

RENAISSANCE UNITED LIMITED

(Registration No. 199202747M)

MATERIAL DIFFERENCES BETWEEN AUDITED AND UNAUDITED FINANCIAL STATEMENTS

The Board of Directors of Renaissance United Limited (the “Company”) refers to the announcement made on 31 August 2022 concerning the full year unaudited financial statements of the Company and its subsidiaries (the “Group”) for the financial year ended 30 April 2022.

The Company wishes to announce, pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, material adjustments made following the finalization of the Group’s audited financial statements for the year ended 30 April 2022.

The difference between the audited and unaudited financial statements are as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Note	Group Audited Year Ended 30/04/22 S\$'000	Group Unaudited Year Ended 30/04/22 S\$'000	Difference S\$'000
Other items of income				
Revenue	1	75,393	70,298	5,095
Other income	2	205	1,307	(1,102)
Operating expenses				
Raw materials and consumables used	3	(59,729)	(54,634)	(5,095)
Amortisation of intangible assets	4	(4,883)	(1,336)	(3,547)
Depreciation of property, plant and equipment	4	(855)	(4,402)	3,547
Impairment loss of intangible assets	5	(12,718)	(19,757)	7,039
Reversal of impairment loss on trade and other receivables	2	254	-	254
Foreign exchange gain, net	2	848	-	848
Other expenses	6	(4,688)	(4,149)	(539)
Adjustment to Loss before income tax		(6,173)	(12,673)	6,500
Income tax credit	7	1,708	1,758	(50)
Adjustment to Loss for the financial year		(4,465)	(10,915)	6,450
Other comprehensive income :				
Exchange differences on translation of foreign operations arising from consolidation	8	1,030	1,043	(13)
Total comprehensive loss for the financial year		(3,435)	(9,872)	6,437

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Note 1

The revision to audited Revenue of S\$75,393,000 compared to unaudited Revenue of S\$70,298,000 is due to S\$5,095,000 revenue recognised in current year pertaining to the application of SFRS(I) INT 12 Service Concession Arrangements and SFRS(I) 15 Revenue from Contracts with Customers in its recognition of revenue from service concession arrangements to the Group's gas distribution business. The Group recognises revenue relating to construction services provided for a non-cash consideration.

Note 2

The revision to audited Other income of S\$205,000 compared to unaudited Other income of S\$1,307,000 is mainly due to a reclass of S\$1,102,000 comprising S\$848,000 foreign exchange gain and S\$254,000 reversal of impairment loss on trade and other receivables to operating expenses.

Note 3

The revision to audited Raw materials and consumables used of S\$59,729,000 (unaudited: S\$54,634,000) is due to costs of S\$5,095,000 relating to construction services recognised in current year pertaining to the application of SFRS(I) INT 12 Service Concession Arrangements to the Group's gas distribution business.

Note 4

The revision to audited Amortisation of intangible assets of S\$4,883,000 (unaudited : S\$1,336,000) and Depreciation of property, plant and equipment of S\$855,000 (unaudited S\$4,402,000) is due to a reclass of S\$3,547,000 from Depreciation of property, plant and equipment to Amortisation of Intangible assets. This is due to the application of SFRS(I) INT 12 Service Concession Arrangements to the Group's gas distribution business.

Note 5

The revision to audited Impairment loss of intangible assets of S\$12,718,000 (unaudited : S\$19,757,000) is based on the final valuation performed by an independent firm of professional valuers pertaining to the distribution and licensing rights and service concession arrangements of the Group's China subsidiaries.

Note 6

The revision to audited Other Expenses of S\$4,688,000 compared to unaudited Other Expenses of S\$4,149,000 is mainly due to Capri's additional accrual of S\$539,000 legal and engineering fees.

Note 7

The revision to audited Income tax credit of S\$1,708,000 compared to unaudited Income tax credit of S\$1,758,000 is mainly due to S\$50,000 corporate tax adjustment of Capri.

Note 8

A revision to audited Other Comprehensive income of S\$1,396,000 from unaudited Other Comprehensive income of S\$1,409,000 pertains to exchange difference of S\$13,000 on translation of foreign operations arising from consolidation.

Note 9

As a result of the changes in Note 1 to Note 8, the unaudited Loss for the Financial Year of S\$18,734,000 was revised to audited Loss for the Financial Year of S\$12,284,000 and the unaudited Total comprehensive loss of S\$17,325,000 of the financial year was revised to audited Total comprehensive loss for the financial year of S\$10,888,000 . Correspondingly, the unaudited Loss per share of 0.303 cents has been revised to audited Loss per share of 0.199 cents.

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Statement of Financial Position	Note	Group Audited Year Ended 30/04/22 S\$'000	Group Unaudited Year Ended 30/04/22 S\$'000	Difference S\$'000
Non Current Assets				
Intangible Assets	10	69,913	63,097	6,816
Property, plant and equipment	10	9,584	9,361	223
		79,497	72,458	7,039
Current Assets				
Trade and Other receivables	11	13,716	13,868	(152)
Current Liabilities				
Trade and other payables	12	(15,236)	(14,786)	(450)
Borrowings	12	(14,357)	(13,519)	(838)
		(29,593)	(28,305)	(1,288)
Non Current Liabilities				
Borrowings	13	(7,812)	(8,650)	838
Changes to Net Assets		55,808	49,371	6,437
Equity				
Accumulated losses	14	(206,800)	(213,250)	6,450
Other reserves		(17,779)	(17,766)	(13)
Changes to Equity		(224,579)	(231,016)	6,437

Note 10

The revision to audited Non Current Assets of S\$79,939,000 compared to unaudited Non Current Assets of S\$72,900,000 is mainly due to S\$7,039,000 audit adjustment of Intangible assets and Property, plant and equipment due to the application of SFRS(I) INT 12 Service Concession Arrangements to the Group's gas distribution business and adjustments have been made accordingly to reclassify certain items of "Property, plant and equipment" to "Intangible assets".

Note 11

The revision to audited Current Assets of S\$37,429,000 compared to unaudited Current Assets of S\$37,581,000 is largely due to adjustment of S\$152,000 debt settlement by Capri's Trade and Other Receivables.

Note 12

The revision to audited Current Liabilities of S\$51,770,000 compared to unaudited Current Liabilities of S\$50,482,000 is mainly due to S\$838,000 reclass from Long-term Borrowings to Short-term Borrowings of China subsidiaries and S\$460,000 accruals of Capri's legal fees offset by a S\$10,000 property tax adjustment.

Note 13

The revision to audited Non-Current Liabilities of S\$7,851,000 compared to unaudited Non-Current Liabilities of S\$8,689,000 is due to S\$838,000 reclass of Long-term Borrowings to Short-term Borrowings as per note 12.

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Note 14

The revision to audited Accumulated losses of S\$206,800,000 compared to unaudited Accumulated losses of S\$213,250,000 is due to S\$6,450,000 adjustment to profit and loss for the year as explained in Note 1 to Note 7.

Note 15

As a result of the changes in Note 10 to Note 14, the audited Net Assets of the Group are S\$57,747,000 as compared to the unaudited Net Assets of S\$51,310,000.

By Order of the Board

James Moffatt Blythman
Executive Director and Chief Financial Officer
8 November 2022