	**–**	–	**2,744**	5,707	**(13)**	142	**81**	81	**42**	–	**2,863**	5,930
Amortisation of intangible assets	**–**	–	**–**	–	**1,346**	1,324	**–**	–	**–**	–	**–**	–	**1,346**	1,324
Depreciation of property, plant and equipment	**–**	–	**–**	–	**3,192**	2,755	**198**	208	**–**	–	**5**	91	**3,395**	3,054
Impairment loss of intangible assets	**–**	–	**–**	–	**23,458**	22,987	**–**	–	**–**	–	**–**	–	**23,458**	22,987
Impairment loss of available-for-sale financial assets	**–**	–	**–**	–	**–**	167	**–**	–	**–**	–	**–**	–	**–**	167

31. Segment information (cont'd)

Analysis by geographic segments

	Singapore		People's Republic of China		United States of America		Taiwan		The Philippines		Europe		Others		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Sales to external customers	**4,799**	5,944	**44,407**	36,337	**1,046**	719	**10,210**	8,834	**114**	3,348	**1,534**	1,550	**886**	1,890	**62,996**	58,622
Others	**1,138**	468	**415**	199	**–**	584	**–**	–	**–**	–	**–**	–	**353**	39	**1,906**	1,290
Total external revenue	**5,937**	6,412	**44,822**	36,536	**1,046**	1,303	**10,210**	8,834	**114**	3,348	**1,534**	1,550	**1,239**	1,929	**64,902**	59,912
Segment assets	**15,267**	15,034	**84,083**	106,914	**13,474**	13,044	**–**	–	**–**	–	**–**	–	**14**	1,323	**112,838**	136,315
Segment liabilities	**9,320**	8,533	**46,151**	50,070	**1,628**	939	**–**	–	**–**	–	**–**	–	**333**	488	**57,432**	60,030
Capital expenditure	**52**	91	**10,088**	11,139	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**10,140**	11,230
Non-current assets	**574**	725	**74,233**	97,546	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**74,807**	98,271

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

During the financial years of 2019 and 2018, there were no inter-segment sales between the geographic segments.

32. Financial instruments

(a) Categories of financial instruments

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

	Group			Company		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Financial assets						
Available-for-sale financial assets	**–**	540	707	**–**	540	540
Financial assets, at fair value through profit or loss	**521**	43	51	**502**	9	14
Loans and receivables (including cash and cash equivalents)	**–**	21,058	19,593	**–**	1,221	64,293
Financial assets at amortised cost	**22,861**	–	–	**634**	–	–
	23,382	21,641	20,351	**1,136**	1,770	64,847
Financial liabilities						
Financial liabilities at amortised cost						
- Payables and borrowings	**42,475**	42,452	38,567	**6,643**	7,204	7,394

(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.

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

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.

(i) Market risk

Foreign exchange 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		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Monetary assets						
Singapore dollar	**2,286**	2,191	7,608	**–**	–	–
United States dollar	**2,764**	10,310	66,689	**453**	1,067	49,947
Renminbi	**–**	5,042	10,302	**–**	–	–
Hong Kong dollar	**3**	16	2,560	**–**	–	64
Euro	**–**	66	277	**–**	–	–
Others	**–**	24	209	**–**	–	–
Monetary liabilities						
Singapore dollar	**4,198**	9,651	33,814	**–**	–	–
United States dollar	**2,758**	5,798	10,115	**2,756**	2,576	7,833
Ringgit Malaysia	**7**	5,181	5,934	**–**	–	842
Renminbi	**–**	1	376	**–**	–	–
Euro	**–**	109	129	**–**	–	–
Others	**–**	132	144	**–**	–	–

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.

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(i) Market risk (cont'd)

Foreign exchange risk (cont'd)

Sensitivity analysis for foreign exchange risk (cont'd)

If the functional currency changes against the following foreign currencies by 10% (2018: 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 follow:

	Increase/(Decrease) (Loss)/profit before tax		
	30.4.2019	30.4.2018	1.5.2017
	$'000	$'000	$'000
Group			
Singapore dollar			
Strengthen against United States dollar	**191**	746	(2,621)
Weaken against United States dollar	**(191)**	(746)	2,621
United States dollar			
Strengthen against Singapore dollar	**(1)**	(451)	5,657
Weaken against Singapore dollar	**1**	451	(5,657)
Renminbi			
Strengthen against Singapore dollar	**–**	(504)	993
Weaken against Singapore dollar	**–**	504	(993)
Company			
United States dollar			
Strengthen against Singapore dollar	**230**	151	4,211
Weaken against Singapore dollar	**(230)**	(151)	(4,211)

Price risk

The Group is exposed to equity risks arising from equity investments classified as financial assets at fair value through profit or loss and available-for-sale. 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 Notes 14 and 18.

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

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(i) Market risk (cont'd)

Price risk (cont'd)

Sensitivity analysis for price risk

The sensitivity analysis assumes an instantaneous 30% (2018: 30%) change in the quoted equity prices from the end of the financial year, with all variables held constant.

	Increase/(Decrease)					
	30.4.2019		30.4.2018		1.5.2017	
	Loss before tax	Equity	Loss before tax	Equity	Profit before tax	Equity
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Listed in Singapore						
- Increased by 30% (2018: 30%)	**156**	–	12	162	15	212
- Decreased by 30% (2018: 30%)	**(156)**	–	(12)	(162)	(15)	(212)
Listed in Malaysia						
- Increased by 30% (2018: 30%)	**1**	–	1	–	1	–
- Decreased by 30% (2018: 30%)	**(1)**	–	(1)	–	(1)	–
Company						
Listed in Singapore						
- Increased by 30% (2018: 30%)	**151**	–	3	162	4	162
- Decreased by 30% (2018: 30%)	**(151)**	–	(3)	(162)	(4)	(162)

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 are 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.

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Credit risk

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

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

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

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30-90 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.

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Credit risk (cont'd)

Significant increase in credit risk (cont'd)

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

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

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

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

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

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

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

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Credit risk (cont'd)

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.

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 3 debtors (2018: 3 debtors) that represents 51% (2018: 47%) 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.

The credit loss for cash and cash equivalents is immaterial as at 30 April 2019.

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Credit risk (cont'd)

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.

The Group estimates the expected credit loss rates for each category of 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 2019, an allowance for impairment amounting to $369,000 was recognised for credit-impaired receivables as a result of occurrence of credit impairment events.

Other financial assets at amortised cost

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

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

	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group				
Trade receivables	Lifetime ECL	5,363	(369)	4,994
Other receivables (current)	Lifetime ECL -credit-impaired	18,747	(18,747)	–
	12-month ECL	6,238	–	6,238
Rental, utilities and other deposit	12-month ECL	376	–	376
Staff advances	12-month ECL	28	–	28
Cash and cash equivalents	N.A. Exposure Limited	11,225	–	11,225

32. 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:

	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Company				
Other receivables (current)	Lifetime ECL -credit-impaired	48	(32)	16
Due from subsidiaries	Lifetime ECL -credit-impaired	83,237	(82,778)	459
Rental, utilities and other deposit	12-month ECL	18	–	18
Cash and cash equivalents	N.A. Exposure Limited	141	–	141
Quasi-equity loan	Lifetime ECL -credit-impaired	50,244	(50,244)	–

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Credit risk (cont'd)

Movements in credit loss allowance are as follows:

	Non-current		Current		
	Other receivables (Note 17) $'000	Convertible loan (Note 24) $'000	Trade receivables (Note 17) $'000	Other receivables (Note 17) $'000	Total $'000
Group					
Balance at 1 April 2018, under FRS 39 and SFRS(I) 9	3,972	1,329	378	21,894	27,573
Loss allowance measured/ (reversal):					
Lifetime ECL					
- simplified approach	–	–	265	–	265
- credit impaired	–	81	–	2,517	2,598
Reversal of allowance	–	–	(281)	–	(281)
Effects of deconsolidation of a subsidiary	–	–	–	7,711	7,711
	–	81	(16)	10,228	10,293
Receivables written off as uncollectable	(3,972)	–	–	(13,531)	(17,503)
Currency translation differences	–	–	7	156	163
Balance at 30 April 2019	**–**	**1,410**	**369**	**18,747**	**20,526**
Company					
Balance at 1 April 2018, under FRS 39 and SFRS(I) 9	49,689	3,972	10,527	81,394	145,582
Loss allowance measured:					
Lifetime ECL					
- simplified approach	–	–	32	–	32
- credit impaired	555	–	–	1,384	1,939
	555	–	32	1,384	1,971
Receivables written off as uncollectable	–	(3,972)	(10,527)	–	(14,499)
Balance at 30 April 2019	**50,244**	**–**	**32**	**82,778**	**133,054**

Previous accounting policy for impairment of financial assets

(i) Financial assets that are neither past due or impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with banks with high credit-ratings assigned by international credit rating agencies.

32. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Credit risk (cont'd)

Previous accounting policy for impairment of financial assets (cont'd)

(ii) Financial assets that are past due and/or impaired

An analysis of the age of trade receivables past due as at the end of the financial year but not impaired is as follows:

	Group
	30.4.2018
	$'000
Past due 1-90 days	1,267
Past due 91-180 days	128
Past due 181-365 days	38
More than 365 days	32
	1,465

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group
	30.4.2018
	$'000
Gross amount:	
Past due more than 181 days	448
Less: Allowance for impairment	(378)
	70

The movements in the allowance for impairment of doubtful trade receivables are as follows:

	Group
	2018
	$'000
At beginning of the financial year	259
Translation differences	(14)
Charge during the financial year	133
At end of the financial year	378

Trade receivables that are individually determined to be impaired at the end of financial year relate to debtors that are in significant financial difficulties or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

32. 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**		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Less than one year:						
Trade and other payables	**22,209**	22,091	17,528	**6,523**	6,998	7,346
Finance lease liabilities	**–**	2	47	**–**	2	47
Borrowings	**14,229**	10,800	9,350	**132**	228	–
	36,438	32,893	26,925	**6,655**	7,228	7,393
Between 2 to 5 years:						
Trade and other payables	**–**	–	367	**–**	–	–
Finance lease liabilties	**–**	–	2	**–**	–	2
Borrowings	**7,025**	11,411	14,656	**–**	–	–
	7,025	11,411	15,025	**–**	–	2
	43,463	44,304	41,950	**6,655**	7,228	7,395

(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, the 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 2018.

32. 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, finance lease payables and 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		
	30.4.2019	30.4.2018	1.5.2017	**30.4.2019**	30.4.2018	1.5.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Net debt	**31,250**	33,962	29,531	**6,502**	7,106	7,320
Equity attributable to equity holders of the Company	**40,288**	73,866	98,147	**12,222**	63,827	128,035
Total capital	**71,538**	107,828	127,678	**18,724**	70,933	135,355
Gearing ratio	**44%**	31%	23%	**35%**	10%	5%

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 30 April 2019 and 2018.

33. 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).

33. Fair value of assets and liabilities

(a) Fair value hierarchy (cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
30.4.2019				
Financial assets				
Financial assets, at fair value through profit or loss	**521**	**–**	**–**	**521**
30.4.2018				
Financial assets				
Available-for-sale financial assets	540	–	–	540
Financial assets, at fair value through profit or loss	43	–	–	43
1.5.2017				
Financial assets				
Available-for-sale financial assets	540	167	–	707
Financial assets, at fair value through profit or loss	51	–	–	51
Company				
30.4.2019				
Financial assets				
Financial assets, at fair value through profit or loss	**502**	**–**	**–**	**502**
30.4.2018				
Financial assets				
Available-for-sale financial assets	540	–	–	540
Financial assets, at fair value through profit or loss	9	–	–	9
1.5.2017				
Financial assets				
Available-for-sale financial assets	540	–	–	540
Financial assets, at fair value through profit or loss	14	–	–	14

During the financial years ended 30 April 2019, 2018 and 2017, there were no transfers between instruments in Level 1 and Level 2.

34. Other matters

Matters with Commercial Affairs Department

On 2 April 2014 and 29 April 2014, the Company, certain of its subsidiaries, a previous associated company and certain 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, Chapter 280. 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, a joint statement was made by the Attorney-General's Chambers, CAD and the Monetary Authority of Singapore, which stated that 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, have been charged in the State Courts for offences under the Securities and Futures Act and the Penal Code.

It is the Company's understanding that Mr Goh Hin Calm on 20 March 2019 plead guilty.

On 26 June 2019, the CAD confirmed to the auditor that Ms Quah Su-Ling, Mr Goh Hin Calm and another person were charged for offences under the Securities and Futures Act, Penal Code and Companies Act. Mr Goh Hin Calm pled guilty to the charges and has been convicted accordingly. Ms Quah Su-Ling and another person are standing trial in the High Court. Its 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.

35. Writs of summons

(i) On 17 July 2018, United States Pacific Time, a Complaint and Summons were filed naming the Company and its 100% owned subsidiary Capri Investments L.L.C. ("Capri") as Co-Defendents (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.

The Company has discussed with its lawyer and believes the Plaintiffs' Claim is without merit. The Company will provide material updates as and when appropriate.

35. Writs of summons (cont'd)

(ii) On 13 May 2019, been served with a complaint ("Civil Complaint") filed naming the Company and its 100% owned subsidiary Capri Investments L.L.C. ("Capri") as Co-Defendents 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 Brentwood Overseas Ltd/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.

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

(iii) The Plaintiff v Ipco International Limited

Mr Goh Hin Calm, the former interim CEO of the Company ("the Plantiff") resigned on 14 March 2018 and resumed in his previous duties as Senior Finance and Admin Manager. On 27 April 2018 the Company dismissed the Plaintiff following a comprehensive review of the performance of the Company and the accounts of the subsidiaries. According to the Statement of Claim the Plaintiff believes he was wrongfully terminated. The Statement of Claim also states that the Plaintiff believes he is entitled to other payments which included bonuses, emoluments in lieu, gratuity, untaken accrued annual leave and medical expenses totalling $778,456.

The Plantiff subsequently agreed to discontinue the action against the Company and a notice of discontinuance was filed on 2 May 2019.

36. Basis for disclaimer opinion on the financial statements for the financial year ended 30 April 2018

The independent auditor's report dated 3 October 2018 contained a disclaimer of opinion on the financial statements for the financial year ended 30 April 2018. The extract of the basis for disclaimer of opinion is as follows:

Dislcaimer of Opinion

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

36. Basis for disclaimer opinion on the financial statements for the financial year ended 30 April 2018 (cont'd)

Basis for Disclaimer of Opinion

1. Opening balances

Another firm of independent auditors was engaged to audit the financial statements for the financial year ended 30 April 2017 whose report dated 7 August 2017 contained a disclaimer of opinion on those financial statements. The basis for disclaimer of opinion on the financial statements is disclosed in Note 36 of the financial statements for the financial year ended 30 April 2017.

In view of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 30 April 2017, we are unable to determine whether the opening balances at 1 May 2017 are fairly stated.

In addition, we were unable to perform audit procedures to obtain sufficient appropriate audit evidence about whether the Group's and Company's opening balances as at 1 May 2017 contain misstatements that materially affect the current year's financial statements; and whether appropriate accounting policies reflected in the opening balances have been consistently applied in the current year's financial statements.

Since opening balances as at 1 May 2017 entered into the determination of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended 30 April 2018, as well as affect how the balances presented in the Group's and Company's statements of financial position as at 30 April 2018 are derived, we are unable to determine whether adjustments might have been found necessary in respect of the Group's and the Company's financial statements for the financial year then ended.

We are also unable to determine whether the full amount or a portion of the impairment loss on goodwill of $22,987,000 as charged to profit or loss for the current financial year should have been recognised in previous financial years.

Our report on the current financial year's financial statements of the Group and the Company is also modified because of the possible effects of these matters on the comparability of the current period's figures and the corresponding figures.

2. Transaction relating to Employee Share Scheme

As disclosed in the Directors' Statement and Note 13(c) to the financial statements, the current Board of Directors (the "current Board"), based on legal advice, had adjusted for the transaction between China Environmental Energy Protection Investment Limited ("CEEP") and Xiaogan He Shun Investment Management Centre LLP ("He Shun") as a disposal of shares in Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH") instead of a share-based payment transaction as reflected in previous years' financial statements. Accordingly, the Group's interest in HZLH is now 65% instead of 85% as previously disclosed in the previous years' financial statements.

The Group has recognised receivables from the sale of shares in HZLH amounted to $5,606,000 and fully impaired the balance in the current financial year. As at 30 April 2018, as disclosed in Note 17(a)(ii) to the financial statements, the balance due from key management personnel of $2,824,000 arising from the above-mentioned shares transaction remained outstanding. The Group has recognised the full impact of the dilution of interest in HZLH from 85% to 65% in the current financial year, and adjustments amounting to $5,089,000 and $936,000 have been recognised to the Non-controlling interests in the statement of financial position and Equity - NCI in the consolidated statement of changes in equity respectively in the current financial year.

36. Basis for disclaimer opinion on the financial statements for the financial year ended 30 April 2018 (cont'd)

Basis for Disclaimer of Opinion (cont'd)

2. Transaction relating to Employee Share Scheme (cont'd)

In accordance with the accounting policy of the Group, the equity share-based payment of $232,000 (2017: $226,000) would be charged to the profit or loss if the above-mentioned share transaction was recorded as a share-based payment transaction. This charge of $232,000 was not recognised in the current financial year.

Based on information available to us and considering the comments by the current Board as disclosed in the Directors' statement and Note 13(c) to the financial statements, we are unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the accounting treatment for the above-mentioned share transactions and on the adjustments made into the current financial year's financial statements arising from the accounting for the share transaction. We are also unable to satisfy ourselves as to whether the share-based payment charge to the profit or loss of $232,000 should be recognised in current financial year and whether the Equity - NCI balance of $7,285,000 at 30 April 2018 is fairly stated. In addition, the adjustments for the dilution of the Group's interest in HZLH, the recognition of receivables from the sale and its impairment charge were accounted in current financial year instead of previous financial years. We are also unable to obtain sufficient appropriate audit evidence on the existence and recoverability of the balance receivable of $2,824,000 as at 30 April 2018.

3. Development properties

During the financial year ended 30 April 2018, the Group reclassified its land held for sale from inventory to development property (Note 16). We were unable to perform audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the carrying value of the land held for sale as at 1 May 2017 contain misstatements. As the current management was unable to provide supporting documents for the accumulated brought forward costs of development properties, we are unable to satisfy ourselves that the development cost stated at cost is fairly stated at 30 April 2018.

4. Investment in subsidiaries and Receivables due from subsidiaries

(a) The carrying value of the Company's investment in ESA Electronics Pte. Ltd. ("ESA") as at 30 April 2018 amounted to $5,310,000, of which impairment loss amounted to $16,725,000 had been recognised in prior years.

Based on management's impairment assessment of the recoverable amount as disclosed in Note 13 to the financial statements, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves with respect to the recoverable amount determined by management and that no reversal of impairment loss to be recognised in the current financial year.

(b) As disclosed in Note 13 and Note 17 to the financial statements, during the current financial year, the Company recognised impairment loss of $1,470,000 in respect of its quasi-loan to its subsidiary, EEL and allowance for doubtful receivables from EEL of $62,682,000. We are unable to determine whether the impairment charge and allowance for doubtful receivables taken to current financial year's profit or loss relate to previous financial years and whether adjustments might have been found necessary in respect of Company's financial statements for the financial year ended 30 April 2017.

36. Basis for disclaimer opinion on the financial statements for the financial year ended 30 April 2018 (cont'd)

Basis for Disclaimer of Opinion (cont'd)

5. Contingent liabilities

As disclosed in notes 30 and 35 to the financial statements,

(a) On 28 June 2018, the Company received writs of summons from lawyers acting for Mr Goh Hin Calm for wrongful termination and claims totalling $778,456.

(b) On 17 July 2018, the Company and its subsidiary, Capri Investments L.L.C. received writ of summons from a Washington Company, Westridge Development LLC and G. Patrick Healy. The claim relates to claim of ownership of approximately 15 acres of real property in Pierce County, Washington.

The Company has discussed with its lawyers and believes the claims have no merit. Accordingly, these claim amounts have not been recognised in the financial statements as at 30 April 2018.

(c) Subsequent to the end of the reporting period, a former key management personnel informed us that there is outstanding additional compensation of $1,025,000 owing to him under the terms of his employment contract. The Company, as of date of this report, has not been served a writ of summons for this claim. The Company has sought preliminary legal advice from its lawyers. No provision has been recorded in the financial statements as at 30 April 2018.

Based on currently available information, we are unable to determine whether any provision for additional liabilities is necessary for the all above claims in respect of the financial year ended 30 April 2018.

6. Appropriateness of going concern assumption

As disclosed in Note 3 to the financial statements, the Group and Company incurred a net loss of $27,558,000 and $65,792,000 respectively for the financial year ended 30 April 2018, and as at 30 April 2018, the Group's and Company's current liabilities exceeded its current assets by $5,455,000 and $5,473,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as going concerns and therefore they may not be able to realise their assets and discharge their liabilities in the normal course of business.

Nevertheless, in the preparation of the financial statements, the Board believes that the use of going concern assumption is appropriate after taking into consideration of the factors as disclosed in Note 3 to the financial statements.

36. Basis for disclaimer opinion on the financial statements for the financial year ended 30 April 2018 (cont'd)

Basis for Disclaimer of Opinion (cont'd)

6. Appropriateness of going concern assumption (cont'd)

The financial statements did not include any adjustments that may result in the event that the Group and the Company is unable to continue as going concerns. In the event that the Group and the Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its 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 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.

The validity of the going concern basis on which the financial statements are prepared is dependent on certain assumptions and the successful outcome of the Group's and the Company's various efforts as disclosed in Note 3 to the financial statements. The assumptions are premised on future events, the outcome of which are inherently uncertain.

In light of the material uncertainties described above, we are unable to obtain sufficient appropriate audit evidence to conclude as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Consequently, we are unable to determine whether any adjustments in respect of the Group's and the Company's financial statements for the financial year ended 30 April 2018 are necessary.

37. 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 2019 were authorised for issue in accordance with a resolution by the Board of Directors on 13 August 2019.

This report describes the Company's corporate governance processes and practices with specific reference to the Code for the financial year ended 30 April 2019 and up to the date of this report. The Company has complied with the principles and guidelines as set out in the Code, where applicable and takes into consideration the disclosure guide developed by the Singapore Securities Exchange Trading Limited ("**SGX-ST**") in January 2015. Appropriate explanations have been provided where there is any deviation from the Code.

PROFILE OF DIRECTORS

Mr James Moffatt Blythman

Mr James Moffatt Blythman is an Executive Director and Chief Financial Officer of the Company. He has experience in strategic planning, business development and general management in the property and manufacturing industries. He has worked previously for multinationals including BlueScope Ltd and Xella International GmbH in mainland China and throughout the Asia-Pacific region. He 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: 30 October 2018

Mr Joseph Chen

Mr Joseph Chen is a Non-Executive and Independent Director of the Company. He is also the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. He has more than 30 years of experience in the commercial / corporate sectors of the Financial Risk Management and Banking industry in Canada, United States and the Asia Pacific region, holding senior positions in various banks, including being Country Credit Officer of Citibank Canada from years 1991 to 1995, Senior EVP/Chief Risk Officer of Ta Chong Bank in Taiwan, Director - Audit & Risk Review (Citibank AP) from year 1998 to 2000, Managing Director and Group Head of Consumer Credit, DBS Bank and Subsidiaries from year 2000 to 2008, and Chairperson of Consumer Credit Bureau of Singapore from year 2003 to 2005. He is currently a freelance consultant and investor in the financial markets. He graduated with a Bachelor of Science degree from Nanyang University in 1972 and a Master of Business from the Asian Institute of Management in 1977.

Date of first appointment: 19 January 2018

Mr Ng Fook San

Mr Ng Fook San is a Non-Executive and Independent Director of the Company. He is the Chairman of the Nominating Committee and Remuneration Committee, and a member of the Audit Committee. He has more than 30 years of experience in the Electrical and Electronic industry, holding key positions in various companies. His eminent employment includes being VP Sales and Marketing of OSRAM Semiconductor, Asia Pacific, President of Infineon Technologies, Asia Pacific, Senior VP, General Manager of Infineon Technologies, Germany, CEO of Achieva Limited, Singapore and is currently a Chairman of Coraza Systems Malaysia Sdn. Bhd.

He graduated with a Bachelor of Engineering degree from the University of Malaya in year 1976.

Date of first appointment: 19 January 2018

Mr Sazali Bin Mohd Nor

Mr Sazali is a Non-Executive and Independent Director of the Company. He is a member of the Nominating, Remuneration and Audit Committees. Mr Sazali has extensive working experience, having started his career in 1983, in various fields, including bio-pharmaceuticals, green technology and entrepreneurship.

In the area of entrepreneurship, he has driven multiple start-ups, pharmaceutical trading and distribution. Among other achievements, he has in that capacity, acquired multiple grants from the government for pre-commercialization of biotechnology products and the setup of the Centre of Proteomic Research in FRIM with a matching grant of RM12.5million. The Centre was a recipient of the Sun Microsystems Education & Research Grant.

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. Now, he is 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.

Date of first appointment: 30 January 2019

BOARD OF DIRECTORS

The Board of Directors (the "**Board**") is responsible for determining the strategic direction for the Company. Each Director is expected to 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 contributions are compatible with the Company's core businesses and practices. The Board has examined its size and is of the view that the current arrangement is adequate given that the Independent Directors comprise not less than one-third of the Board composition. The criterion of independence is based on the definition set out in the Code. The Independent Directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary.

To assist the members of the Board, the Company has arranged for the Board to be updated by the Company Secretary and its other consultants on the continuing obligations and various requirements expected of a public company. When directors are first appointed to the Board, an orientation program is arranged for them to ensure they are familiar with the Company's business, governance practices and, Directors' duties and obligations. Where a new Director who has been nominated for his or her specialised knowledge, additional orientation is provided for the new Director to familiarise himself or herself with the particular business segment where his or her skills are required. Such orientation includes visits to the relevant subsidiaries where the particular business is conducted and meetings with management of the subsidiary to ensure an in-depth understanding of the operations and financial position of the subsidiary. The Company also recommends courses for its Directors to attend to ensure they keep up-to-date with the changes in the Companies Act, Listing Rules, the Code and applicable financial reporting standards.

Upon appointment, each non-executive Director is given a formal letter setting out his or her duties (including being a member of any sub-committees, such as the Audit, Remuneration or Nominating Committees) and the terms of certain significant policies of the Company.

The Board has established a Nominating Committee, a Remuneration Committee and an Audit Committee, each of which has been delegated specific authority and function. The Board has put in place terms of reference for each Committee to address their respective scopes.

Each Committee is chaired by an Independent Director and all the members are Non-Executive and Independent Directors. The effectiveness of each Committee is also constantly reviewed by the Board.

With the appointment of Mr. Sazali on 30 January 2019, the Company now complies with the Code and the Listing Rules with respect to the composition of its Audit Committee. Mr. Sazali has also been inducted as member of the Remuneration and Nominating Committees.

The fully composed Board will continue to schedule meetings on a regular basis to coincide with the announcement of the Group's quarterly and full year financial results, and to keep abreast of significant business activities and overall business environment.

Apart from board meetings, important or urgent matters concerning the Group are also presented for the Board's decision by way of written resolutions, e-mail and telephone conferencing for the dispatch of business, as they deem fit. Details of the number of Board meetings held in the year and attendance of each Board member at those meetings and meetings of the various Board Committees are provided on page 114 of this Annual Report.

The Company will conduct briefings to ensure that any incoming and/or new Director becomes familiar with the Group's business and governance practices.

The Company welcomes Directors' request for further explanations, briefings or informal discussions on any aspect of the Company's operations or business from the Management. The Directors must disclose to the Company, if they serve on multiple Boards so that the Company can assess if such Directors have sufficient time and attention to give to the affairs of the Company.

All Board members are also 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.

To keep pace with regulatory changes, where these changes have an important bearing on Directors' disclosure obligations, Directors are briefed either during Board meetings or at specially-convened sessions conducted by professionals. In particular, Directors are encouraged to attend relevant courses conducted by the Singapore Institute of Directors ("**SID**"), SGX-ST and consultants.

Executive Director

The Executive Director, Mr James Moffatt Blythman is appointed by the Board of Directors based on the recommendation of the Nominating Committee after considering his working experiences, capabilities and other factors deemed relevant for the position of an Executive Director.

The Board regularly assesses the performance of, and review major decisions made by, the Executive Director to the best interest of the company.

Independent Directors

The three Independent Non-Executive Directors of the Company namely, Mr Ng Fook San, Mr Joseph Chen and Mr Sazali Bin Mohd Nor ensure that there is effective corporate governance in managing the affairs of the Board and the Company. The Board has sought confirmation from each of the non-executive 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 the Directors' independent judgment, acting in the best interests of the Company. In addition, the Independent Directors would meet periodically to discuss pertinent issues and provide feedback to the Executive Director after such meetings.

In accordance with the Code, the NC has reviewed the status of the Independent Directors and is of the view that they are in compliance with the Code's definition of independence.

Key Management

James Moffatt Blythman

*Executive Director and Chief Financial Officer Renaissance United Limited and subsidiaries (the "**Group**")*

James Moffatt Blythman was appointed as Chief Financial Officer on 1 March 2018 and then as Executive Director on 28 May 2018. He is responsible for the Renaissance Group's business strategy and development. As a qualified CPA (Australia) and a Certified Fraud Examiner with 9 years of experience in strategic planning, business development and general management, he is well suited to oversee and steer the Group's diversified businesses, ranging from natural gas sector in China to the electronics sector in Singapore and property development in the United States.

Koh William

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

Koh William is one of the co-founders of ESA and he holds a Diploma in Electrical and Communication Engineering from the Singapore Polytechnic. Mr. Koh has valuable 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 Degree of Bachelor in Engineering (Electrical and Electronics) from Nanyang Technological in 2001. 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 Investment Management Inc. ("**HZLH**")*

A Chinese (Hong Kong) national, Wilson On holds a Master's Degree in demographics. Mr On serves as Director for the China business unit of HZLH. Mr On has experience in finance, commercial trading, and business management gained in mainland China and Hong Kong since 1986. From 2003, Mr On joined Ipco Group (as it was previously known) and, has been mainly engaged in city gas development and management projects in China for HZLH.

(A) BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Company is headed by the Board of Directors (the "**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 remains accountable to the Board.

The Board is entrusted with the responsibility for the overall management of the Company. The Board's primary responsibilities include review and approval of policy guidelines, setting directives to ensure that the strategies undertaken lead to enhanced shareholders' value.

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 Nomination, Remuneration and Audit Committees, to carry out their duties and make decisions in their specific roles.

Matters Requiring Board Approval

The Board has previously approved and adopted internal control procedures and guidelines for the Company. The following matters require the Board's approval, and the Board and the relevant committees are guided by their respective terms and references and operating procedures which are reviewed from time to time:

- 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 issuances;
- Other transactions of a material nature requiring announcement and/or approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") under the Listing Manual ("**Listing Manual**") of the SGX-ST, 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.

The Management has also been given clear directions on matters (including setting thresholds for certain operation matters relating to subsidiaries) that require the Board's approval. The full Board meets at least four times a year. Whenever warranted by particular 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 FY2019 and the attendances of the Directors at these meetings are set out below:

Directors' Attendance at Board and Committee Meetings

Meeting of: Board Audit Nominating Remuneration

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	4	5	1	3
Number of meetings attended				
James Moffatt Blythman(1)	4	5	1	3
Joseph Chen	4	5	1	3
Ng Fook San	3	4	1	3
Sazali Bin Mohd Nor(2)	–	–	–	–
Chai Siew Hoon(3)	3	3	–	1

Note:

(1) James Moffatt Blythman was invited to attend the audit, nominating and remuneration committees' meetings
(2) Sazali Bin Mohd Nor was appointed on 30 January 2019.
(3) Chai Siew Hoon did not seek re-election as a Director of the Company at the last Annual General Meeting which was held on 30 October 2018. The meetings attended were prior to her cessation as a Director.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

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

The Board comprises four (4) Directors as follows:

Ng Fook San, Independent Director
Joseph Chen, Independent Director
Sazali Bin Mohd Nor, Independent Director
James Moffatt Blythman, Executive Director and Chief Financial Officer

Three out of four Board members are non-executive and independent Directors. The Board considers an "independent" director to be one who has no relationship with the Company, its related companies, its shareholders with shareholdings of 10% or more of the total votes attached to all the voting shares in the Company, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company. With three Independent Directors who are senior members of their respective industries, the independent Directors are able to challenge and help Management develop proposals on strategy, and review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. The Board is, therefore, able to exercise independent judgment on corporate affairs and provide the Management with diverse and objective perspectives and guidance on issues.

There are no relationships or circumstances which are likely to affect, or could appear to affect, any independent Director's judgement.

James Moffatt Blythman, Executive Director and Chief Financial Officer is deemed be interested in the 14.24% shares held by Meridian Equities Pte. Ltd. by virtue of his ownership of Meridian Equities Pte. Ltd.

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

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.

The Board comprises Directors who, as a group, provide an appropriate balance and diversity of skills, experience and knowledge of the Group. They also provide core competencies such as 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 "Profile of Directors" section of this Annual Report. Although the Board has a broad diversity policy when identifying nominations for directorships, the current Board does not comprise any female director since the resignation of Chai Siew Hoon in 2018. The nomination of Sazali Bin Mohd Nor as Independent Director has been made principally due to his industry knowledge and business contacts in the manufacturing industry.

The role of the three Independent Directors is particularly important in ensuring that all the strategies and objectives proposed by Management are fully discussed and examined, and that they take into account the long-term interests of the shareholders and the Group's employees.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The position of the Chairman has been vacant since August 2006. The Company currently does not have a Chairman and a Chief Executive Officer. Notwithstanding the above, the Board is of the view that there are sufficient safeguards and checks 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 above, under the write-up of Principle 2, there are 3 non-executive and independent Directors and only one 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;
(d) that the directors receive complete, adequate and timely information;

(e) effective communication with shareholders;
(f) encourages 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.

Principle 4: Board Membership Nominating Committee ("NC")

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises all three Independent Directors. The Chairman of the NC is Mr Ng Fook San, who is a non-executive and independent Director. No alternate director has been appointed by any of the current sitting Directors.

The NC's principal functions are as follows:

(a) review and recommend to the Board, key executive appointments, all board appointments and re-appointments;
(b) determine the independence status of the Independent Directors annually;
(c) 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
(d) evaluate the performance and effectiveness of the Board as a whole and the contribution of each Director.

The responsibilities of the NC also include setting the criteria for identifying candidates and reviewing nominations for the appointment of key executive officers, directors to the Board and deciding how the Board's performance may be evaluated, and proposing objective performance criteria for the Board's approval.

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 forthe 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, 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.

New directors must subject themselves for re-election at the 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.

A member of the NC holds office until the next AGM where that member's retirement as a director, and upon being duly re-elected, may be re-appointed to such office by the Board. Each member of the NC will abstain, from reviewing and voting on any resolution relating to the assessment of his own performance or re-nomination as Director, or in any matter where he has an interest.

Where, by virtue of any vacancy in the membership of the NC for any reason, the number of members of the NC is reduced to fewer than three (or such other number as may be determined by the Code), the Board shall, within three months thereafter, appoint a sufficient number of new members to the NC. Any new member appointed should hold office for the remainder of the term of office of the member of the NC in whose place he or she was appointed.

At the current time, 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.

The Board and the NC are satisfied that the current size and composition of the Board is adequate to meet the Company's existing needs given the nature of its businesses and operations. From time to time, the NC will review the appropriateness of the current Board size and composition, taking into consideration the changes in the nature and scope of its businesses and operations as well as the regulatory environment.

In accordance with the requirements of the Code, the NC has reviewed the status of the Independent Directors and is of the view that they are all in compliance with the Code's definition of independence.

The current members of the Board are relatively new to the Group. Mr Chen and Mr Ng were first appointed on 19 January 2018 and Mr Sazali on 30 January 2019. There is, therefore, no need to consider if the length of their appointments would potentially impair their objectivity and effectiveness at this stage.

The Company has not set a maximum number of listed company board representations for any of its Directors and believes that each director is able to discharge his responsibilities to the Board and the Company adequately, although none of the Directors serves on more than 5 boards at any one time.

Under the Constitution, Directors appointed by the Board during the financial year shall only hold office until the next Annual General Meeting, and, thereafter, be eligible for re-election.

James Moffatt Blythman, the Executive Director of the Company, holds an indirect interest of 14.24% in the issued share capital of the Company. Save as aforesaid, none of the Directors holds shares in the Company or subsidiaries of the Company.

The dates of initial appointment and last re-election of each Director, together with his or her directorships in other listed companies and other principal commitments, are set out below: -

Director	**Date of initial appointment**	**Date of last re-election**	**Current directorships in listed companies (other than the Company)**	**Past directorships in listed companies (preceding three years)**	**Other principal commitments**
James Moffatt Blythman	28/05/18	30/10/2018	None	None	None
Joseph Chen	19/01/18		None	None	None
Ng Fook San	19/01/18		None	None	*See below
Sazali Bin Mohd Nor	30/01/19		None	None	**See below

* Ng Fook San is currently Chairman of Coraza Systems Malaysia Sdn Bhd.
** Sazali Bin Mohd Nor is currently a Strategic Business Advisor to Mutiara Smart Sdn Bhd.

For the financial year ended 30 April 2019, the NC met on 3 occasions.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested.

The NC recommends that Sazali Bin Mohd Nor stands for re-election pursuant to Regulation 88 of the Constitution, and Ng Fook San retires and stands for re-election pursuant to Regulation 89 of the Constitution.

Principle 5: Board Performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

At the date of this report, the NC has adopted a formal process to assess the effectiveness of the Board as a whole and the members of the Board individually. The process involves assessment based on both qualitative and quantitative factors. The qualitative measures include the effectiveness of the Board in its supervisory role, time committed and the contribution by each Director during and outside of formal board or committee meetings. The quantitative measures include whether the strategic objectives and key performance criteria set by the Board have been achieved. To prevent a box-ticking exercise resulting from performing the assessment, the NC has ensured that each criterion set for assessment carries with it a requirement to provide a written reason.

Upon reviewing the assessment, the NC is of the opinion that the Board and each director have been able to and haveadequately carried out their duties as a Director of the Company. The evaluation exercise is carried out annually. In addition to this formal process, the NC has also not noted any circumstances or relationships between the independent directors and the Company that would compromise their independence. In the selection, appointment or reappointment of Directors, the Company considers their experiences and contributions as key attributes for their roles in the Company. The performance criteria are subject to changes from year to year, based on the prevailing circumstances that are relevant to take account of.

Principle 6: Access to Information

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In additional to board papers and related materials, the Directors have access to the Company Secretary, the internal and the external auditors. Where board papers are presented, Directors have full liberty to ask management for all supporting documents underlying any projections made in such board papers. Where a project has been approved by the Board, regular reporting by management is made to ensure that project milestones and achievements are kept on track, and if not, an explanation provided to the Board.

Any Director may, on a case-to-case basis, propose to the Board for additional independent and professional advice to be obtained. The Company Secretary assists in the conduct of the Board meetings and facilitates adherence to Board procedures and communication between the Board and management. The Company Secretary also assists on matters in respect of compliance with the Singapore Companies Act, all rules and regulations of the SGX-ST, and in identifying courses for the on-going development of Directors.

(B) REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Remuneration Committee ("RC")

Pursuant to the Code, the RC comprises all the three Independent Directors. The Chairman of the RC is Mr. Ng Fook San. The RC's tasks include reviewing and deliberating the compensation packages of Board members as well as key executives 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 executives;
- determine the appropriateness of remuneration of Directors and key executives;
- review and recommend to the Board, the terms of service agreements of Directors and key executives; and
- consider the disclosures 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 covered by the RC. In determining remuneration packages of Executive Directors and key executives, the RC seeks to ensure that Executive Directors and key executives 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, 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 all Directors and key executives. All recommendations of the RC will be submitted for endorsement by the Board. 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 entered into with executive Directors and key executives to ensure that the terms of such contacts are complied with by both parties.

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

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The remuneration package of the Executive Director and key management personnel are linked to corporate and individual performance. The RC will also take into consideration the remuneration and employment conditions within the industry and comparable companies. The remuneration of the Executive Director and key executives comprises a basic salary component and a variable component which is a discretionary bonus, tied to the performance of the Group as a whole and their individual performances. There are no pre-determined performance conditions for the discretionary bonus. The discretionary bonus for the Executive Director and key management personnel will be recommended by the RC and subject to the approval of the Board. Discretionary bonus is based on qualitative criteria (including leadership, people development, commitment, teamwork, current market and industry practices) and quantitative criteria (including production, profit after tax and relative financial performance of the Group to its industry peers).

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

In respect of longer-term incentives, the Group does not currently have any share plan in place. The Board is, however, considering implementing a share plan. The priority for the Board for now is 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.

Remuneration of independent 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 non-executive Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the Annual General Meeting. Except as disclosed in this Annual Report, the Independent Directors do not receive any remuneration from the Company.

Principle 9: Disclosure on Remuneration

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Company recognises that a clear disclosure in relation to its remuneration policies will enable investors to understand the link between remuneration paid/payable to the Directors and the Management. The remuneration of each Director and Management has been disclosed in bands rather than actual amounts. The Board is of the opinion that given the confidentiality of and commercial sensitivity attached to remuneration matters, the remuneration will not be disclosed in dollars terms.

A breakdown, showing the level and mix of each individual Director's remuneration for the financial year ended 30 April 2019 is as follows:

Remuneration Band and Name of Director	Salary*(a) %	Fees %	Bonus %	Other benefits %	Total %
Below $200,000					
James Moffatt Blythman	57%			43%	100%
Joseph Chen		100%			100%
Ng Fook San		100%			100%
Sazali Bin Mohd Nor		100%			100%
Chai Siew Hoon*		100%			100%

* Chai Siew Hoon ceased being a Director of the Company on 30 October 2018.

Non-executive Directors are paid Directors' fees appropriate to their level of contribution to the Board, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate Directors. Non-executive Directors' fees of a total S$96,000 are recommended by the Board and tabled for shareholders' approval at the upcoming Annual General Meeting ("**AGM**"). The RC considers the current level of fees paid to and 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 feeswhen the overall position of the Group has stabilised and improved.

Guideline 9.3 of the Code recommends 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, companies should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the CEO).

Total remuneration paid to the key executives and Directors of the Group for FY2019 was approximately S$731,000 and is disclosed in the respective bands set out in the table below. The Board believes that given the confidentiality of and commercial sensitivity attached to remuneration matters, the remuneration will not be disclosed in dollar terms.

As Note 30 of the Financial Statements also sets 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:

Remuneration Band and Name of Key Management Executive	Salary*(a) %	Fees %	Bonus %	Other benefits %	Total %
$200,000 to $300,000					
William Koh	73%		20%	7%	100%
Below $200,000					
Danny Ong Swee Hin	82%		16%	2%	100%
Wilson On Wang Sang	100%				100%
James Moffatt Blythman	57%			43%	100%

(a) Salary is inclusive of defined contribution plan.
* James Moffatt Blythman's remuneration is repeated in the key executive table and is not in addition to his remuneration disclosed in the Directors' table.

Remuneration of other employees related to a Director

For the financial year under review, there were no employees related to a Director, or the Chief Financial Officer.

(C) ACOUNTING AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board reviews and approves the financial results as well as any announcements before their release. The Board provides shareholders with quarterly, half yearly and annual financial reports and any other material information via the SGXNET in accordance with statutory requirements and the Listing Rules. In presenting the financial statements to shareholders, it is the aim of the Board to provide shareholders with a balanced and comprehensive assessment of the Company's and the Group's performance, position and prospects.

In addition, regular and necessary ad-hoc updates are given to the Board as and when there are any developments that would have an impact on the Company. If these updates are material or required by the Listing Rules to be disclosed, shareholders will be informed by way of an announcement.

Price sensitive information will be publicly released before the Company meets with any group of shareholders, investors or research analysts. Financial results and Annual Reports are announced and issued within the prescribed periods.

The Board also communicates and discusses, as and when required, changes in legislative and regulatory requirements, including requirements under the Listing Rules, for instance, and establishing written policies where appropriate.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has overall responsibility for managing the Group's key risks in order to safeguard shareholders' interests and its assets.

The Audit Committee ("**AC**") assists the Board in providing risk management oversight while the day-to-day management and monitoring of existing internal control systems are delegated to Management which comprises the Executive Director and key executives 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 there are adequate internal controls within the Group and follow-up on actions implemented. The key risks have been identified and action plans have been put in place to mitigate these risks. Management will regularly review the key risks, both existing and emerging new risks, and current controls put in place in respect of these key risks. Measures and controls put in place to address and mitigate these risks have been made taking into account recommendations from the internal auditors.

The current Board regularly reviews it's the Group's business and operational activities to identify areas of significant business risks, in order to control and mitigate these risks appropriately. The Company reviews its control policies and procedures regularly and highlights all significant matters to the AC and Board.

The AC and the Board note 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 moving forward.

The Board has, at least, on an annual basis, reviewed the adequacy and effectiveness of the Group's risk management systems as well as the internal control systems including financial, operational, compliance and information technology controls based on procedures established and maintained by the Group and the reviews by the management.

The Group's financial risk management objectives are discussed under Note 32 of the Notes to the Financial Statements.

For the financial year ended 30 April 2019, the Board and the AC have received assurance from Management on the adequacy and effectiveness of the Group's risk management systems as well as 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; also the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

Based on the Group's internal controls put in place and the procedures established and maintained by the Group, as well as work and review performed by the external auditors, the management and the Board, the Board with the concurrence of the AC is of the view that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 30 April 2019.

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 12: Audit Committee ("AC")

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises three Board members, all of who are Non-Executive and Independent Directors. The Chairman of the AC is Mr Joseph Chen. There is no restriction imposed on the number of members in the AC committee, other than what is the minimum requirements as set out under the Listing Rules and the Code.

The AC carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50 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 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 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 cost effectiveness, independence and objectivity of the auditors;
(g) 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;
(h) undertakes such other reviews and projects as may be requested by the Board;
(i) reviews, at least annually, the adequacy and effectiveness of the internal audit function;
(j) 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;
(k) reviews and nominates external auditors for appointment/re-appointment and approving their remuneration and terms of engagement;
(l) 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
(m) 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 more frequently if required. In particular, the AC meets to review the financial statements before each announcement. In the financial year under review, the AC has met to review and approve the audit plan, the quarter, half-yearly and full-year unaudited results for announcement purposes.

The AC may meet with the auditors at any time, 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 regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations. The AC has power to conduct or authorise investigations into any matters within the AC's scope of responsibility.

The AC Chairman has also met SGX Regulators to discuss historical irregularities and non-compliance as part of its review of the Company's Corporate Governance policies and procedures.

The aggregate amount of fees paid to the external auditor of the Company, broken down into audit and non-audit services during FY2019 are disclosed in the Note [x] to the Financial Statements. The audit partner assigned to the audit has also not been in charge of more than five (5) consecutive audits.

Service Category	Fees Paid/Payable (S$'000)
Audit Service	125
Non-Audit Service	10
Total Fees	**135**

There was no interested party transaction during the financial year under review.

Throughout the financial year, the Board will assess and review, together with the assistance of the NC, to ensure that the members of the AC are appropriately qualified to discharge their responsibilities. The Board views that adequate and reasonable assistance and support have been properly rendered by the Directors, Management and key executives to enable the AC to carry out its role effectively and efficiently. The AC comprises members who have expertise and experience in financial management and are qualified to discharge 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 financial statements 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 of SGX-ST in relation to the appointment of 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.

No former partner or Director of the Company's existing auditing firm or audit corporation is a member of the AC.

Each member of the AC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested.

Principle 13: Internal Audit

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Company's assets. The system of internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

The AC has appointed an external firm, M/s. ShineWing LLP (the "**Internal Auditors**"), to carry out the internal audit function. An agreed scope of internal audits has been agreed between the AC and the Internal Auditors for the financial year beginning 1 May 2019 to 30 April 2020. 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 management of the various subsidiaries and the Management are accountable to the Board for the provision of detailed management accounts of the Group and the Group companies' performance, position and prospects on a quarterly basis.

Whistle Blower Policy

The Company has in place a whistle-blowing policy to encourage all employees to report any wrongdoing that may adversely impact the Company, the Company's customers, shareholders, employees, investors, or the public at large, without fear of reprisals.

In pursuit of a high standard of corporate governance, the Company encourages its officers, employees, vendors/contractors, consultants, and other parties to come forward and provide information about concerns with regards to unethical, unlawful actions, circumvention of internal controls and questionable business and financial practices. In turn, the Company guarantees the protection of the whistle blower from any form of retaliation or other discriminatory acts for information provided in good faith.

This policy applies to all domestic and international offices, subsidiaries and associates of the Company.

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The current Board does not practice selective disclosure. Price-sensitive information is publicly released and results and annual reports are announced or issued within the mandatory period save for extensions sought from time to time. All shareholders of the Company will be able to access the Annual Report and the Notice of the AGM via the Company's website. The Company facilitates the exercise of ownership rights by all shareholders, giving them the opportunities at AGM, to express their views and ask the Board and Management questions regarding the affairs of the Company. The Chairman of the AC, RC and NC will normally be present at the AGM to answer any questions relating to the work of their respective committees.

In addition, the Company ensures that shareholders have the opportunity to participate in and vote at general meetings. Shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters during the general meetings.

The voting procedures are also explained to all the shareholders during these general meetings. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in section 181 of the Companies Act). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

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 continuous disclosure obligations of the Company under the Listing Rules, the Board's policy is that all shareholders should be equally and timely 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 a news release where appropriate over the SGX-ST's website, 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 SGXNET, and where relevant, the press. 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.

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board welcomes the views of shareholders on matters affecting the Company at the shareholders' meetings. The Board encourages active shareholder participation in general shareholders' meetings, including AGMs and EGMs. It believes that general meetings are an opportune forum and suitable platform for shareholders and the Board and Management of the Company to engage in active exchange of ideas. In addition, the Company holds such shareholders' meetings in order to provide shareholders with greater opportunity to understand the company's business. As set out above under Principle 14, shareholders are allowed to appoint proxies to attend shareholder meetings provided they submit the proxy form within time frame specified in the notice of shareholders meeting.

The Company ensures its Annual Report is available to all shareholders electronically and the Notice of AGM is sent by post to all shareholders. The Notice will also be published in either The Straits Times or The Business Times newspapers together with explanatory notes at least fourteen (14) clear days 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 addressed to shareholders. Reports or circulars of the general meetings are dispatched to all shareholders electronically or by post (if requested) and the notice of AGM will be made available on SGXNET. Separate resolutions are proposed for substantially separate issues at the general meeting. At its AGM, shareholders have the opportunity to raise questions to the Board and Management, and clarify with them any issues they may have relating to the resolutions to be passed. The Chairman of the Audit, Remuneration and Nominating Committees, Board members and Management are required to attend shareholders' meetings and are on hand to address any questions raised. The external auditors are also present to assist the Directors in addressing any relevant queries on the accounts 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 does not presently arise. The AGM minutes of the Company are available upon request by Shareholders.

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 first rebuild and strengthen its financial position.

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.

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.

During the financial year FY2019 and up to the date of this report, there was no interested person transaction.

Material Contracts

All material contracts entered into between the Company and its subsidiaries involving the interests of any director or controlling shareholder has been disclosed and announced.

Corporate Social Responsibility

During the current financial year, one of the Group's subsidiaries donated S$8,000 to the Singapore Children's Society. Moving forward, the Group will continue to identify more Corporate Social Responsibility projects when it arises.

Statement of Compliance

The Board is pleased to confirm that for the financial year ended 30 April 2019, 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 Sazali Bin Mohd Nor and Mr Ng Fook San are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be held 29 August 2019 ("**AGM**") under Ordinary Resolution [3] and [4] (respectively) as set out in the Notice of AGM dated 8 August 2019.

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 Ng Fook San**	**Mr Sazali Bin Mohd Nor**
Date of Initial Appointment	19 January 2018	30 January 2019
Date of last re-appointment (if applicable)	19 January 2018	30 January 2019
Age	68	62
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 of Mr Ng since his appointment. Mr Ng is an industry veteran with over 30 years in electrical & electronic industry. Mr Ng retires is retiring pursuant to Regulation 8997 of the Company's Constitution and is seeking re-election. The Board recommends Mr Ng's re-election.	Mr Sazali has extensive working experience since 1983 in the various fields in bio-pharmaceuticals, green technology and entrepreneurship. In the area of entrepreneurship, he has driven multiple start-ups, pharmaceutical trading and distribution. Among other achievements, he has in the capacity, acquired multiple grants from the government for pre-commercialization of biotechnology products and the setup of the Centre of Proteomic Research in FRIM with a matching grant of RM12.5million. The Centre was a recipient of the Sun Microsystems Education & Research Grant. He recently served as the Chief Executive Officer of Pahang Technology Resources Sdn Bhd, a state-owned entity focusing in the area of technology development and Chief Executive Officer of Silk Road Development Sdn Bhd in the area of Sea Ports and Infrastructure.

Name of Director	Mr Ng Fook San	Mr Sazali Bin Mohd Nor
		Now, he is assuming the role as 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. The Board recommends Mr Sazali's re-election.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	NC Chairman, RC Chairman, AC Member	AC Member, NC Member, RC Member
Professional qualifications	Bachelor of Engineering	Mr Sazali has attended entrepreneurship programmes under the Malaysian National Economics Policy, Bumiputra National Productivity and Mara Entrepreneurs Development.
Working experience and occupation(s) during the past 10 years	Year 2007 to 2010 - CEO, Achieva Limited, Singapore Year 2010 to current - Chairman, Coraza Systems Malaysia Sdn Bhd	2012 to 2013 Pahang Technology Resources Sdn Bhd Chief Executive Officer 2014 to 2016 Swift Port Sdn Bhd Chief Executive Officer 2016 to 2017 Silk Road Development Sdn Bhd - Chief Executive Officer 2016 to 2018 Seven Seas Global Sdn Bhd - Executive Director 2018 to current Mutiara Smart Sdn Bhd Strategic Business Advisor
Shareholding interest in the listed issuer and its subsidiaries	None	None
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	None	None

Name of Director	Mr Ng Fook San	Mr Sazali Bin Mohd Nor
Conflict of interest (including any competing business)	None	None
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)	Chairman, Coraza Systems Malaysia Sdn Bhd	Strategic Business Advisor, Mutiara Smart Sdn Bhd
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Non-Executive Independent Director of the Company from 19 January 2018 to date	Non-Executive Independent Director of the Company from 30 January 2019 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.		
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).	The Company and the NC requires all Directors to attend regular training and undergo specific training as prescribed. Mr Ng has attended the prescribed courses when he was first appointed as Independent Director, and will continue to attend updates and refresher courses as and when necessary and appropriate.	Mr Sazali has already commenced the prescribed courses following his appointment, and will continue to proceed through the modules if re-appointed.

Mr Joseph Chen, Mr Ng Fook San and Mr Sazali Bin Mohd Nor have confirmed negative on items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Rules.

STATISTICS OF SHAREHOLDERS AS AT 26 JULY 2019

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 26 JULY 2019

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.04	179	0.00
100 - 1,000	451	3.76	442,234	0.01
1,001 - 10,000	3,317	27.67	19,366,294	0.31
10,001 - 1,000,000	7,570	63.15	1,331,165,389	21.54
1,000,001 AND ABOVE	645	5.38	4,829,825,890	78.14
TOTAL	**11,988**	**100.00**	**6,180,799,986**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Shareholders	Units	%	Units	%
MERIDIAN EQUITIES PTE LTD	0	00.00	880,000,000	14.24

*As at 13 August 2019, 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 26 JULY 2019

NO.	SHAREHOLDER'S NAME	NO. OF SHARES HELD	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	898,082,374	14.53
2	PHILLIP SECURITIES PTE LTD	372,390,353	6.02
3	MAYBANK KIM ENG SECURITIES PTE. LTD	183,509,400	2.97
4	CITIBANK NOMINEES SINGAPORE PTE LTD	162,390,000	2.63
5	UOB KAY HIAN PTE LTD	97,319,200	1.57
6	QUEK CHIN SOON	95,000,000	1.54
7	NG QUEK PENG	76,383,900	1.24
8	RHB SECURITIES SINGAPORE PTE LTD	73,013,000	1.18
9	OCBC SECURITIES PRIVATE LTD	68,416,998	1.11
10	DBS NOMINEES PTE LTD	67,864,700	1.10
11	HUANG QINGPING	65,000,000	1.05
12	ONG GIM LOO	65,000,000	1.05
13	PHUA MENG THONG	49,498,000	0.80
14	SOH BENG HUAT OR SOH CHYE LIN	48,000,000	0.78
15	SOH ENG LEE	38,273,000	0.62
16	RAFFLES NOMINEES (PTE) LIMITED	37,686,800	0.61
17	CHIA SOON KEONG	37,000,000	0.60
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	36,359,000	0.59
19	LAM WEI KUEN	33,000,000	0.53
20	LIM KEE WAY IRWIN	30,100,000	0.49
	TOTAL	**2,534,286,725**	**41.01**

SHAREHOLDERS HELD BY THE PUBLIC AS AT 26 JULY 2019

Based on information available to the Company as at 26 July 2019, approximately 85.76% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issue by the SGX-ST is complied with.

Notice is hereby given that the 27th Annual General Meeting of the Company will be held at 152 Beach Road, Gateway East #28-00, Tokyo Room Singapore 189721 on 29th August 2019 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 2019 together with the Directors' Statement and the Auditors' Report thereon. ***[Resolution 1]***

2. To approve Directors' fees of $96,000/- (2018:S$68,000). ***[Resolution 2]***

3. To re-elect the following Director retiring pursuant to Regulation 88 of the Company's Constitution: ***[Resolution 3]***

   Mr Sazali Bin Mohd Nor.
   [See Explanatory Note 1]

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

   Mr Tony Ng Fook San.
   [See Explanatory Note 2]

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 ordinary resolution:

7. **Authority to allot and issue new shares and convertible securities** ***[Resolution 6]***

   That pursuant to Section 161 of the Companies Act, Chapter 50, 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 this 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 3]

By Order of the Board

Allan Tan
Company Secretary

Singapore, 13 August 2019

EXPLANATORY NOTES:

(1) Mr Sazali Bin Mohd Nor was appointed by the Directors on 30 January 2019 pursuant to Regulation 88 of the Company's constitution. Under Regulation 88, any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Upon re-election as a Director of the Company, Mr Sazali Bin Mohd Nor will remain an independent Director, and a member of the Audit, Remuneration and Nominating Committees. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(2) Mr Ng Fook San will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of the Nominating and Remuneration Committees, and as a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(3) Ordinary resolution 6 proposed in item 7 above, if passed, will authorise the Directors of the Company to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders. The authority of the Directors to do so as aforementioned is effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or until such time authority is varied or revoked by the Company in a general meeting, whichever is the earlier. In calculating the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this ordinary resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this ordinary resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

Notes on Annual General Meeting:

(a) A Member entitled to attend and vote at the Annual General Meeting (the "**Meeting**") may appoint not more than two proxies to attend and vote in his/her stead. Where a Member appoints more than one proxy, he/she shall specify the proportion of his/ her shareholding to be represented by each proxy. A proxy need not be a Member of the Company.

(b) Pursuant to Section 181 of the Act, a member who is a relevant intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two (2) proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

(i) a banking corporation licenced under the Banking Act, Gap. 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(ii) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act (Gap. 289) and who holds shares in that capacity; or

(iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

(c) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy, if no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.

(d) A proxy need not to be a member of the Company.

(e) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(f) An instrument appointing a proxy (together with the power of attorney or other authority under which the proxy is signed, if any) must:

(i) if sent personally or by post, must be left at the Registered Office of the Company at 7 Jalan Kilang #07-01, Singapore 159407or such other place (if any) as is specified for the purpose in the notice convening the Meeting; or

(ii) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of a note to or in any document accompanying the notice convening the Meeting,

and in either case not less than 72 hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid.

(g) Completion and return of the instrument appointing a proxy or proxies by a member will not prevent him/her from attending, speaking and voting at the Annual General Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies to the Meeting.

(h) A Depositor shall not be regarded as a member of the Company entitled to attend and vote at the Meeting unless his name appears on the Depository Register maintained by The Central Depository (Pte) Limited 72 hours before the time appointed for the Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) or 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representatives(s) to the Company (or its agents), 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) of the personal data of such proxy(ies) and/or representative(s) for the Purpose, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

RENAISSANCE UNITED LIMITED
(Company Registration Number 199202747M)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:
1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF approved nominees and is sent solely FOR INFORMATION ONLY.
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ______________________________ NRIC/Passport No. ______________

of ____ (Address)

being a member/members of RENAISSANCE UNITED LIMITED hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/them, the Chairman of the meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the 27th Annual General Meeting of the Company to be held at 152 Beach Road, Gateway East #28-00, Tokyo Room Singapore 189721 on 29 August 2019 at 11.00 a.m. and at any adjournment thereof.

Note: Please indicate with an "**X**" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the notice of general meeting. In the absence of specific directions or in the event of any item arising not summarised below, the proxy/proxies may vote or abstain as he/they may think fit.

No.	Resolutions	For	Against
	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 2019		
2.	To approve Directors' fees of $96,000/- (2018:S$68,000)		
3.	Re-election of Sazali Bin Mohd Nor as a Director		
4.	Re-election of Tony Ng Fook 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 given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Annual General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this ________ day of ________________ 2019

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

IMPORTANT NOTES TO PROXY FORM:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of shares under COP Register. If you have shares registered in your name in the Register of Members of the Company, you should insert that number under Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Pursuant to Section 181 of the Companies Act, Cap. 50, a member who is a relevant intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two proxies to attend and vote at the Annual General Meeting instead of such member, but each such proxy must be appointed to exercise the rights attached to different shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

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RENAISSANCE UNITED LIMITED
7 Jalan Kilang #07-01
Singapore 159407

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   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, of the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it may be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
8. An instrument appointing a proxy (together with the power of attorney or other authority under which the proxy is signed, if any) must:
   - if sent personally or by post, must be left at the Registered Office of the Company at 7 Jalan Kilang #07-01, Singapore 159407or such other place (if any) as is specified for the purpose in the notice convening the Meeting; or
   - if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of a note to or in any document accompanying the notice convening the Meeting,

   and in either case not less than 72 hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid.
9. In the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.

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Renaissance United Limited

7 JALAN KILANG, #07-01
SINGAPORE 159407

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Tel: (65) 63278398