

# RENAISSANCE UNITED LIMITED

(Incorporated in the Republic of Singapore)  
(Company 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 30 July 2020 concerning the full year unaudited financial statements of the Company and its subsidiaries (the “Group”) for the financial year ended 30 April 2020.

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 2020.

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

<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	<b>Note</b>	<b>Group Audited Year Ended 30/04/20 S\$'000</b>	<b>Group Unaudited Year Ended 30/04/20 S\$'000</b>	<b>Difference S\$'000</b>
Revenue	1	52,478	53,356	(878)
Other Items of income	2	3,434	2,665	769
Total Revenue		55,912	56,021	(109)
Total Expenses	3	(55,107)	(54,367)	(740)
Profit before tax		805	1,654	(849)
Income tax expense	4	(644)	(1,013)	369
<b>Profit for the financial year</b>		<b>161</b>	<b>641</b>	<b>(480)</b>
Other comprehensive loss:				
Exchange differences on translating of foreign operations	5	(1,439)	(1,478)	39
<b>Total Comprehensive Loss for the financial year</b>		<b>(1278)</b>	<b>(837)</b>	<b>(441)</b>

**Note 1**

The revision to audited Revenue of S\$52,478,000 compared to unaudited Revenue of S\$53,356,000 is mainly due to audited adjustments resulting in lower revenues from PRC subsidiaries by S\$865,000 and S\$13,000 reclass of commission income to other revenue of a subsidiary, ESA Electronics Pte. Ltd ("ESA").

**Note 2**

The revision to audited Other items of income of S\$3,434,000 compared to unaudited Other items of income of S\$2,665,000 is mainly due to audited adjustments of S\$121,000 Job Support Scheme and government grants, a S\$138,000 in rental income and reclass of S\$13,000 commission income in ESA, audited adjustment of S\$492,000 foreign exchange gain on translation of foreign subsidiaries operations, a reclass of S\$3,000 fair value loss of Financial Assets Through Profit or Loss to Expenses a reclass of S\$27,000 net write back of doubtful debt impairment from other expenses offset by S\$25,000 reduction to interest and miscellaneous income.

**Note 3**

The revision to audited Total Expenses of S\$55,107,000 compared to unaudited Total expenses of S\$54,367,000 is largely due to S\$1,413,000 amortisation of intangible assets, a further depreciation of S\$389,000 of property plant and equipment in PRC subsidiaries, a S\$138,000 operating lease expense and S\$36,000 adjustment of employee benefits offset by S\$775,000 adjustment of raw materials and consumables in ESA, a reclass of S\$27,000 net write back of doubtful debt impairment to other income, a reclass of S\$3,000 fair value loss of financial assets from other income, offset by S\$491,000 in General and Admin expenses of Group subsidiaries.

**Note4**

The revision to audited Income Tax Expenses of S\$644,000 compared to unaudited Income Tax Expense of S\$1,013,000 is primarily due to S\$369,000 write back of deferred tax liabilities relating to the Distribution and Licensing Rights of PRC subsidiaries which had been restated in FY19 as a prior year adjustment.

**Note 5**

The revision to audited Other Comprehensive Loss of S\$1,439,000 compared to unaudited Other Comprehensive Loss of S\$1,478,000 is primarily due to audit adjustment of S\$39,000 exchange differences arising from translation of foreign operations.

As a result of the changes in Notes 1 to Note 5, the unaudited Earnings per share of 0.006 cents has been revised to audited Loss per share of 0.002 cents.

<b>Statement of Financial Position</b>	<b>Note</b>	<b>Group Audited As at 30/04/20 S\$'000</b>	<b>Group Unaudited As at 30/04/20 S\$'000</b>	<b>Difference S\$'000</b>
<b>Non-Current Assets</b>				
Intangible assets	<b>6</b>	22,774	-	22,774
		<b>22,774</b>	<b>-</b>	<b>22,774</b>
<b>Current Assets</b>				
Trade and other receivables		7,584	10,209	(2,625)
<b>Current Liabilities</b>				
Trade and other payables		(15,781)	(18,472)	2,691
Lease liabilities		-	(329)	329
Current income tax payable		(702)	(709)	7
Borrowings		(11,240)	(10,920)	(320)
	<b>7</b>	<b>(20,139)</b>	<b>(20,221)</b>	<b>82</b>
<b>Non-Current Liabilities</b>				
Lease liabilities		-	(678)	678
Borrowings		(14,150)	(13,462)	(688)
Deferred tax liabilities		(5,693)	-	(5,693)
	<b>8</b>	<b>(19,843)</b>	<b>(14,140)</b>	<b>(5,703)</b>
		<b>(17,208)</b>	<b>(34,361)</b>	<b>17,153</b>
<b>Equity</b>				
Other reserves		(20,378)	(19,147)	(1,231)
Accumulated losses		(189,110)	(206,936)	17,826
Non-controlling interests ("NCI")		15,277	14,719	558
	<b>9</b>	<b>(194,211)</b>	<b>(211,364)</b>	<b>17,153</b>

**Note 6**

The revision to audited Non-Current Assets of S\$98,539,000 compared to unaudited Non-Current Assets of S\$75,765,000 is mainly due to prior year restatement of the PRC subsidiaries' distribution and licensing rights of S\$23,458,000 less amortisation during the year of S\$1,413,000 per note 3 offset by exchange translation gain of S\$729,000.

**Note 7**

The revision to audited Net Current Liabilities of S\$7,096,000 compared to unaudited Net Current Liabilities of S\$7,178,000 is largely due to net S\$66,000 audited adjustments of Trade and Other Receivables and Trade and Other Payables mainly from PRC subsidiaries, a S\$7,000 income tax provision adjustment and S\$9,000 lease liabilities adjustment of the Group subsidiaries included in the audited borrowings S\$11,240,000.

**Note 8**

The revision to audited Non-Current Liabilities of S\$19,843,000 compared to unaudited Non-Current Liabilities of S\$14,140,000 is mainly due to prior year restatement of S\$5,864,000 deferred tax liabilities and adjustment of exchange loss of S\$198,000 less write backs of S\$369,000 per note 4, and increased S\$10,000 lease liability adjustment included in the audited borrowings of S\$14,150,000.

**Note 9**

The revision to audited Other Reserves of S\$20,378,000 compared to unaudited Other Reserves of S\$19,147,000 is due to prior year adjustment of S\$731,000 share payment reserve transferred to Accumulated losses and net S\$500,000 adjustment of exchange differences on translation of foreign operations and transactions with Non-controlling interest ("NCI").

The revision to audited Accumulated losses of S\$189,110,000 compared to unaudited Accumulated losses of S\$206,936,000 is due to prior year adjustment of S\$17,588,000 relating to write back of impairment of intangible assets and corresponding deferred tax impact against accumulated losses and S\$731,000 share payment reserve transferred from Equity NCI less adjustment of S\$13,000 NCI share of current year profits and S\$480,000 reduction to profit for the year as explained in notes 1 to note 4.

The revision to audited NCI of S\$15,277,000 compared to unaudited NCI of S\$14,719,000 is due to adjustment of S\$13,000 share of current year profits to NCI and net S\$545,000 adjustment of NCI's share of exchange differences on translation of foreign operations and transactions with NCI.

As a result of the changes in Notes 6 to Note 9, the audited Net Assets of the Company are S\$71,600,000 as compared to the unaudited Net Assets of S\$54,447,000.

**By Order Of The Board**

James Moffatt Blythman  
Executive Director and Chief Financial Officer  
12 November 2020