



ANNUAL REPORT
2024

CONTENTS

| | |
|-----|--|
| 02 | Corporate Information |
| 03 | Letter to Shareholders |
| 06 | Financial Review |
| 08 | Sustainability Report |
| 41 | Directors' Statement |
| 43 | Independent Auditors' Report |
| 49 | Consolidated Statement of Profit or Loss and Other Comprehensive Income |
| 50 | Statements of Financial Position |
| 51 | Consolidated Statement of Changes in Equity |
| 52 | Statement of Changes in Equity |
| 53 | Consolidated Statement of Cash Flows |
| 55 | Notes to the Financial Statements |
| 120 | Corporate Governance |
| 159 | Shareholders' Information |
| 161 | Notice of Annual General Meeting |
| | Proxy Form |

CORPORATE INFORMATION

DIRECTORS

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

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

Mr. Aswath Ramakrishnan
(Non-Executive and Independent Director)

Mr. Koh Beng San
(Non-Executive and Independent Director)

COMPANY SECRETARY

Mr. Allan Tan Poh Chye

REGISTERED OFFICE

16 Kallang Place #05-10/18
Kallang Basin Industrial Estate
Singapore 339156
Telephone number: (65) 6264 2711
Facsimile number : (65) 6302 9777
Electronic mail address: corp@ren-united.com
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SHARE REGISTRAR

Tricor Barbinder Share Registration Services
9 Raffles Place, Republic Plaza, Tower I, #26-01,
Singapore 048619.

AUDITOR

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

Partner-in-charge : Mr. Heng Bao Sheng
(Appointed since financial year ended 30 April 2024)

LETTER TO SHAREHOLDERS

Dear Shareholders,

The financial performance of Renaissance United Limited (the “Company”) together with its subsidiaries (the “Group”) is tied to its three principal operating subsidiaries as follows:

- **Capri Investments LLC (“Capri”)**

Capri Investments L.L.C., in which the Group holds a 100% equity interest, is engaged in property development of its Falling Water Project located in Pierce County, near the cities of Seattle and Tacoma in the State of Washington, USA.

During the year under review, two major milestones were realized by Capri namely the resolution of legal proceedings and the sale of the Tract B sale of the Falling Water Plat/Planned Development District (“PDD”) to KBHPNW LLC (“KB”), a subsidiary of USA national home builder KB Home. The aggregated purchase price paid by KB Home for the development tract consisting of 97 single family home entitlements is US\$9,471,115 (Approx. S\$12,748,121). Further, Capri also received the balance of the proceeds from partial sale, being a sum of US\$1,280,000 (Approx. S\$1,722,880).

Due to the complexities and uncertainties associated with prolonged legal proceedings, the nature of trial by jury, the disparate rulings of the various interlocutory proceedings, the costs of litigation, the potentiality of the Falling Water Project’s entitlements expiring as a result of prolonged legal proceedings, including appeals anticipated to be made by the prevailing party to the Legal Suit, the Board and management have concluded that the Settlement was in the interest of the Company and Capri. The decision was made primarily to avoid ongoing costs, potential disruptions to Capri’s business and the uncertainties of the final outcome of trial by jury. Please refer to the Company’s announcement dated 12 February 2024 for further details.

The Company is working with its advisors to further develop the remaining acreage permitted under the local zoning.

- **Hubei Zonglianhuan Energy Investment Management Inc. (“HZLH”)**

The Group’s wholly-owned subsidiary Excellent Empire Limited, via its 100% owned subsidiary China Environmental Energy Protection Investment Limited (“CEEP”), holds 65% equity interest in HZLH. HZLH in turn holds a 100% equity interest in four companies supplying natural gas under 30-year exclusive contracts with the cities of Anlu, Dawu, Xiaochang, and Guangshui in Hubei Province, People’s Republic of China (“PRC”).

HZLH’s FY24 revenue of S\$65.9 million increased marginally when compared to S\$60.4 million in FY23. Lower installation revenue has been offset in higher selling prices and demand from commercial and industrial customers. However, seasonal higher upstream gas prices negatively impacted profitability.

As foreshadowed in previous announcements, China’s policymakers have been considering reforming gas downstream pricing governance with a view to shifting towards a price linking mechanism. Hubei Provincial Development and Reform Commission and Xiaogan Municipal Development and Reform Commission have sought comments and held hearings with relevant stakeholders. The Management of HZLH have been engaging with their respective government departments about implementation of the new pricing policy permitted under local zoning and an application is expected by end of the calendar year. The new pricing policy should resolve margin squeeze during the winter period where historically China experiences shortages. China central policy makers are still resolved on Natural Gas being a key part of their energy mix. Several key infrastructure projects such as LNG receiving terminals have come online and the central government continues to negotiate bi-lateral supply contracts both which will mitigate gas shortages seen in previous periods.

LETTER TO SHAREHOLDERS

• **ESA Electronics Pte. Ltd. (“ESA”)**

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

ESA’s revenue improved slightly with FY24 revenue of S\$15.4 million compared to S\$13.8 million in FY23, driven by higher equipment sales to its existing customer base.

The China market will remain a key focus for ESA as China still remains committed to semi-conductor self-sufficiency.

Strategic Initiatives

1. Entry into exclusive marketing agreement with Maxstar International Sdn Bhd

As announced on 2 July 2024 the Company’s wholly owned subsidiary Renaissance United Washington (“RUW”) entered into an exclusive marketing agreement with Maxstar International Sdn Bhd (“Maxstar”). The rationale for the Group venturing into the marketing and distribution of the Products is because in the course of its real estate development and sale business, it has established contacts with large American home developers who have enquired if the Group had any contact with manufacturers of kitchen cabinetry in Malaysia as well as other building products.

2. Pelangi acquisition

On 26 June 2024, the Company announced that its wholly owned subsidiary, Renaissance United Assets Sdn. Bhd. (“RUA”) entered into a sale and purchase agreement dated 25 June 2024 (the “Pelangi Acquisition”) with Pelangi Sdn Bhd (“Pelangi”) for the purchase of a parcel of land and a commercial building (“Building”) which is under development by Pelangi on the said land. Pelangi is a subsidiary of SP Setia Berhad., a well-known property developer in Malaysia. As disclosed in the 26 June 2024 announcement, when completed, the Group intends to lease out spaces within the Building as shops and offices. Please refer to the Company’s announcement on 26 June 2024 for more information on the Pelangi Acquisition.

Expansion into new markets and diversification of property business

In entering into the Exclusive Marketing Agreement and making the Pelangi Acquisition, the Group is preparing to convene an extraordinary general meeting to seek the approval of shareholders for:

- (a) a proposed geographical expansion of its current property development and sale business carried on in the USA into areas to include Singapore, Australia, Sri Lanka, Vietnam, Cambodia, and the People’s Republic of China. (the “Proposed Geographical Expansion”); and
- (b) a proposed diversification of the Group’s property development and sale business to include the acquisition and development of commercial properties for rental, management and the distribution of certain home interior products, such as kitchen cabinetry and other home interior products and services (the “Proposed Property Business Diversification”).

Outlook and Acknowledgment

The Group believes that the Proposed Geographical Expansion and the Proposed Property Business Diversification will enhance its property development and sales business. These initiatives will broaden the Group's horizons, and by diversifying its current scope to include the development of commercial properties and distribution of home interior products and services, it is believed that they will allow the Group to:

- **Capture opportunities.** The nature of the real estate and property business is dynamic, where prompt investment decisions are required. The selected new markets are characterized by their growing economies and/or vibrant, albeit mature, real estate sectors, offering opportunities for the generation of new and sustainable revenue streams through rental income, capital appreciation, and the provision of property-related services. This strategic move is aimed at positioning the Group for a more robust and sustainable future.
- **Wider network of contacts and opportunities.** Entering the new markets also brings with it new contacts, clients, and business opportunities, which can bring further opportunities of other businesses, including sustainable and green businesses for the Group to consider and enter into, with shareholders' approval, if it should come to pass.
- **Maintain industry relevance.** The real estate and property industry is constantly evolving, especially after the COVID-19 pandemic. Expanding its geographic reach will help the Group stay relevant and competitive, and capitalise on new trends, such as smart and sustainable homes and offices, with eco-friendly features, or homes with dedicated workspaces or with flexible layouts that can be adapted into workspaces.

On behalf of the Board, I would like to thank the management and staff of our businesses. Thank you also to our shareholders, key partners, customers and suppliers who have supported us throughout the year.

James Moffatt Blythman

Executive Director and Chief Financial Officer

On Behalf of the Board

15 August 2024

FINANCIAL REVIEW

For the financial year ended 30 April 2024 ("FY24"), the Group achieved a Turnover of S\$93.4 million, which was S\$19.2 million or 25.9% higher than the Turnover of S\$74.2 million recorded for the corresponding financial year ended 30 April 2023 ("FY23"). The Group's Turnover was mainly attributable to the following subsidiaries:

ESA Electronics Pte. Ltd. ("ESA") recorded a 11.6% increase in Turnover of S\$1.6 million to S\$15.4 million in FY24, as compared to a Turnover of S\$13.8 million recorded in FY23. The increase was mainly due to increased demand of burn-in boards by semi-conductor manufacturers in the current year;

Capri Investment L.L.C ("Capri") recorded a Turnover of S\$12.1 million in FY24 and NIL in FY23 as there was no finalised sales agreement with home builders in the previous year;

Excellent Empire Limited ("EEL"), via its wholly-owned subsidiary, China Environmental Energy Protection Investment Limited ("CEEP"), 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\$65.9 million in FY24, as compared with S\$60.4 million in FY23. The 9.1% increase in Turnover of S\$5.5 million was mainly due to increase in natural gas sales.

The Group recorded a Loss before Income Tax of S\$8.7 million in FY24 and S\$7.3 million in FY23.

The Group recorded a Loss after Income Tax of S\$9.9 million in FY24, and S\$7.9 million in FY23.

Correspondingly, the Group had Loss Attributable to Shareholders of S\$6.8 million in FY24 and S\$6.1 million in FY23 and Loss per Share of 0.110 Singapore cents in FY24 and 0.098 Singapore cents in FY23.

Other income increased by S\$0.2 million to S\$0.6 million in FY24, as compared with S\$0.4 million FY23. This was mainly due to increase of S\$0.1 million in sundry income and S\$0.3 million payables written back in the Group companies offset by S\$0.2 million decrease in recovery of legal costs in Capri.

The Group's Total Cost and Expenses increased by S\$20.9 million to S\$102.7 million in FY24, compared with S\$81.8 million in FY23. This was mainly due to:

- (a) S\$6.8 million increase in the changes in inventories, raw materials and consumables, which is in line with the increase in turnover of semi-conductor business of ESA and the natural gas business of China subsidiaries;
- (b) S\$4.3 million property development costs in Capri in FY24 and NIL in FY23;
- (c) S\$1.0 million decrease in amortisation of intangible assets relating to land use rights and service concession arrangements of China subsidiaries;
- (d) S\$3.9 million increase in impairment loss of intangible assets mainly from the gas distribution and licensing rights of the China subsidiaries;

- (e) S\$0.7 million increase in depreciation of fixed assets mainly from the China subsidiaries;
- (f) S\$0.2 million decrease in impairment loss of trade receivables of ESA from a S\$0.1 million impairment loss in FY23 to a reversal of S\$0.1 million impairment loss in FY24;
- (g) S\$0.6 million decrease in foreign exchange loss 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\$1.337 to S\$1.361 (FY23: weakened from S\$1.379 to S\$1.337)
 - (ii) Chinese Renminbi (“RMB”), at exchange rates of 1 RMB to S\$ which weakened from S\$0.193 to S\$0.188 (FY23: weakened from S\$0.210 to S\$0.193).
- (h) S\$0.3 million increase in employee benefit expenses mainly from China subsidiaries;
- (i) S\$4.8 million legal settlement costs in Capri in FY24 pertaining to a legal suit settlement with Sawyer Falls as announced on 12 February 2024;
- (j) S\$1.9 million increase in other operating expenses due to increases in Capri of S\$0.6 million property taxes and commissions, S\$0.9 million increase in professional and legal fees mainly from Capri, S\$0.2 million increase in safety production expenses of China subsidiaries, S\$0.1 million increase in travelling expenses and net S\$0.1 million increase in general and administrative expenses of the Group’s subsidiaries.

As at 30 April 2024, the Total Assets of the Group were S\$90.1 million (FY23: S\$100.2 million). The Net Current Liabilities of the Group as at 30 April 2024 were S\$13.2 million (FY23: S\$10.0 million), of which S\$17.7 million (FY23: S\$12.7 million) was held as cash and cash equivalents.

The Group’s total borrowings of S\$25.8 million (FY23: S\$22.5 million) consist of mainly bank loans and overdrafts obtained by subsidiaries in PRC and ESA. The Group’s gearing ratio as at 30 April 2024, based on net debt divided by total capital is 0.45 times (FY23: 0.41 times). Net debt is calculated as total borrowings, lease liabilities and trade and other payables less cash and cash equivalents. Total capital is calculated as equity to owners of the parent plus net debt.

As at 30 April 2024, the total equity of the Group was S\$36.4 million, as compared to S\$46.6 million in FY23. The decrease was mainly due to a current year loss of S\$9.9 million and S\$0.3 million translation loss in other reserve and non-controlling interests.

The net asset value per share is S\$0.004 in FY24 (FY23: S\$0.005) and the total issued share capital of the Company is 6,180,799,986 (FY23: 6,180,799,986) ordinary shares.

SUSTAINABILITY REPORT

1. OUR BUSINESS

1.1 Background

Renaissance United Limited (“**RUL**”, the “**Company**”), together with its subsidiaries (collectively known as the “**Group**” or “**We**”), are an investment holding group with a diversified portfolio of strategic investments. Our investment portfolio comprises strategic stakes in various key sectors as follows:

- We supply gas to residential and commercial users in the People’s Republic of China (“**China**”), hereinafter referred to as (the “**Gas Distribution**”);
- We specialise in burn-in board design and manufacturing for the semiconductor industry (“**Electronics and Trading**”); and
- We develop residential real estate in the United States of America (“**USA**”), herein after referred to as (the “**Property Development**”).

Our geographical presence is as follows:



1.2 Our Business

The Group is principally involved in three main business segments of: (i) Gas Distribution; (ii) Electronics and Trading; and (iii) Property Development as follows:

Gas Distribution



We procure the following:

- Compressed natural gas and liquified natural gas ("**Natural Gas**") from major local gas suppliers; and
- Pipes, valves, gas meters and materials to develop piping networks.

We provide last-mile fulfilment services and assist our customers to connect to the national pipeline network.

We serve residential and industrial customers.

Electronics and Trading



We procure the following:

- Consumables and semiconductor components;
- Precision equipment utilise for testing and measurement from manufacturers across the globe; and
- Sockets from customers on a consignment basis.

Our expertise includes:

- Design, manufacture and assemble burn-in boards based on customers' specifications;
- Distribution of semi-conductor back-end equipment such as vision inspection and test systems; and
- Provision of consultancy services.

We primarily serve semi-conductor companies and act as an agent and distributor for the sales of semi-conductor back-end equipment.

SUSTAINABILITY REPORT

Property Development



Our Service Providers



Our Operations



Our Customers

We source for professional service providers such as licensed engineers and professional consultants.

We manage property development projects including obtaining approval for site plans and development of infrastructure for sites.

The developed properties are sold to home builders who constructs the property units for sale to end customers.

1.3 People

As at 30 April 2024, the breakdown of our employees by country is as follows:

| Employment type | Singapore | China | Total |
|-----------------------------------|-----------|-------|-------|
| Full-time | 90 | 215 | 305 |
| Part-time | - | 1 | 1 |
| Non-guaranteed hours ¹ | 2 | 13 | 15 |

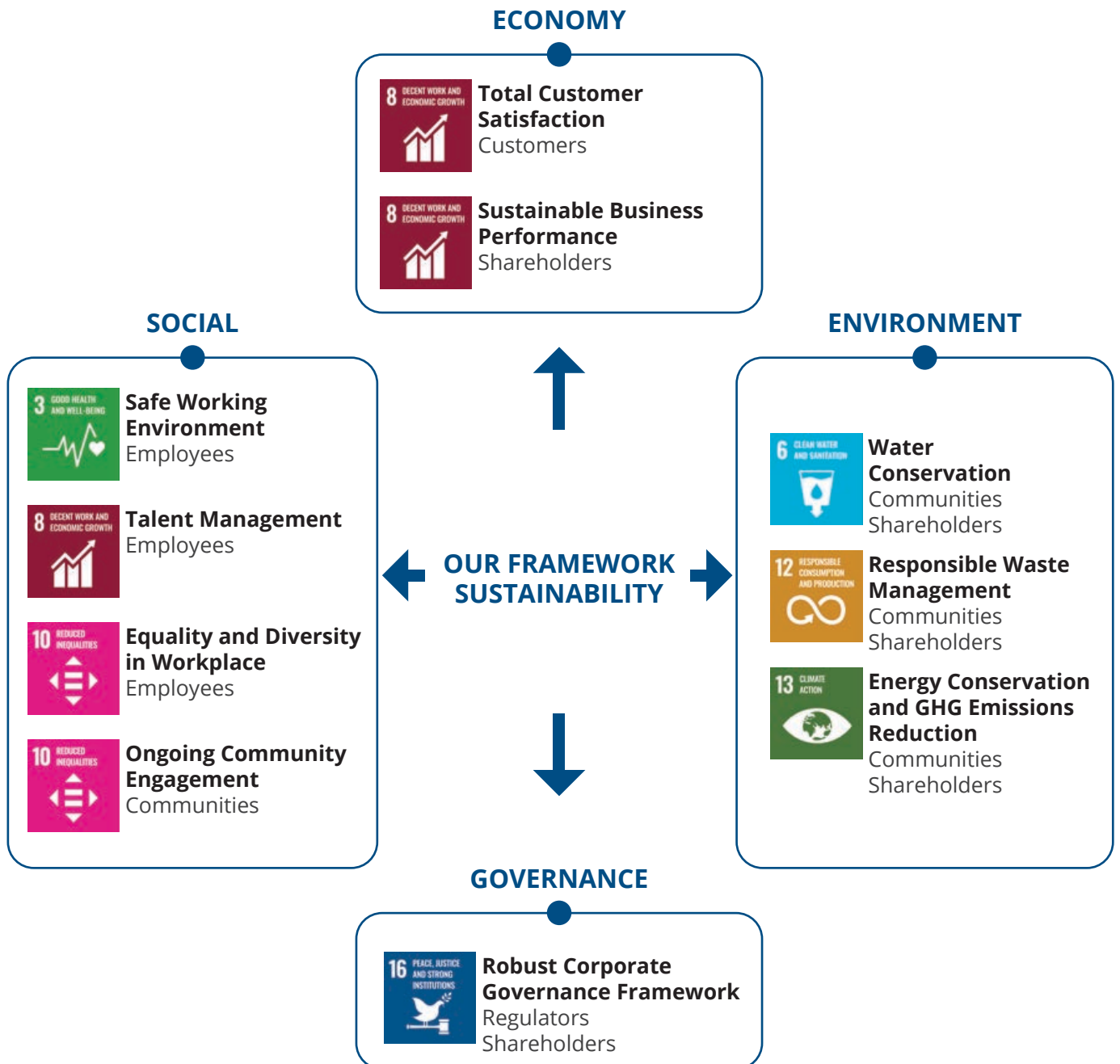
2. BOARD STATEMENT

We reaffirm our commitment to sustainability with the publication of this sustainability report (“**Report**”). For this Report, we provide insights into the way we do business, while highlighting our material sustainability factors under the economic, environmental, social and governance pillars (collectively as “**Sustainability Factors**”).

We are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure the long-term future of the Group. In line with our commitment, the Board of Directors (“**Board**”), having considered sustainability issues as part of its strategic formulation, determined the material Sustainability Factors and overseen the management and monitoring of the material Sustainability Factors.

¹ We excluded part-time and non-guaranteed hour employees from our performance indicators as they constitute <5% of the Group’s headcount and are deemed immaterial.

Our sustainability framework communicates our commitment towards supporting the United Nations' Sustainable Development Goals ("SDGs") and is supported by our key stakeholders. We work closely with key stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDGs as follows:



SUSTAINABILITY REPORT

3. SUSTAINABILITY PERFORMANCE AT A GLANCE

A summary of our key sustainability performance is as follows:

| Sustainability Pillar | Performance Indicator | Performance Indicator | |
|-----------------------|--|---|---|
| | | FY2024 | FY2023 |
| Economic | Market standards adopted | The Electronic and Trading Business is certified under the ISO 9001: 2015 | The Electronic and Trading Business is certified under the ISO 9001: 2015 |
| | Turnover (S\$ million) | 93.4 | 74.2 |
| Environmental | Water consumption intensity (m ³ /revenue S\$'000) | 0.05 | 0.02 |
| | Waste generated intensity (tonnes/revenue S\$'000) | <0.001 | <0.001 |
| | Total Scope 2 greenhouse gas ("GHG") emissions (tonnes CO ₂ e) | 929 | 890 |
| | Scope 2 GHG emissions intensity (tonnes CO ₂ e/revenue S\$'000) | 0.01 | 0.01 |
| Social | Number of workplace fatalities | - | - |
| | Number of high-consequence work-related injuries ² | - | - |
| | Number of recordable work-related injuries | - | - |
| | Number of work-related ill health cases ³ | - | - |
| | Employee's overall turnover rate (%) | 6 | 7 |
| | Number of reported incidents of unlawful discrimination against employees ⁴ | - | - |
| Governance | Number of incidents of serious offence reported ⁵ | - | - |

4. REPORTING FRAMEWORK

This Report is prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited Listing Rules and with reference to the Global Reporting Initiative ("GRI") Standards for the period from 1 May 2023 to 30 April 2024 ("**Reporting Period**"). We chose to report using the GRI Standards as it is an internationally recognised reporting framework. The GRI content index can be found in Section 13 of this Report.

² A high-consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within six months.

³ A work-related ill health case refers to a case with negative impacts on health arising from exposure to hazards at work.

⁴ An unlawful discrimination refers to an incident of discrimination whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

⁵ A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two years, which is being or has been committed against a company by officers or employees of the company.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are produced based on the 11 recommendations of the Taskforce on Climate-related Financial Disclosures (“**TCFD**”).

We relied on internal data monitoring and verification to ensure accuracy of this Report. Internal review on the sustainability reporting process is incorporated as part of our internal audit review cycle and we will work towards external assurance for our future sustainability reports subject to market trends and regulatory requirements.

5. REPORTING SCOPE

This Report presents our practices in key aspects of sustainability, provides a detailed account of our sustainability performance in our operations and is applicable for the Reporting Period. This Report covers the following operating entities within our key business segments which contributed to 100% of our total revenue for the Reporting Period (FY2023: 100%):

| S/N | Entity | Country of Operation | Business Segment |
|-----|--|----------------------|-------------------------|
| 1 | Hubei Zonglianhuan Energy Investment Management Inc. | China | Gas Distribution |
| 2 | ESA Electronics Pte Ltd | Singapore | Electronics and Trading |
| 3 | Capri Investments LLC | USA | Property Development |

6. FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: corp@ren-united.com.

7. STAKEHOLDER ENGAGEMENT

We recognise that constructive engagement with stakeholders, accurate interpretation of their needs and incorporating them in our strategic planning are necessary. Through an internal stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that have an interest that are affected or could be affected by our activities as follows:

| S/N | Key Stakeholder | Engagement Channel | Frequency of Engagement | Key Concern Raised |
|-----|-----------------|---------------------|-------------------------|---|
| 1 | Communities | Community campaigns | Ongoing | <ul style="list-style-type: none"> Environmental conservation Accessibility to Natural Gas supply |

SUSTAINABILITY REPORT

| S/N | Key Stakeholder | Engagement Channel | Frequency of Engagement | Key Concern Raised |
|-----|-----------------|--|---|--|
| 2 | Customers | <ul style="list-style-type: none"> • Face-to-face meetings • Email communications • Phone calls • Teleconferences <hr/> Factory audits | Regularly As and when required | Product and service quality and safety |
| 3 | Employees | <ul style="list-style-type: none"> • Email communications • Face-to-face meetings • Online meetings on video conferencing platforms | Regularly | <ul style="list-style-type: none"> • Safe working environment • Equal employment opportunities • Job security • Remuneration |
| 4 | Regulators | Consultations and briefings organised by key regulatory bodies such as Singapore Stock Exchange and relevant government agencies/ bodies | As and when required | Corporate governance |
| 5 | Shareholders | Announcements on SGXNet <hr/> <ul style="list-style-type: none"> • Annual general meetings • Annual reports <hr/> <ul style="list-style-type: none"> • Investor relations email account • Business publications • Investors' relation events | Quarterly <hr/> Annually <hr/> Regularly or when needed | <ul style="list-style-type: none"> • Sustainable business performance • Market valuation • Corporate governance |
| 6 | Suppliers | <ul style="list-style-type: none"> • Email communications • Face-to-face meetings • Online meetings on video conferencing platforms | As and when required | <ul style="list-style-type: none"> • Demand • Pricing volatility |

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

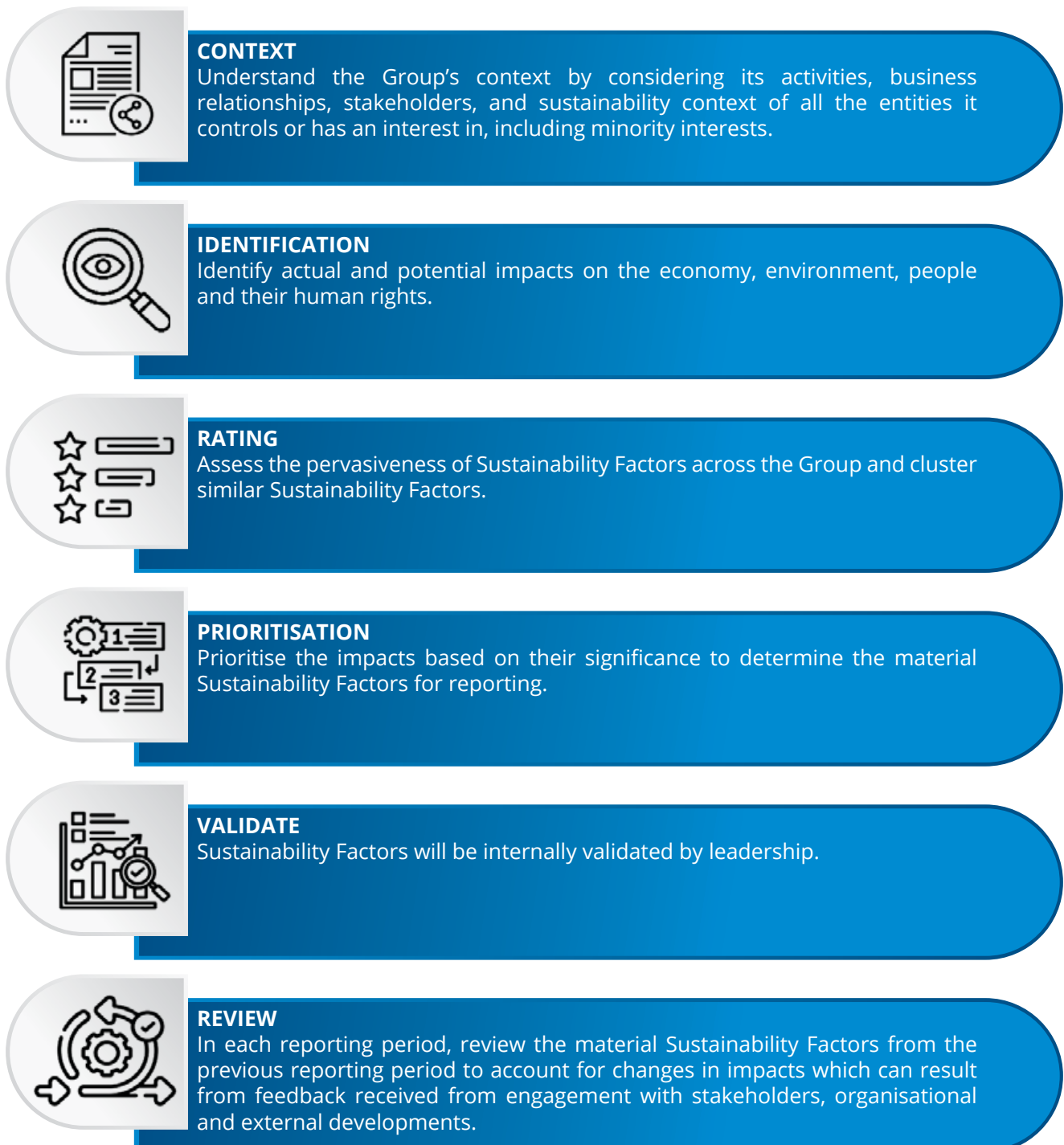
8. POLICY, PRACTICE AND PERFORMANCE REPORTING

Our sustainability reporting policy ("**SR Policy**") covers the sustainability processes in place to identify and monitor material Sustainability Factors and serves as a point of reference to how we conduct our sustainability reporting. Under this SR Policy, we review our material Sustainability Factors annually, considering the feedback that we receive from our engagement with our stakeholders as well as relevant internal and external developments. A sustainability report is published annually in accordance with our SR Policy.

8.1 Sustainability Reporting Processes

Under our SR policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's sustainability-related impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:

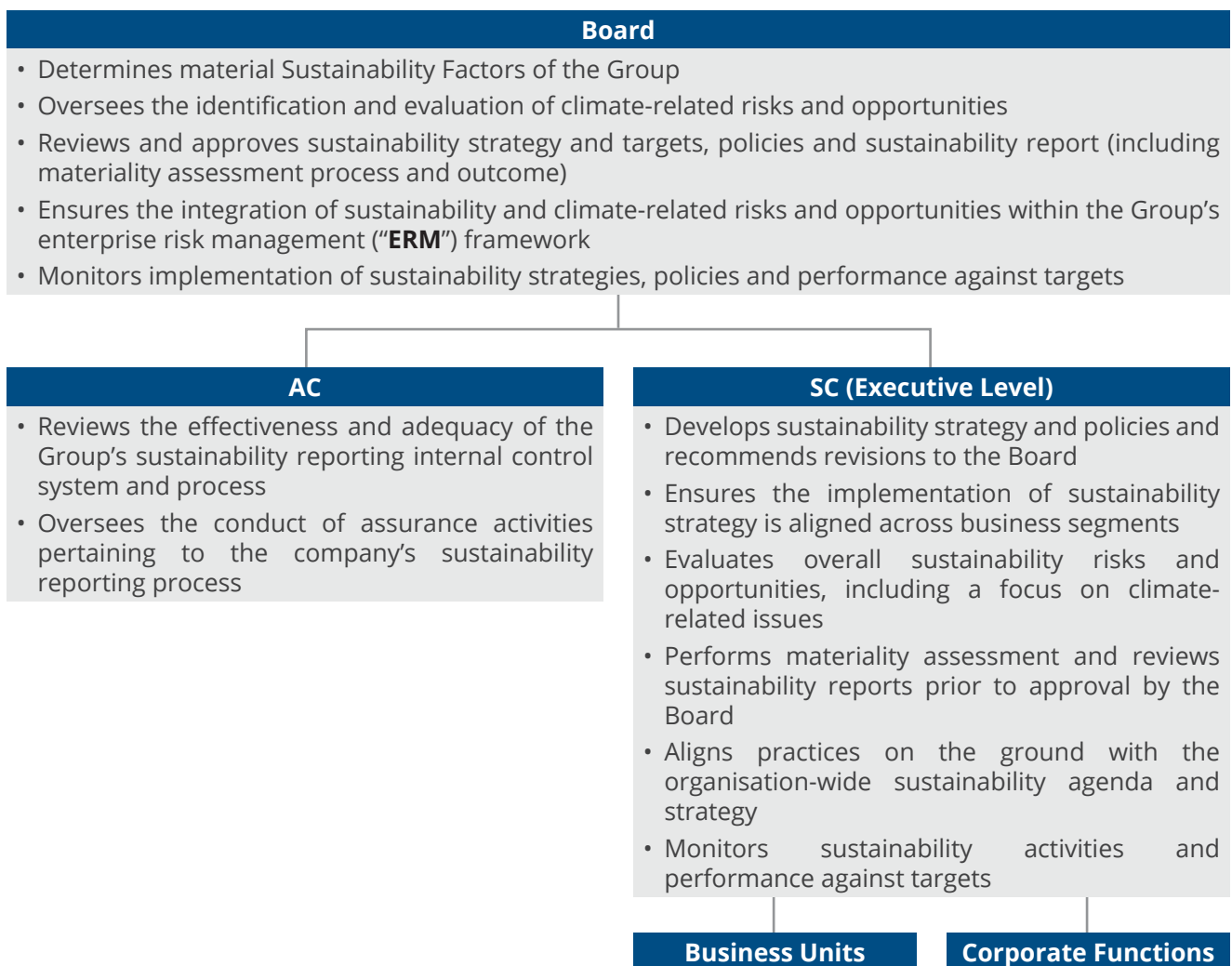


8.2 Sustainability Governance Structure

The Board advises and supervises the development of the Group’s sustainability strategy and performance targets and is primarily supported by an executive level Sustainability Committee (“**SC**”) by virtue of delegation. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of Rule 720(7) of the SGX-ST, all our directors have attended one of the approved sustainability training courses.

The SC, which includes senior management executives from various support units⁶, is led by the Executive Director cum Chief Financial Officer (“**Executive Director cum CFO**”), and tasked to develop the sustainability strategy, review material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for the sustainability report.

Besides the SC, the Board is also supported by the Audit Committee (“**AC**”) on specific sustainability matters under its terms of reference. The Group’s sustainability governance structure and the responsibilities of component parties are detailed as follows:



⁶ Other members of the SC comprised the Finance/ HR Manager and Director of Hubei Zonglianhuan Energy Investment Management Inc.

As we are still refining our sustainability related performance indicator measuring and tracking mechanism, we will link key executives' remuneration to sustainability performance when the mechanism is more mature and stable.

8.3 Materiality Assessment

We consistently refine our management approach to effectively respond to the dynamic shifts within the business landscape. Aligned with the GRI standards, a cornerstone of our commitment is the undertaking of annual materiality assessment to ensure ongoing relevance and materiality of sustainability issues are addressed and disclosed within this Report.

The scope of materiality assessment encompasses both positive and negative as well as the actual and potential impacts of the sustainability issues. The assessment also considers: (i) the likelihood of occurrence of such impacts; and (ii) their significance on the economy, environment, social aspects and in terms of their contribution to sustainable development.

8.4 Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying, monitoring and measuring the relevant data points. In addition, we set performance targets that are aligned with our business strategies to ensure that we remain focused in our path to sustainability. We aim to consistently enhance our performance-monitoring and data collection processes.

9. MATERIAL SUSTAINABILITY FACTORS

In FY2024, a stakeholder engagement session and materiality assessment⁷ were conducted to understand the concerns and expectations of our key stakeholders. Through this session and assessment, factors with significant impacts to the sustainability of our business were updated. In this Report, we also reported on our progress in managing these factors and set related targets to improve our performance.

Our material Sustainability Factors are presented in the table below:

| S/N | Material Sustainability Factor | Key Stakeholder | SDGs |
|----------------------|---|---|--|
| <u>Economic</u> | | | |
| 1 | Total Customer Satisfaction | Customers | Decent work and economic growth |
| 2 | Sustainable Business Performance | Shareholders | Decent work and economic growth |
| <u>Environmental</u> | | | |
| 3 | Water Conservation | <ul style="list-style-type: none"> Communities Shareholders | Clean water and sanitation |
| 4 | Responsible Waste Management | <ul style="list-style-type: none"> Communities Shareholders | Responsible consumption and production |
| 5 | Energy Conservation and GHG Emissions Reduction | <ul style="list-style-type: none"> Communities Shareholders | Climate action |

⁷ We engaged the stakeholders of customer, employees and suppliers for our materiality assessment.

SUSTAINABILITY REPORT

| S/N | Material Sustainability Factor | Key Stakeholder | SDGs |
|-------------------|---|--|--|
| <u>Social</u> | | | |
| 6 | Safe Working Environment | Employees | Good health and well-being |
| 7 | Talent Management | Employees | Decent work and economic growth |
| 8 | Equality and Diversity in the Workplace | Employees | Reduced inequalities |
| 9 | Ongoing Community Engagement | Communities | Reduced inequalities |
| <u>Governance</u> | | | |
| 10 | Robust Corporate Governance Framework | <ul style="list-style-type: none"> Regulators Shareholders | Peace, justice and strong institutions |

We update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. The details of each material Sustainability Factor for the Reporting Period are presented as follows:

Please refer to section 12 'Supporting the SDGs' in this Report on our efforts in addressing these goals.

9.1 Total Customer Satisfaction

Our Commitment

We are committed to building and retaining a loyal customer base by maximising customers' experience as it is crucial to our business sustainability.

Our Approach

We adopt the following strategies to ensure customer satisfaction:

Develop a team of Highly Trained Employees

We depend on our highly trained and professional employees to support our customers on the range of products and services we offer. We also place priority on the competency development of our employees such as encouraging our technical employees to attain technical certifications relevant to their work. Refer to section 9.7 'Talent Management' for further details.

Electronics and Trading Business

Customised Products for our Customers

We specialise in the design and manufacturing of customised burn-in boards that are tailored to our customer's specifications. Our products are manufactured on a made-to-order basis, ensuring that they meet the requirements of our customers.

Maintain Presence and Proximity to Whom we Serve

We established a network of operations in Singapore, China, USA, Taiwan and Europe. Our Regional Customer Service Engineers are trained to manage our customer requests in a timely manner.

Adoption of Market Standards on Product Quality and Safety

Our key operating entity under the Electronics and Trading business segment, ESA Assembly Pte Ltd, is certified under ISO 9001:2005 Quality Management System standards (“ISO”) to maintain product quality and safety. The adoption of such standards supports our ability to consistently provide products and services that meet customers’ needs and expectations.



Gas Distribution Business

Maintain Presence and Proximity to Whom we Serve

We maintained a network of service centres that are strategically located near our customers to serve their needs. We coordinate with our gas-meter service providers to facilitate on-line payments for our customers.

Real-time Safety Monitoring System

A real-time safety monitoring system is implemented which allow us to: (i) detect and prevent leaks; (ii) take immediate actions (if required); and (iii) enhance monitoring. Incidents relating to gas leakage can be identified and rectified timely, reducing our liability exposure associated with pipeline operations.

Our Performance

Electronics and Trading Business

Maintain Presence and Proximity to Whom we Serve

As at 30 April 2024, we operated from 5 different key geographical locations (FY2023: 5 key geographical locations).

Adoption of Market Standards on Product Quality and Safety

As at 30 April 2024, we continued to be ISO certified.

Gas Distribution Business

Maintain Presence and Proximity to Whom we Serve

As at 30 April 2024, we operated 4 service centres (FY2023: 4 service centres).

9.2 Sustainable Business Performance

Our Commitment

We are committed to creating long-term economic value for stakeholders by adopting responsible business practices and growing our business in a sustainable manner.

Our Approach

We generate economic value by executing our business strategy, which includes organic growth, strategic acquisition and maintaining a robust balance sheet with strong operating cash flows.

Our Performance

During the Reporting Period, we generated a turnover of S\$93.4 million (FY2023: S\$74.2 million) and reported a loss of S\$9.9 million (FY2023: S\$7.9 million).

Further details of our economic performance be found in the financial contents and audited financial statements of the annual report FY2024.

9.3 Water Conservation

Our Commitment

We are committed to responsible usage of water resources through enhancing our water consumption efficiency.

Our Approach

Our water source⁸ is primarily derived from the Public Utilities Board, Singapore's National Water Agency for washing printed circuit boards in our Electronics and Trading business segment.

Our water conservation initiatives include tracking and reviewing our water consumption regularly to control water usage. Investigations and corrective actions (if deemed necessary) are taken when there are unusual consumption patterns. We constantly encourage employees to use water responsibly.

The water usage for our operations in China and USA is deemed not material due to their business nature.

Our Performance

Key statistics on water consumption during the Reporting Period are as follows:

| Performance Indicator | Water Consumption (m ³) | | Water Consumption Intensity (m ³ /revenue S\$'000) | |
|-----------------------|-------------------------------------|--------|---|--------|
| | FY2024 | FY2023 | FY2024 | FY2023 |
| Water | 714 | 346 | 0.05 | 0.02 |

During the Reporting Period, our total water consumption increased largely due to an aggregate increase in sales volume whilst our water consumption intensity increased due to a change in regulatory requirement which led to a more stringent process for washing printed circuit boards.

⁸ Disclosure on water drawn from water stress areas is not made as the Group does not significantly impact the ability of the countries where it operates, in meeting their human and ecological water demands.

9.4 Responsible Waste Management

Our Commitment

We are committed to preserve the environment through efficient waste management such as reusing and recycling, which allows us to operate in a conducive and sustainable environment while minimising adverse impacts on human health and the environment.

Our Approach

In line with our commitment, we aim to move towards a paperless working environment and reduce our paper usage whenever applicable. For our Electronics and Trading business segment, we deployed an integrated business system to reduce reliance on transit documents, opting for electronic copies of operations related documents where practicable.

Our Performance

Key statistics on paper waste generated during the Reporting Period are as follows:

| Performance Indicator | Unit of Measurement | FY2024 | FY2023 |
|------------------------------|------------------------|--------|--------|
| Waste generated ⁹ | tonnes | 0.671 | 0.615 |
| Waste generated intensity | tonnes/ revenue \$'000 | <0.001 | <0.001 |

During the Reporting Period, our waste generated intensity remains fairly constant when compared against the prior Reporting Period. We will continue to intensify our waste management efforts by tracking our waste generated, observe fluctuation patterns and take corrective actions if required.

9.5 Energy Conservation and GHG Emissions Reduction

Our Commitment

We are committed to preserve the environment, enhance energy efficiency and reduce our carbon footprint whilst open to capitalise on opportunities that may arise to become a low-carbon organisation.

Our Approach

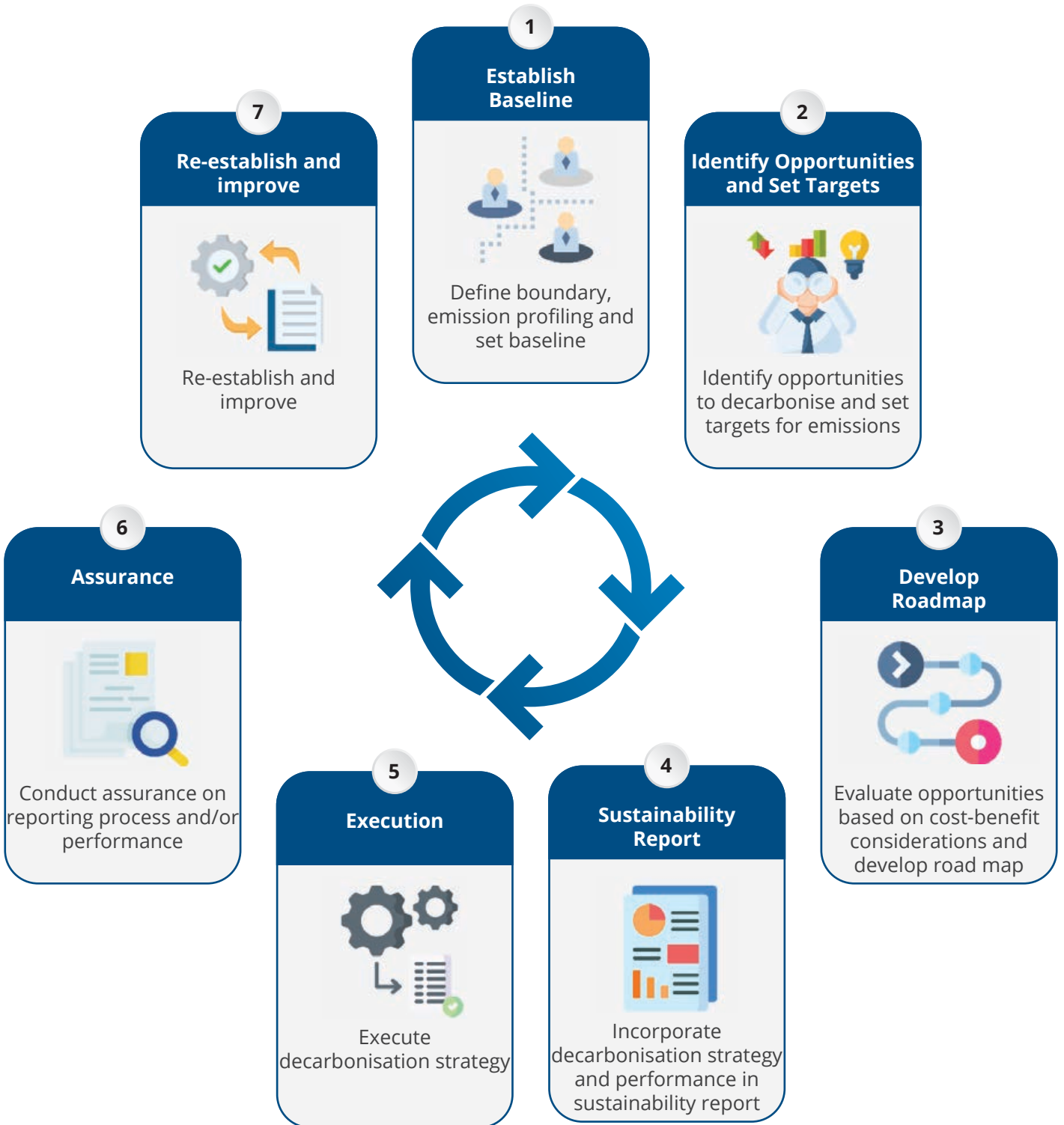
We aim to reduce our environmental footprints and at the same time, establish operational resilience to deliver long-term and sustainable value to our key stakeholders.

⁹ The amount of waste generated is computed based on the amount of paper used in our operations and converted to tonnes based on an average weight of 5 grams per piece of paper.

SUSTAINABILITY REPORT

Decarbonisation Approach

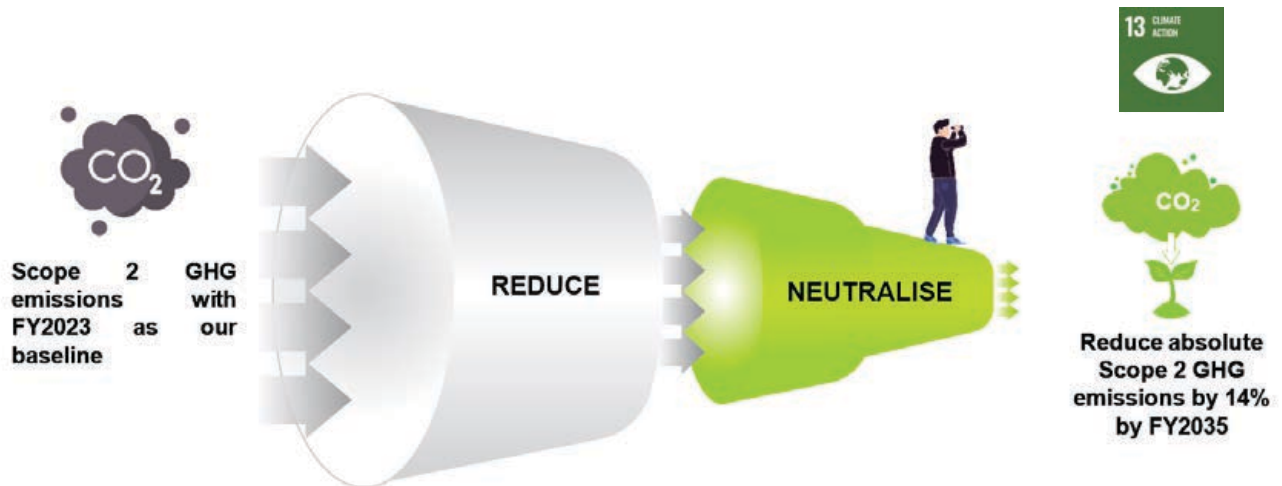
To achieve our decarbonisation goals, we set up a seven-step continuous circular process for our decarbonisation efforts as follows:



This year, we conducted a GHG emission profiling exercise for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track our other categories of our Scope 3 GHG emissions, where relevant and practicable. We also developed a climate change transition plan and will refine and improve our climate change transition plan as we progressively implement the plan, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our sustainability report with assurance on the reporting process covered by an internal review.

Climate Change Transition Plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our absolute Scope 2 GHG emissions by 14% and by FY2035, with FY2023 as our baseline. Our climate change transition plan is focused on two strategic levers of reduce and neutralise as follows:



Details of our strategic levers are as follows:

| Lever | Reduce | Neutralise |
|--------------------|---|---|
| Description | <ul style="list-style-type: none"> Reduce absolute GHG emissions first within our operations and followed by our supply chain Replace existing energy source with low or zero-carbon sources | Neutralise unavoidable residual GHG emissions |
| Focus area | <ul style="list-style-type: none"> Energy efficiency <ul style="list-style-type: none"> - Machinery and Equipment - Lighting - Cooling - Electric vehicle Clean energy | <ul style="list-style-type: none"> Renewable energy certificates (“REC”) Carbon credits |

SUSTAINABILITY REPORT

We track and review our energy consumption regularly to control usage and take corrective actions when unusual consumption patterns are observed. We continuously strive to improve our energy use and efficiency through the following initiatives and aspirations:

| Lever | Key Initiative | Description |
|------------|---|---|
| Reduce | Reduction in energy consumption through efficient machinery and equipment | Our initiatives on this front include: <ul style="list-style-type: none"> • Regular maintenance of machinery and equipment to optimise energy efficiency; • Regular cleaning of filters for air-conditioning systems to reduce air flow resistance; and • Adopt greener work practices such as switching off appliances when not in use and enabling power saving modes. |
| | Reduction in energy consumption through adoption of greener work practices | We switch off the lightings to reduce energy consumption when not in used. |
| | Reduction through switching to renewable energy source | We constantly explore opportunities to use clean and/or renewable energy available in the locations that we operate in. |
| Neutralise | <ul style="list-style-type: none"> • REC • Carbon credits | We plan to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature. |

We track and review spending on energy consumption regularly to control usage. Corrective actions are taken when there are unusual consumption patterns.

To run our operations, we rely mainly on electricity for operating our offices, plant and machinery. As the amount of direct GHG emissions (Scope 1) is immaterial, no disclosures were made for the Reporting Period. We will continue to track and monitor our direct GHG emissions (Scope 1) and make appropriate disclosures when the amount is deemed material.

Our Performance

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

| Performance Indicator | Unit of Measurement | FY2024 | FY2023 |
|---|--|--------|--------|
| Energy Consumption | | | |
| Electricity consumption | GJ | 6,334 | 6,060 |
| Electricity consumption intensity | GJ/ revenue \$'000 | 0.678 | 0.649 |
| GHG Emissions | | | |
| Indirect GHG emissions (Scope 2 ¹⁰) | tonnes CO ² e | 929 | 890 |
| GHG emissions intensity | tonnes CO ² e/ revenue \$'000 | 0.01 | 0.01 |

¹⁰ GHG emissions from electricity purchased (Scope 2) are calculated based on the latest respective emissions factors published by the Energy Market Authority and the Ministry of Ecology and Environment of China for our Electronics and Trading and Gas Distribution business segments.

For the Reporting Period, there was no material changes in GHG emissions intensity compared to the previous prior Reporting Period.

During the Reporting Period, we started tracking our Scope 3 GHG emissions¹¹ arising from business travel (category 6) and employee commuting (category 7):

| Category | Coverage | Operation | Unit of Measurement | FY2024 ¹² |
|--------------------------------|---|-----------|--------------------------|----------------------|
| Category 6: Business travel | Air travel | Singapore | tonnes CO ₂ e | 3 |
| Category 7: Employee commuting | Transportation of employees between their homes and their worksites | | tonnes CO ₂ e | 37 |

9.6 Safe Working Environment

Our Commitment

We are committed to instil a safety conscious culture amongst our employees at all levels, to allow our employees to work safely without fear of getting injured and help us to build loyalty amongst our employees.

Our Approach

Our safety procedures in place are applicable for all employees. Key measures we adopted to manage health and safety in the workplace environment are as follows:

- A set of safety rules and regulations; and
- New employees are briefed on safety procedures during orientation.

Our Performance

Key statistics on our work-related cases are as follows:

| Performance Indicator | FY2024 | FY2023 |
|---|--------|--------|
| Number of work-related fatalities | - | - |
| Number of high-consequence work-related injuries ² | - | - |
| Number of recordable work-related injuries | - | - |
| Number of recordable work-related ill health cases ³ | - | - |

9.7 Talent Management

Our Commitment

We are committed to develop our employees' competency, which is essential for the enhancement of human capital, employee retention and customer satisfaction. We believe that well-trained employees are key to the long-term success of our businesses.

¹¹ GHG emissions from indirect sources (Scope 3) are computed based on the Technical Guidance for calculating Scope 3 Emissions of the GHG Protocol and recognised sources.

¹² Comparative data not available as it was not tracked previously.

SUSTAINABILITY REPORT

Our Approach

Supportive Training System

We encourage our technical employees to attain relevant technical certifications, and we provide employees with opportunities to attend external training courses covering areas such as quality control, safety trainings as well as service quality and skills development to promote professional development in technical, functional competency and personal effectiveness.

Employee Benefits

We provide the following benefits to take care of the well-being of our employees:

- Pro-family benefits such as maternity, parental and childcare leave are provided for eligible employees;
- For eligible employees based in Singapore, reimbursement of medical expenses and medical insurance coverage; and
- For eligible employees based in China, contribution to social insurance and housing funds.

Our Performance

The total number of full-time employees within our Group as at 30 April 2024 is 305 (as at 30 April 2023: 296). Key statistics on new hires and turnover of our full-time employees are as follows:

New Hires¹³

| Performance Indicator | FY2024 | | FY2023 | |
|-----------------------|---------------------|-------------------|---------------------|-------------------|
| | Number of New Hires | Rate of New Hires | Number of New Hires | Rate of New Hires |
| <u>Gender</u> | | | | |
| Male | 13 | 8% | 6 | 4% |
| Female | 14 | 9% | 6 | 4% |
| <u>Age</u> | | | | |
| Below 30 | 17 | 53% | 5 | 23% |
| 30 to 50 | 9 | 4% | 7 | 3% |
| Above 50 | 1 | 2% | - | -% |
| Overall new hires | 27 | 9% | 12 | 4% |

Employee Turnover¹⁴

| Performance Indicator | FY2024 | | FY2023 | |
|-----------------------|---------------------|-------------------|---------------------|-------------------|
| | Number of New Hires | Rate of New Hires | Number of New Hires | Rate of New Hires |
| <u>Gender</u> | | | | |
| Male | 10 | 7% | 10 | 7% |
| Female | 8 | 5% | 10 | 7% |
| <u>Age</u> | | | | |
| Below 30 | 4 | 13% | 10 | 45% |
| 30 to 50 | 11 | 5% | 9 | 4% |
| Above 50 | 3 | 5% | 1 | 2% |
| Overall turnover | 18 | 6% | 20 | 7% |

¹³ New hire related statistics are computed based on the number of new hires over total employees by gender and age.

¹⁴ Turnover related statistics are computed based on the number of turnovers over total employees by gender and age.

Key statistics on our training hours are as follows:

| Performance Indicator | FY2024 | FY2023 |
|-------------------------------------|--------|--------|
| Overall | | |
| Total training hours | 132 | 56 |
| Average training hours per employee | 0.4 | 0.2 |
| Gender (Male) | | |
| Total training hours | 30 | 16 |
| Average training hours per employee | 0.2 | 0.1 |
| Gender (Female) | | |
| Total training hours | 102 | 40 |
| Average training hours per employee | 0.7 | 0.3 |
| Management | | |
| Total training hours | 48 | 16 |
| Average training hours per employee | 1.0 | 0.3 |
| Non-management | | |
| Total training hours | 84 | 40 |
| Average training hours per employee | 0.3 | 0.2 |

For the Reporting Period, the average training hours per employees increased due to an increase in employee's participation in our training programmes. We shall continue to engage our employees, enhance their skills and knowledge.

9.8 Equality and Diversity in the Workplace

Our Commitment

We are committed to the goals of diversity and equal opportunity in employment by providing a work environment for our employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender, age, race, nationality or education level.

Our Approach

To promote equal opportunity, we cultivate an all-inclusive work culture where people of different backgrounds work together in harmony. Our policies, procedures, terms and conditions of employment are: (i) aligned with relevant regulations; (ii) do not violate human rights; and (iii) abide to relevant labour practices. On age diversity, mature workers are valued for their experience, knowledge and skills. Our employees are also hired from diverse educational background.

SUSTAINABILITY REPORT

Our Performance

Key statistics on our employee demographics are as follows:

Gender Diversity (%)

Key statistics on gender diversity of our employees are as follows:

| Performance Indicator | FY2024 | | FY2023 | |
|-----------------------|--------|--------|--------|--------|
| | Male | Female | Male | Female |
| Overall | 50% | 50% | 50% | 50% |
| Management | 74% | 26% | 71% | 29% |
| Non-management | 45% | 55% | 46% | 54% |

Age Diversity (%)

Key statistics on age diversity of our employees are as follows:

| Performance Indicator | FY2024 | | | FY2023 | | |
|-----------------------|----------|---------|----------|----------|---------|----------|
| | Below 30 | 30 – 50 | Above 50 | Below 30 | 30 – 50 | Above 50 |
| Overall | 10% | 70% | 20% | 8% | 74% | 18% |
| Management | -% | 60% | 40% | -% | 65% | 35% |
| Non-management | 13% | 72% | 15% | 9% | 76% | 15% |

Educational Diversity (%)

As at 30 April 2024, the breakdown of employees by educational level is as follows:

| Performance Indicator | FY2024 | | FY2023 | |
|--|----------|--------------|----------|--------------|
| | Tertiary | Non-tertiary | Tertiary | Non-tertiary |
| Percentage of employees by educational diversity | 17% | 83% | 17% | 83% |

Our employees are predominantly non-tertiary educated with most of them employed under the Gas Distribution business segment.

During the Reporting Period, we have zero (FY2023: zero) reported incident of unlawful discrimination against employees⁴.

9.9 Ongoing Community Engagement

Our Commitment

We believe that the sustainability of our Group is associated to the well-being of the community we operate in and we are committed to contributing back to the community we operate in.

Our Approach

We continued with the following initiatives to help the community we operate in:

Gas Distribution

Improve Quality of Life

Our Natural Gas distribution network complements China's existing pipeline infrastructure, extending access to residential and commercial users across regions not covered by the national network. This expansion notably enhances the quality of life for our customers, particularly in regions prone to winter condition.

Construction is partially completed for the new Natural Gas pipeline, which spans approximately 28 kilometres from Xiaochang to Anlu. This project aims to enhance the operational efficiency of our distribution network so as to provide a continuous and more reliable supply of Natural Gas to more households, despite facing delays in construction.

Retrain Retired Soldiers and Integrate Them in our Workforce

We hire retired soldiers for their high discipline and management capabilities. This programme facilitates their transition from military regime to civilian employment, offering them with a sustainable livelihood. Moreover, it serves as a token of our Group's gratitude to their services to the nation.

Our Performance

Improve Quality of Life

As at 30 April 2024, we supplied Natural Gas to approximately 260,000 households (FY2023: approximately 240,000 households with a pipeline network spanning more than 2,900 kilometres (FY2023: more than 2,700 kilometres).

Retrain Veterans and Integrate Them in our Workforce

As at 30 April 2024, we employed 15 retired soldiers (As at 30 April 2023: 16 retired soldiers).

9.10 Robust Corporate Governance Framework

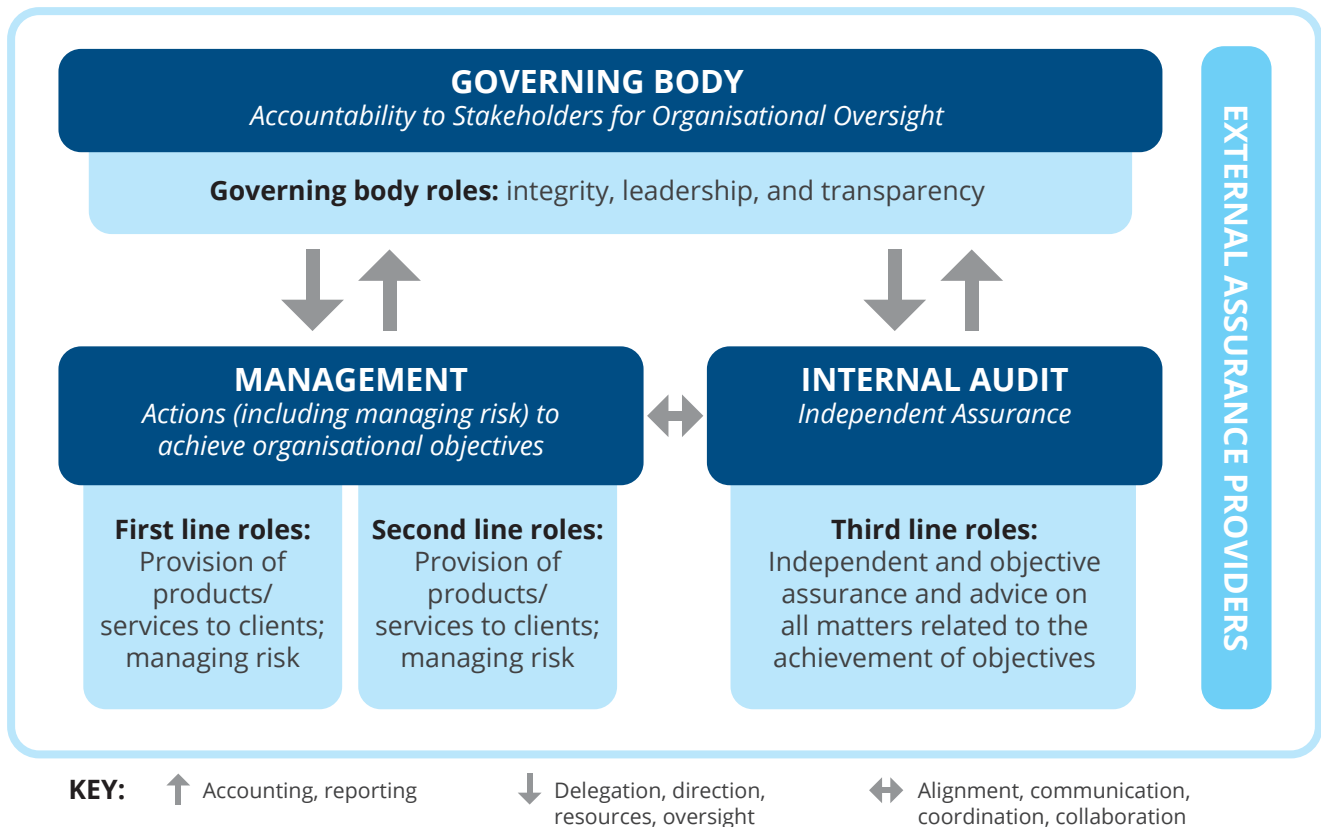
Our Commitment

The Group is committed to upholding high ethical standards and integrity in its operations, complying with all relevant laws and regulations. This involves good corporate governance, responsible business practices, as well as an accountable and transparent management system in order to prevent non-compliance, misconduct or corrupt business practices.

SUSTAINABILITY REPORT

Our Approach

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors (“IIA”). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



The Board implements a code of conduct and ethical policies which set the desired tone in terms of the organisational culture and accountability it expects of its Directors and Management. All Directors are recused from voting for transactions they are interested in or if there appears to be a conflict of interest. New directors are appointed by the Board after the Nominating Committee (“NC”) has reviewed and recommended their appointments. The NC conducts a formal and transparent process during its meeting to discuss and agree on the re-appointment of current Directors. Subsequently, the NC presents its recommendations to the Board. The Remuneration Committee reviews and recommends remuneration policies and packages that attract, retain and motivate Directors and key management personnel to run the business successfully.

In line with our commitments, our corporate governance practices are set up with reference to the Singapore Code of Corporate Governance 2018. We take a zero-tolerance approach to bribery and corruption, encompassing extortion and bribery. A whistle-blowing policy is in place to provide a safe channel for employees to report concerns about unethical or unlawful behaviour and matters related to organisational integrity. Any form of retaliation against an individual who in good faith reports a suspected violation is prohibited. In addition, we provide feedback channels and anonymous hotlines to further strengthen our zero-tolerance approach towards corruption and fraud.

Our Performance

During the Reporting Period, there were no incidents of serious offence reported (FY2023: zero incident) and no incidents of non-compliance with applicable laws which resulted in a non-monetary sanction and financial penalty imposed (FY2023: zero incident).

You may refer to Corporate Governance Report of this Annual Report for details of our corporate governance practices.

10. TARGETS AND PERFORMANCE HIGHLIGHTS

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our material Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

| Legend | Legend |
|--------|-------------------------------|
| ○○○ | New target |
| ●●● | Target achieved |
| ●●○ | On track to meet target |
| ●○○ | Not on track, requires review |

| S/N | Material Sustainability Factor | Target ¹⁵ | Performance in FY2024 |
|----------------------|----------------------------------|---|---|
| Economic | | | |
| 1 | Total Customer Satisfaction | <u>Ongoing and long-term</u> Adhere to the market standards and best practices in operations | ●●● We maintained our ISO certification. |
| 2 | Sustainable Business Performance | <u>Ongoing and long-term</u> Improve our financial performance subject to market conditions | ●●○ We improved our turnover by 26%. |
| Environmental | | | |
| 3 | Water Conservation | <u>Medium-term</u> Maintain or reduce water consumption intensity | ●○○ Our water consumption intensity increased due to a change in regulatory requirement which led to a more stringent process for washing printed circuit boards |
| 4 | Responsible Waste Management | <u>Ongoing and long-term</u> ¹⁶ Maintain or reduce our waste generated intensity | ●●● We maintained our waste generated intensity of <0.001 tonnes/ revenue S\$'000. |

¹⁵ Time horizons for target setting are: (1) short-term: by FY2026; (2) medium-term: FY2026 – FY2035; (3) long-term: after FY2035; and (4) ongoing: continuous time horizon.

¹⁶ We updated the performance target for this Sustainability Factor to align with industry practices so as to provide a more accurate reflection of our sustainability performance.

SUSTAINABILITY REPORT

| S/N | Material Sustainability Factor | Target ¹⁵ | Performance in FY2024 |
|-------------------|---|---|---|
| 5 | Energy Conservation and GHG Emissions Reduction | <p>Short term Maintain or reduce GHG emissions intensity by FY2026 with FY2023 as baseline</p> <p>Medium-term Reduce absolute Scope 2 GHG emission by 14% by FY2035 with FY2023 as baseline</p> | <p>●●● We maintained our GHG emissions intensity.</p> <p>○○○ We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends.</p> |
| Social | | | |
| 6 | Safe Working Environment | Ongoing and long-term target Maintain zero workplace fatalities, high-consequence work-related injuries, recordable work-related injuries and ill-health cases | ●●● We maintained zero workplace fatalities, high-consequence work-related injuries, recordable work-related injuries and ill-health cases. |
| 7 | Talent Management | Ongoing and long-term Maintain or improve turnover rate | ●●● We maintained our employee turnover rate. |
| 8 | Equality and Diversity in the Workplace | Ongoing and long-term Maintain zero incident of unlawful discrimination against employees | ●●● We maintained zero reported incidents of unlawful discrimination against employees. |
| 9 | Ongoing Community Engagement | Ongoing and long-term Continue with existing initiatives to help local communities | ●●● We continued with our existing initiatives to help communities that we operate in. |
| Governance | | | |
| 10 | Robust Corporate Governance Framework | Ongoing and long-term <ul style="list-style-type: none"> • Maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable laws and regulations • Maintain zero incident of serious offence | ●●● We maintained zero incidents of serious offence and zero incidents of non-compliance with applicable laws and regulations. |



For the material Sustainability Factors identified this Report, the Board and SC have considered the relevance and usefulness of setting related targets in the short, medium and long term horizon. As the historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium and long-term targets and will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

11. SUPPORTING THE UN SDGS

We incorporated the SDGs under the UN Sustainability Agenda, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our material Sustainability Factors relate to these SDGs:

| SDGs | Our Effort |
|---|---|
|  <p>3 GOOD HEALTH AND WELL-BEING</p> | <p>Section 9.6 Safe Working Environment We implement measures to ensure a safe and secure working environment for our employees.</p> |
|  <p>6 CLEAN WATER AND SANITATION</p> | <p>Section 9.3 Water Conservation We perform regular tracking and reviewing of water consumption and encourage our employees to use water responsibly to reduce water wastage, which in turn help us to work towards achieving sustainable management and efficient use of natural resources.</p> |
|  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | <p>Section 9.1 Total Customer Satisfaction We are determined to bring outstanding products and services to our customers through maintaining product quality and safety, being attentive and responsive to customer requests and maintaining a team of highly trained and experienced employees.</p> <p>Section 9.2 Sustainable Business Performance We contribute to economic growth through creating long-term and sustainable value for our stakeholders.</p> <p>Section 9.7 Talent Management We are committed to fostering a supportive work environment that provide decent and fulfilling jobs for our employees. This commitment contributes to employee satisfaction by offering our employees with opportunities for training courses along with a comprehensive range of employee benefits.</p> |
|  <p>10 REDUCED INEQUALITIES</p> | <p>Section 9.8 Equality and Diversity in the Workplace We create a diverse and inclusive workplace that will bring new perspectives to our business and strengthen our ability to overcome new challenges.</p> <p>Section 9.9 Ongoing Community Engagement We initiate various campaigns to promote social inclusion and sustainable communities.</p> |
|  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> | <p>Section 9.4 Responsible Waste Management We constantly enhance our operating systems to reduce paper usage.</p> |

SUSTAINABILITY REPORT

| SDGs | | Our Effort |
|---|--|---|
|  | <p>Take urgent action to combat climate change and its impacts</p> | <p><u>Section 9.5 Energy Conservation and GHG Emissions Reduction</u> We supply natural gas which is a cleaner alternative to other fossil fuels. Additionally, we implement measures to reduce our energy consumption rate.</p> |
|  | <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> | <p><u>Section 9.10 Robust Corporate Governance Framework</u> We maintain a high standard of corporate governance to safeguard our shareholders' interest and maximise long-term shareholders' value.</p> |

12. SUPPORTING THE TCFD

We are committed to support the recommendations by the TCFD and disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Governance

a. Describe the board's oversight of climate-related risks and opportunities.

The Board oversees the climate-related risks and opportunities and considers climate-related issues in setting the Group's strategic direction, policies and target setting.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Our sustainability strategy is developed and directed by the executive level SC in consultation with the Board. The SC, which includes senior management executives from various support units, is led by the Executive Director cum CFO, and tasked to develop the sustainability strategy, review material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for the sustainability report.

Please refer to section 8.2 for more information on the Group's Sustainability Governance Structure.

Strategy

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We recognise that climate change poses different types of risks to our business. The Group's assessment on potential implication of the above climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") range of climate scenarios:

| Scenario | Description |
|------------------------|---|
| NGFS – Orderly | This scenario assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued through cohesive stringent climate policies and innovation. |
| NGFS – Hot house world | This scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise. Only currently implemented policies are preserved, leading to high physical risks. |

We selected NGFS orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short term (by FY2026), medium term (FY2026 – FY2035) and long term (After FY2035). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group includes the following:

| Climate-related Risk | Potential Impact | Mitigating Measures | Climate-related Opportunity |
|---|--|---|---|
| Transition Risk | | | |
| Enhanced GHG emissions reporting and increase in regulatory costs | With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are demanding more climate-related information, which leads to increased GHG emissions reporting and increase in regulatory costs. Failure to comply with enhanced GHG emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance. In addition, the Group may be required to make payments for carbon tax, purchase carbon credits or invest in new technologies and modify its existing operational processes. | In view of enhanced GHG emissions reporting and increase in regulatory costs, we are taking active steps in managing our resource efficiency through adopting greener practices at our workplace. | The increasing climate-related regulatory requirements motivate us to adopt more energy efficient processes to further lower our operating costs and impact on the environment. |

SUSTAINABILITY REPORT

| Climate-related Risk | Potential Impact | Mitigating Measures | Climate-related Opportunity |
|--|---|---|---|
| Changes in regulatory environment | As the financial industry transits towards a low carbon portfolio, the funding pool available to the Group's Gas Distribution business will likely shrink over time, leading to an increase in cost of funds for our Group. | In view of the increasing cost of funds, we are constantly exploring opportunities for alternate revenue streams to stay relevant and sustainable. | This risk presents us with an opportunity to diversify our revenue streams and tap on market funds that support infrastructure investments for energy transition towards a low carbon future. |
| Physical Risk | | | |
| Increased severity of extreme weather events | Weather disruption, rising temperature, global warming and water scarcity arising from climate change may lead to adverse impact on our supply chain and consequentially increase our operating costs. | In view of the increased severity of extreme weather events, we reviewed and assessed our value chain to diversify sourcing across different regions and suppliers so as to lessen the risk of disruptions due to localised climate events. | This risk presents us with an opportunity to strengthen our climate resilience by developing adaptive capabilities such as improving our operational efficiency, reworking our processes and developing new products. |

Warming scenario 1: Orderly

| Risk | Significance of Financial Impact ¹⁷ | | |
|---|--|-------------|-----------|
| | Short Term | Medium Term | Long Term |
| Key Transition Risk Identified | | | |
| Enhanced GHG emissions-reporting obligations and increase in regulatory costs | ● | ● | ● |
| Changes in regulatory environment | ● | ● | ● |
| Key Physical Risk Identified | | | |
| Increased severity of extreme weather events | ● | ● | ● |

Legend

● Minor ● Moderate ● Major

¹⁷ Significance of financial impact is determined based on the risk appetite established in accordance with the Group's climate scenario assessment.

Warming scenario 2: Hot house world

| Risk | Significance of Financial Impact | | |
|---|----------------------------------|-------------|-----------|
| | Short Term | Medium Term | Long Term |
| Key Transition Risk Identified | | | |
| Enhanced GHG emissions-reporting obligations and increase in regulatory costs | ● | ● | ● |
| Changes in regulatory environment | ● | ● | ● |
| Key Physical Risk Identified | | | |
| Increased severity of extreme weather events | ● | ● | ● |

Legend

● Minor ● Moderate ● Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans as well as explore more effective resource distribution towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

Strategy

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario hot house world) may result in a severe financial impact in the long term. Under the warming scenario orderly, the vast majority of the impact will be attributable to transition risks from the cost increase from enhanced GHG emissions-reporting obligations. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

Risk Management

a. Describe the organisation's processes for identifying and assessing climate-related risks

b. Describe the organisation's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

SUSTAINABILITY REPORT

We acknowledge that maintaining a sound system of climate-related risk management is imperative to safeguarding the interests of the Group and foster trust with our stakeholders. To keep abreast of any changes in existing regulatory requirements and maintain good corporate governance, we proactively identify any major climate-related risks relevant to our business, as well as reviewing key climate-related risk performance regularly.

Climate-related risk management is covered under our ERM framework whereby potential climate-related risks are identified, assessed, monitored and managed. Under the framework, business units and functions are responsible for identifying and documenting their relevant climate-related risk exposures that might hinder their progress towards contributing to the Group's business objectives. Climate-related risks and opportunities, along with their treatment plans, are reviewed and updated during the ERM assessment exercise and are subsequently presented to the AC along with the other key enterprise-wide risks. Climate-related risks are also monitored based on the trend of climate-related performance indicators.

Metrics and Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We track, measure and report on our environmental performance, including energy consumption, GHG emissions, water and waste management and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with key climate-related risks and enabling us to be more targeted in our efforts.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.

To support the climate change agenda, we disclose Scope 2 GHG emissions in the Report and set climate-related targets such as those related to GHG emissions, water and waste management.

We recognise the importance of monitoring our indirect Scope 3 GHG emissions and started tracking and disclosing indirect Scope 3 GHG emissions from business travel (category 6) and employee commuting (category 7) in FY2024. We aim to review our Scope 3 GHG emissions to better track and disclose our material Scope 3 GHG emissions and expand the reporting coverage of our Scope 3 GHG emissions on categories relevant to the Group wherever applicable and practicable. You may refer to Section 9.5 'Energy Conservation and GHG Emissions Reduction' for further details.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As a commitment towards mitigating climate change, we set climate-related targets related to GHG emissions, water consumption and waste management. For further details, please refer to the section 10 'Targets and Performance Highlights' for climate-related targets set.

13. GRI CONTENT INDEX

| | |
|-------------------------|---|
| Statement of Use | Renaissance United Limited has reported the information cited in the GRI content index for the period from 1 May 2023 to 30 April 2024 with reference to the GRI Standards. |
| GRI 1 Used | GRI 1: Foundation 2021 |

| GRI Standard | Disclosure | Location |
|---------------------------------|--|---|
| GRI 2: General Disclosures 2021 | 2-1 Organisational details | 55, 84 - 86 |
| | 2-2 Entities included in the organisation's sustainability reporting | 13 |
| | 2-3 Reporting period, frequency and contact point | 12 - 13 |
| | 2-4 Restatements of information | None |
| | 2-5 External assurance | 13 |
| | 2-6 Activities, value chain and other business relationships | 9 - 10 |
| | 2-7 Employees | 25 - 28 |
| | 2-8 Workers who are not employees | None |
| | 2-9 Governance structure and composition | 16, 122 - 129 |
| | 2-10 Nomination and selection of the highest governance body | 135 - 137 |
| | 2-11 Chair of the highest governance body | 130 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 16, 128 - 129 |
| | 2-13 Delegation of responsibility for managing impacts | 16 |
| | 2-14 Role of the highest governance body in sustainability reporting | 16 |
| | 2-15 Conflicts of interest | 29 - 30, 125 |
| | 2-16 Communication of critical concerns | 29 - 30, 155 |
| | 2-17 Collective knowledge of the highest governance body | 16 |
| | 2-18 Evaluation of the performance of the highest governance body | 137 - 139 |
| | 2-19 Remuneration policies | 140 - 146 |
| | 2-20 Process to determine remuneration | 140 - 146 |
| | 2-21 Annual total compensation ratio | Information is not provided due to confidentiality constraints. |
| | 2-22 Statement on sustainable development strategy | 10 - 11 |
| | 2-23 Policy commitments | 14 - 17, 19, 25 - 30 |
| | 2-24 Embedding policy commitments | 14 - 17, 19, 25 - 30 |
| | 2-25 Processes to remediate negative impacts | 29 - 30, 155 |

SUSTAINABILITY REPORT

| GRI Standard | Disclosure | Location |
|---|--|---|
| GRI 2: General Disclosures 2021 | 2-26 Mechanisms for seeking advice and raising concerns | 29 - 30, 155 |
| | 2-27 Compliance with laws and regulations | 16, 120 - 121 |
| | 2-28 Membership associations | Our Gas Distribution business segment is a member of the Hubei Gas Association (湖北省燃气协会). |
| | 2-29 Approach to stakeholder engagement | 13 - 18 |
| | 2-30 Collective bargaining agreements | None of our employees are covered by collective bargaining agreements. |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 15 |
| | 3-2 List of material topics | 17 - 18 |
| | 3-3 Management of material topics | 20 - 31 |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 20 |
| GRI 205: Anti-corruption 2016 | 205-3 Confirmed incidents of corruption and actions taken | 29 - 31 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | 21 - 25 |
| GRI 303: Water and effluents | 303-5 Water consumption | 20 |
| GRI 305: Emissions 2016 | 305-2 Energy indirect (Scope 2) GHG emissions | 21 - 25 |
| | 305-4 GHG emissions intensity | 21 - 25 |
| GRI 306: Waste 2020 | 306-2 Management of significant waste-related impacts | 21 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 25 - 26 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 25 - 26 |
| GRI 403: Occupational Health and Safety 2018 | 403-9 Work-related injuries | 25 |
| | 403-10 Work-related ill health | 25 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 25 - 27 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 25 - 27 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 27 - 28 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 28 |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 20 - 25, 29 |

DIRECTORS' STATEMENT

The Directors hereby present their statement to the members together with the audited consolidated financial statements of Renaissance United Limited (the "Company") and its subsidiary corporations (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2024.

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 49 to 119 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 2024 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and
- (b) at the date of this statement, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as going concerns as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Group and the Company will be able to pay their debts as and when they fall due.

Directors

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

| | | |
|----------------------------|---|--|
| Mr. James Moffatt Blythman | - | Executive Director and Chief Financial Officer |
| Mr. Sazali Bin Mohd Nor | - | Non-Executive and Independent Director |
| Mr. Aswath Ramakrishnan | - | Non-Executive and Independent Director |
| Mr. Koh Beng San | - | Non-Executive and Independent Director |

Arrangements to enable Directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

| Name of directors and companies in which interest are held | Number of ordinary shares | | | | | |
|--|---|-----------------|-----------------|---|-----------------|-----------------|
| | Shareholdings registered in their own names | | | Shareholdings in which a director is deemed to have an interest | | |
| | At 1.5.2023 | At 30.4.2024 | At 21.5.2024 | At 1.5.2023 | At 30.4.2024 | At 21.5.2024 |
| Company | | | | | | |
| <i>Renaissance United Limited</i> | | | | | | |
| James Moffatt Blythman | - | - | - | 880,000,000 | 880,000,000 | 880,000,000 |

DIRECTORS' STATEMENT

Share options and employee share scheme

Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statements and in this Annual Report.

Audit Committee

The Audit Committee at the date of this statement comprises three Directors, all of whom are independent. The members of the Audit Committee are as follows:

Mr. Koh Beng San
Mr. Aswath Ramakrishnan
Mr. Sazali Bin Mohd Nor

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. The functions performed are detailed in the Corporate Governance Report, as set out in the Annual Report of the Company.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

James Moffatt Blythman
Director

Koh Beng San
Director

15 August 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Renaissance United Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Renaissance United Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 49 to 119, which comprise the statements of financial position of the Group and the Company as at 30 April 2024, the statements of changes in equity of the Group and the Company and the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 April 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year then ended.

Basis for Qualified Opinion

1. *Development property*

As at 30 April 2024, the net carrying amount of the Group's development property amounted to \$Nil (2023: \$4,273,000) as disclosed in Note 15 to the financial statements.

We are unable to perform audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the net carrying amount of the development property as at 1 May 2017 contained misstatements as management was unable to provide supporting documents for the accumulated brought forward costs of the development property. Consequently, the financial statements for the financial year ended 30 April 2023 was qualified as we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the carrying amount of the development property stated at cost of \$4,273,000 as at 30 April 2023 was fairly stated.

During the financial year ended 30 April 2024, the sale of the development property was completed. Consequently, we are unable to determine whether any adjustments might be necessary to the profit or loss for the financial year ended 30 April 2024 and opening accumulated losses as at 1 May 2023.

Since the opening balance as at 1 May 2023 entered into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 30 April 2024, we are unable to determine whether adjustments might have been found necessary in respect of the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year ended 30 April 2024.

Our opinion on the current financial year's financial statements is also modified because of the possible effect of these matters on the comparability of the current financial year's figures and the corresponding figures.

INDEPENDENT AUDITOR'S REPORT

To the members of Renaissance United Limited

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

Basis for Qualified Opinion (cont'd)

2. *Contingent liabilities*

During the previous financial years, various writs of summons were filed against the Company and its subsidiary, Capri Investment L.L.C. ("Capri"). No provision for liabilities was made in the financial statements in respect of these claims as the directors believed the claims were without merits. Based on information available to us, we were unable to obtain sufficient appropriate audit evidence to determine whether any provision for liabilities was necessary in respect of these claims. Consequently, the financial statements for the financial year ended 30 April 2023 was qualified on this matter.

During the financial year ended 30 April 2024, the Group reached a settlement with the plaintiff and an amount of \$4,847,000 was recognised in the current year's profit or loss to settle the legal claims, as described in Note 31(ii) to the financial statements. We are unable to determine how much of the settlement sum of \$4,847,000, if any, relates to the profit or loss in the previous financial years. Consequently, we are unable to determine whether any adjustments might be necessary to the profit or loss for the financial year ended 30 April 2024 and opening accumulated losses as at 1 May 2023.

Since the opening balance as at 1 May 2023 entered into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 30 April 2024, we are unable to determine whether adjustments might have been found necessary in respect of the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year ended 30 April 2024.

Our opinion on the current financial year's financial statements is also modified because of the possible effect of these matters on the comparability of the current financial year's figures and the corresponding figures.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.1 to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. During the financial year ended 30 April 2024, the Group and the Company incurred a net loss of \$9,871,000 (2023: \$7,945,000) and \$11,885,000 (2023: \$3,106,000) respectively. As at 30 April 2024, the Group's and the Company's current liabilities exceeded the current assets by \$13,215,000 (2023: \$10,038,000) and \$2,774,000 (2023: \$5,443,000) respectively. These conditions give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

INDEPENDENT AUDITOR'S REPORT

To the members of Renaissance United Limited

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

Material Uncertainty Related to Going Concern (cont'd)

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

The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to the financial statements.

Our opinion is not further modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* and *Material Uncertainty Related to Going Concern* sections, we have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment assessment on intangible assets

As disclosed in Note 11 to the financial statements, the carrying amounts of Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries ("HZLH group") intangible assets in relation to service concession arrangements amounted to \$49,975,000 (2023: \$57,274,000) as at 30 April 2024, which represent 55.5% (2023: 57.1%) of total assets of the Group's consolidated statement of financial position. During the financial year ended 30 April 2024, the Group recognised an impairment loss on intangible assets of \$7,896,000 (2023: \$3,977,000).

The impairment assessment on intangible assets is considered a key audit matter as HZLH group's intangible assets form a material portion of the Group's assets and any impairment of the intangible assets will have a significant impact on the Group's financial performance.

The assessment of the carrying amount of these assets requires management to exercise judgement in identifying existence of any indicators of impairment. Recoverable amount is the higher of fair value less costs of disposal and value-in-use. The recoverable amount of these assets is based on fair value less costs of disposal, determined based on valuation performed by an independent firm of professional valuers using a market-based approach. The estimation is based on the enterprise value divided by earnings before interest, tax, depreciation and amortisation ("EV/EBITDA") multiple as disclosed in Note 11 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Renaissance United Limited

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

Key Audit Matters (cont'd)

Impairment assessment on intangible assets (cont'd)

Our audit procedures included (a) engaging our internal valuation specialists to assist us in assessing the methodology adopted for the fair value less costs of disposal; corroborating EV/EBITDA multiple used in the valuation; recalculating the earnings before interest, tax, depreciation and amortisation used in the model; and checking the mathematical accuracy of the model; (b) assessing the objectivity, competency and capability of the independent firm of professional valuers; and (c) assessing the adequacy of disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the directors' statement and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, we are unable to conclude whether or not the other information is materially misstated with respect to the matters.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the members of Renaissance United Limited

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

To the members of Renaissance United Limited

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Heng Bao Sheng.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

15 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 April 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|--|--------|------------------|----------------|
| Revenue | 4 | 93,386 | 74,160 |
| Other items of income | | | |
| Interest income | | 86 | 76 |
| Other income | 5 | 487 | 328 |
| | | 573 | 404 |
| Operating expenses | | | |
| Changes in inventories | | (1,158) | 468 |
| Raw materials and consumables used | | (65,472) | (60,351) |
| Property development costs | | (4,282) | - |
| Amortisation of intangible assets | 11 | (2,842) | (3,858) |
| Impairment loss on intangible assets | 11 | (7,896) | (3,977) |
| Depreciation of property, plant and equipment | 12 | (1,256) | (610) |
| Fair value loss on financial assets, at fair value through profit or loss | 17 | * | (19) |
| Reversal of impairment loss/(impairment loss) on trade and other receivables | | 75 | (131) |
| Foreign exchange loss, net | | (187) | (805) |
| Employee benefits expenses | 6 | (7,266) | (6,962) |
| Finance costs | 7 | (1,346) | (1,309) |
| Legal settlement costs | 31(ii) | (4,847) | - |
| Other expenses | | (6,208) | (4,285) |
| Total expenses | | (102,685) | (81,839) |
| Loss before income tax | 8 | (8,726) | (7,275) |
| Income tax expense | 9 | (1,145) | (670) |
| Loss for the financial year | | (9,871) | (7,945) |
| Other comprehensive income/(loss): | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translation of foreign operations arising from consolidation | | 15 | (1,473) |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translation of foreign operations arising from consolidation | | (289) | (1,642) |
| Other comprehensive loss for the financial year, net of tax | | (274) | (3,115) |
| Total comprehensive loss for the financial year | | (10,145) | (11,060) |
| Loss attributable to: | | | |
| Equity holders of the Company | | (6,782) | (6,058) |
| Non-controlling interests | | (3,089) | (1,887) |
| | | (9,871) | (7,945) |
| Total comprehensive loss attributable to: | | | |
| Equity holders of the Company | | (6,767) | (7,531) |
| Non-controlling interests | | (3,378) | (3,529) |
| | | (10,145) | (11,060) |
| Loss per share for loss attributable to equity holders of the Company | | | |
| Basic and diluted (in cents) | 10 | (0.110) | (0.098) |

*: Amount is less than \$1,000

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

STATEMENTS OF FINANCIAL POSITION

At 30 April 2024

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Non-current assets | | | | | |
| Intangible assets | 11 | 51,035 | 58,422 | - | - |
| Property, plant and equipment | 12 | 8,252 | 9,554 | 15 | 23 |
| Investments in subsidiaries | 13 | - | - | 25,546 | 40,092 |
| Trade and other receivables | 16 | 14 | 14 | - | - |
| Deferred tax assets | 22 | 297 | 383 | - | - |
| | | 59,598 | 68,373 | 25,561 | 40,115 |
| Current assets | | | | | |
| Inventories | 14 | 1,459 | 2,617 | - | - |
| Development property | 15 | - | 4,273 | - | - |
| Trade and other receivables | 16 | 10,828 | 11,716 | 380 | 341 |
| Financial assets, at fair value through profit or loss | 17 | 516 | 516 | 500 | 500 |
| Cash and cash equivalents | 18 | 17,667 | 12,731 | 2,368 | 38 |
| | | 30,470 | 31,853 | 3,248 | 879 |
| Total assets | | 90,068 | 100,226 | 28,809 | 40,994 |
| Non-current liabilities | | | | | |
| Borrowings | 21 | 9,980 | 11,732 | - | - |
| Deferred tax liabilities | 22 | 19 | 19 | - | - |
| | | 9,999 | 11,751 | - | - |
| Current liabilities | | | | | |
| Trade and other payables | 19 | 14,268 | 13,988 | 6,005 | 6,319 |
| Provisions | 20 | 36 | 16 | 17 | 3 |
| Current income tax payable | | 1,036 | 811 | - | - |
| Borrowings | 21 | 15,837 | 10,751 | - | - |
| Contract liabilities | 23 | 12,508 | 16,325 | - | - |
| | | 43,685 | 41,891 | 6,022 | 6,322 |
| Total liabilities | | 53,684 | 53,642 | 6,022 | 6,322 |
| Net assets | | 36,384 | 46,584 | 22,787 | 34,672 |
| Equity | | | | | |
| Share capital | 24 | 265,811 | 265,811 | 265,811 | 265,811 |
| Other reserves | 25 | (19,237) | (19,252) | 1,961 | 1,961 |
| Accumulated losses | | (219,640) | (212,858) | (244,985) | (233,100) |
| Equity attributable to equity holders of the Company | | 26,934 | 33,701 | 22,787 | 34,672 |
| Non-controlling interests | | 9,450 | 12,883 | - | - |
| Total equity | | 36,384 | 46,584 | 22,787 | 34,672 |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 April 2024

| | 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 2022 | 265,811 | (14,489) | 1,961 | (5,251) | (206,800) | 41,232 | 16,515 | 57,747 |
| Loss for the financial year | - | - | - | - | (6,058) | (6,058) | (1,887) | (7,945) |
| Other comprehensive loss for the financial year | | | | | | | | |
| Exchange differences on translation of foreign operations arising from consolidation | - | (1,473) | - | - | - | (1,473) | (1,642) | (3,115) |
| Total comprehensive loss for the financial year | - | (1,473) | - | - | (6,058) | (7,531) | (3,529) | (11,060) |
| Dividends paid to non- controlling interests of a subsidiary | - | - | - | - | - | - | (103) | (103) |
| Balance at 30 April 2023 | 265,811 | (15,962) | 1,961 | (5,251) | (212,858) | 33,701 | 12,883 | 46,584 |
| Loss for the financial year | - | - | - | - | (6,782) | (6,782) | (3,089) | (9,871) |
| Other comprehensive income/(loss) for the financial year | | | | | | | | |
| Exchange differences on translation of foreign operations arising from consolidation | - | 15 | - | - | - | 15 | (289) | (274) |
| Total comprehensive income/(loss) for the financial year | - | 15 | - | - | (6,782) | (6,767) | (3,378) | (10,145) |
| Dividends paid to non- controlling interests of a subsidiary | - | - | - | - | - | - | (55) | (55) |
| Balance at 30 April 2024 | 265,811 | (15,947) | 1,961 | (5,251) | (219,640) | 26,934 | 9,450 | 36,384 |

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 April 2024

| | Share capital \$'000 | Capital reduction reserve \$'000 | Accumulated losses \$'000 | Total equity \$'000 |
|---|----------------------------|---|---------------------------------|---------------------------|
| Company | | | | |
| Balance at 1 May 2022 | 265,811 | 1,961 | (229,994) | 37,778 |
| Loss and total comprehensive loss for the financial year | - | - | (3,106) | (3,106) |
| Balance at 30 April 2023 | 265,811 | 1,961 | (233,100) | 34,672 |
| Loss and total comprehensive loss for the financial year | - | - | (11,885) | (11,885) |
| Balance at 30 April 2024 | 265,811 | 1,961 | (244,985) | 22,787 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|--|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Loss before income tax | | (8,726) | (7,275) |
| Adjustments for: | | | |
| (Reversal of impairment loss)/impairment loss on trade and other receivables | | (75) | 131 |
| Payables written back | | (283) | - |
| Bad debt written off | | 30 | - |
| Amortisation of intangible assets | | 2,842 | 3,858 |
| Impairment loss on intangible assets | | 7,896 | 3,977 |
| Depreciation of property, plant and equipment | | 1,256 | 610 |
| Gain on disposal of property, plant and equipment | | (3) | - |
| Gain on liquidation of a subsidiary | | (9) | - |
| Interest expenses | | 1,238 | 1,240 |
| Interest income | | (86) | (76) |
| Interest expenses on lease liabilities | | 38 | 11 |
| Provisions made during the financial year | | 36 | 16 |
| Fair value loss on financial assets, at fair value through profit or loss | | * | 19 |
| Unrealised foreign exchange loss/(gain) | | 368 | (1,247) |
| Operating cash flows before working capital changes | | 4,522 | 1,264 |
| Changes in working capital: | | | |
| Inventories | | 1,158 | (487) |
| Development property | | 4,273 | (27) |
| Trade and other receivables | | 852 | 1,282 |
| Trade and other payables and contract liabilities | | (7,232) | (4,771) |
| Provisions | | (16) | (32) |
| Cash generated from/(used in) operations | | 3,557 | (2,771) |
| Interest received | | 86 | 76 |
| Interest paid on bank overdrafts | | (80) | (76) |
| Net income tax paid | | (848) | (701) |
| Net cash generated from/(used in) operating activities | | 2,715 | (3,472) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | A | (200) | (402) |
| Proceeds from disposals of property, plant and equipment | | 6 | 89 |
| Net cash used in investing activities | | (194) | (313) |

*: Amount is less than \$1,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|---|-------|----------------|----------------|
| Cash flows from financing activities | | | |
| Advance from KMP | 19 | - | 955 |
| Repayment to KMP | 19 | (29) | - |
| Proceeds from borrowings | 21(f) | 13,251 | 14,881 |
| Repayments of borrowings | 21(f) | (9,672) | (13,554) |
| Repayments of lease liabilities | 21(f) | (312) | (365) |
| Interest paid on borrowings | 21(f) | (1,158) | (1,164) |
| Interest paid on lease liabilities | 21(f) | (38) | (11) |
| Withdrawal of cash pledged for bank facilities | | - | 250 |
| Dividends paid to non-controlling interests of a subsidiary | | (55) | (103) |
| Net cash generated from financing activities | | 1,987 | 889 |
| Net increase/(decrease) in cash and cash equivalents | | | |
| | | 4,508 | (2,896) |
| Cash and cash equivalents at beginning of the financial year | | 9,026 | 12,702 |
| Effects of exchange rate changes on cash and cash equivalents | | (105) | (780) |
| Cash and cash equivalents at end of the financial year | 18 | 13,429 | 9,026 |
| Note A: | | | |
| <u>Purchase of property, plant and equipment ("PPE")</u> | | | |
| Aggregate cost of PPE acquired | 12 | 200 | 1,341 |
| Less: Additions to right-of-use assets | 12 | - | (939) |
| Net cash outflow for purchase of PPE | | 200 | 402 |

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

The Company (Co. Reg. No. 199202747M) is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 16 Kallang Place, #05-10/18 Kallang Basin, Industrial Estate, Singapore 339156.

The Company is listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the Company are those of an investment holding company and performing the functions of the corporate headquarter of the Company and its subsidiaries (the "Group").

The principal activities of the significant subsidiaries are disclosed in Note 13.

2. Material accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company, are presented in Singapore dollar ("SGD") (rounded to the nearest thousand (\$'000) except when otherwise stated), and have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Use of estimates and judgements (cont'd)

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and current borrowings (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company except as disclosed below:

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has adopted the amendments to SFRS(I) 1-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Group's and the Company's financial statements.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 April 2024 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.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.3 Revenue recognition

Revenue is measured based on the consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to the customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or consume the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

The Group trades in semi-conductor parts. Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Revenue from these sales is recorded based on the contracted price less the estimated returns at the time of sale. Past experience and projections are used to estimate the anticipated returns, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

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.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Natural gas installation and connection

Revenue from natural gas installation and connection is recognised at a point in time, when the installation and connection services are rendered.

The customers are required to pay in advance for the full contract amount. If the services have not been rendered by the Group, a contract liability is recognised (Note 23).

Natural gas delivery and usage

Revenue from delivery and usage of natural gas is recognised over time when the performance obligation is satisfied, as the customer simultaneously receives and consumes the benefits provided by the Group. This is based on the consumption derived from meter readings. A contract liability is recognised for advance payments received from customers, i.e. in the form of prepaid cards, where delivery and usage has not taken place as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.3 Revenue recognition (cont'd)

Service concession revenue

As disclosed in Note 3.1 to the financial statements, Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries ("HZLH group") supplies natural gas under 30-year exclusive contracts with the cities of Anlu, Dawu, Xiaochang and Guangshui in Hubei Province, People's Republic of China ("PRC") which fall within the scope of SFRS(I) INT 12 *Service Concession Arrangements*. The Group applies SFRS(I) 15 *Revenue from Contracts with Customers* in its recognition of revenue from service concession arrangements.

The Group recognises revenue for construction services provided as a non-cash consideration and operating these assets as specified in the contracts in accordance with SFRS(I) 15 for the services performed. Revenue relating to construction services under a service concession arrangement is recognised over time when the performance obligation is satisfied.

Operation or service revenue is recognised in the period in which the services are provided by the Group, consistent with the accounting policy on recognition of revenue arising from "Natural gas installation and connection" and "Natural gas delivery and usage" as specified above.

Property development

Revenue from property development is recognised at a point in time when the customer obtains control of the asset, usually upon transfer of legal title. Revenue is measured at the transaction price agreed under the contract. Where the difference between the timing of receipt of payments and the satisfaction of a performance obligation is 12 months or more, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.4 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations, namely in Singapore and the People's Republic of China ("PRC"). The contributions to these schemes are charged to the profit or loss in the period in which the related service is performed.

Employee leave entitlements

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

2.5 Intangible assets

Land use rights

Land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over the lease term of 30 years.

Service concession arrangements

As disclosed in Note 3.1 to the financial statements, Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries ("HZLH group") supplies natural gas under 30-year exclusive contracts with the cities of Anlu, Dawu, Xiaochang and Guangshui in Hubei Province, People's Republic of China ("PRC") which fall within the scope of SFRS(I) INT 12 *Service Concession Arrangements*.

The Group recognises an intangible asset arising from the service concession arrangements when it has a right to charge for usage of the concession infrastructure. The intangible asset is measured at fair value upon initial recognition by reference to the fair value of services provided. Following initial recognition, the intangible asset is measured at cost, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of the intangible asset is the period when the Group has a right to charge the public for the usage of the infrastructure to the end of the concession period.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 30 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.6 Property, plant and equipment

Depreciation for property, plant and equipment other than construction in progress is provided on a straight-line basis so as to allocate their depreciable amounts over their estimated useful lives as follows:

| | Years |
|---------------------|--------------|
| Leasehold building | 30 |
| Office equipment | 3 to 5 |
| Plant and equipment | 2 to 3 |
| Motor vehicles | 3 to 5 |

Offices and premises are amortised over the lease term of 3 to 4 years.

2.7 Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition.

Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.7 Financial assets (cont'd)

Subsequent measurement

Debt instruments

Debt instruments include trade and other receivables (excluding advances to sub-contractors, goods and services tax recoverable, net and prepayments) and cash and cash equivalents. The subsequent measurement category is dependent on the Group's business model for managing the asset and cash flow characteristics of the asset:

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other items of income/ (expenses)".

On disposal of an equity investment classified as FVTPL, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss. Dividends from equity investments are recognised in profit or loss and presented in "other items of income/ (expenses)".

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.7 Financial assets (cont'd)

Impairment (cont'd)

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group based on its historical credit loss experience, adjusts as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Financial liabilities

Financial liabilities include trade and other payables 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.9 Inventories

Saleable merchandise

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a "weighted-average" basis. The cost of finished goods comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress includes cost of direct material, labour and an appropriate allocation of production overhead expenditure. Net realisable value represents the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable.

The lease liabilities are presented within "borrowings" in the statements of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

2. Material accounting policies (cont'd)

2.10 Leases (cont'd)

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct costs, less any lease incentives received.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful lives of the assets.

The right-of-use assets are presented within "Property, plant and equipment" and "Intangible assets" in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient to all its leases.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the financial year. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Critical judgement made in applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs).

Going concern assumption

During the financial year ended 30 April 2024, the Group and the Company incurred a net loss of \$9,871,000 (2023: \$7,945,000) and \$11,885,000 (2023: \$3,106,000) respectively. As at 30 April 2024, the Group's and the Company's current liabilities exceeded the current assets by \$13,215,000 (2023: \$10,038,000) and \$2,774,000 (2023: \$5,443,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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 main contributing factor to the net current liabilities of the Company pertains to the amounts due to subsidiaries of \$5,793,000 (2023: \$5,880,000), which the Company has the full control over its subsidiaries. The subsidiaries will not demand for repayment from the Company until the Company is able to meet its obligations as and when the Company's resources permit.

As elaborated further below, the major contributing factor to the net current liabilities position of the Group is due to Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH"). HZLH has for many years, been able to leverage short-term financing terms from its financiers.

The Board of Directors ("the Board") 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. Meanwhile, the Company is seeking to resolve its legacy issues with the SGX-ST to be in a position to enable fund raisings when required in the future.

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

Due to the up-front capital required for gas network infrastructure, HZLH has significant borrowings from local financial institutions and this is the major contributor to the Group's net current liabilities position. HZLH works with local financial institutions such as Bank of Construction, Bank of Communication, International Far Eastern Leasing Co., Ltd ("IFEL") as well as Bank of Kunlun Co., Ltd. ("KLB") which is under the umbrella of PetroChina Company Limited. HZLH has also further obtained financing from Powchan Financial Group Co., Ltd. On 16 September 2022, HZLH obtained a working capital loan amounting to RMB28,000,000 from KLB for a period of 36 months. On 19 January 2023 and 22 March 2023, HZLH obtained facilities amounting to RMB8,100,000 and RMB16,863,000 respectively from IFEL for a period of 12 to 36 months. Recent facilities negotiated by HZLH have been at lower interest rates which is in line with the People's Bank of China recent decision to further reduce the medium-term lending rates.

HZLH has good rapport with the local governments and its banks which is expected for a mature business of approximately 20 years. Its banks are unlikely to "call in" loans without a long notice period as this may cause disruption to civic services.

Banks in the PRC do recognise such arrangements as it is a popular way for local governments to fund infrastructure projects. As such, the maturing principals due within 12 months can be negotiated for further repayment terms with a longer tenure and the Group has been able to successfully renegotiate with the banks historically. The majority of short-term debt obligations are secured in nature either by cash or by collaterals of infrastructure under the service concession arrangements, and HZLH will be able to obtain additional fundings, if necessary, from the banks or financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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

The Board believes the operational cash flow is sufficient to meet payments as and when they fall due as supported by cash flow from HZLH's customers who pay for gas in advance.

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

ESA is an operating subsidiary company without borrowings other than bank overdrafts which is fully backed by its cash collaterals. It does not require additional facilities as it has long-standing credit arrangements with its suppliers which is expected of a well-established business of approximately 30 years. ESA also maintains a payment terms and receivables policy to ensure that there is no unacceptable customer credit risk.

In addition, the Company implemented various cost containment measures to generate savings and conserve financial resources, including offshoring back-office functions and amalgamating the office space in Singapore with ESA. The Company has significant cash resources at its disposal from its subsidiaries. It is also entitled to receive management fees and dividends.

As disclosed in Note 32 to the financial statements, the Company's wholly owned subsidiary, Renaissance United Washington, LLC ("RUW") and Maxstar International Sdn. Bhd. ("Maxstar") signed an exclusive marketing representative agreement in June 2024 to appoint RUW as Maxstar's exclusive representative in the United States of America, which is expected to generate future positive cash flows for the Group.

Based on the above, the financial statements have been prepared on the assumptions that the Group and the Company will continue as going concerns. The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns.

In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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

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

Natural gas supply contracts

The Group's wholly-owned subsidiary, Excellent Empire Limited, via its 100% owned subsidiary China Environmental Energy Protection Investment Limited ("CEEP"), holds 65% equity interest in HZLH. HZLH in turn holds a 100% equity interest in four companies supplying natural gas under 30-year exclusive contracts with the cities of Anlu, Dawu, Xiaochang and Guangshui in Hubei Province, People's Republic of China ("PRC").

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

On 24 July 2022, the Group announced that it had met with the Accounting and Corporate Regulatory Authority ("ACRA") and that ACRA is of the view that the Interpretation is applicable to the Group's gas distribution business in the PRC. As such, the Group has re-assessed the Interpretation and taken the following into consideration:

- (a) The local bureau (or the "Grantor") is able to control or regulate a significant extent of the type of services the Group (or the "Operator") must provide with the infrastructure, to whom the services are provided and pricing are controlled or regulated by the Grantor;
- (b) The Grantor controls significant residual interest in the infrastructure at the end of the term of the service arrangement whereby (i) the assets infrastructure must be transferred and compensate according to the evaluation results at the end of the service concession period; and (ii) under the circumstances that the infrastructure is not transferred to the Grantor at the end of the 30-year arrangement, the Grantor will determine the new operator to which the infrastructure will be transferred to. The infrastructure is also intended to be used in the arrangement by the Operator for its entire useful life;
- (c) The infrastructure is constructed by the Operator for the purpose of the service arrangement;
- (d) The Operator does not have a contractual right to receive cash or other financial asset from or at the direction of the Grantor; and
- (e) The Operator has a contractual right to charge users of the public services.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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

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

Deferred income tax assets

The Group recognises deferred income tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group is able to satisfy the continuing ownership test.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The carrying value of unrecognised deferred tax asset and the unrecognised tax losses of the Group at 30 April 2024 are disclosed in Note 9.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets

The Group and the Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value in use.

In determining the recoverable amounts, the FVLCD of HZLH and ESA are determined based on valuations performed by management. The FVLCD of Capri is determined based on the valuation of its net assets. The details are disclosed in Notes 11 and 13.

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

The carrying amounts of intangible assets, property, plant and equipment and investment in subsidiaries at the end of the financial year are disclosed in Notes 11, 12 and 13 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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.

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 16 and 29.

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 \$1,036,000 (2023: \$811,000) and \$19,000 (2023: \$19,000) respectively. The Group's deferred tax assets were \$297,000 (2023: \$383,000) at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

4. Revenue

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

| | Property development \$'000 | Gas distribution \$'000 | Electronics and trading \$'000 | Total \$'000 |
|--------------------------------------|-----------------------------------|-------------------------------|--------------------------------------|-----------------|
| 2024 | | | | |
| Primary geographical markets | | | | |
| Singapore | - | - | 4,138 | 4,138 |
| PRC | - | 65,879 | 5,626 | 71,505 |
| Taiwan | - | - | 1,600 | 1,600 |
| USA | 12,149 | - | 858 | 13,007 |
| Europe | - | - | 918 | 918 |
| Others | - | - | 2,218 | 2,218 |
| | 12,149 | 65,879 | 15,358 | 93,386 |
| Major product lines | | | | |
| Semi-conductor components | - | - | 15,358 | 15,358 |
| Gas installation and connection | - | 11,628 | - | 11,628 |
| Gas delivery and usage | - | 49,610 | - | 49,610 |
| Property development | 12,149 | - | - | 12,149 |
| Service concession revenue | - | 4,641 | - | 4,641 |
| | 12,149 | 65,879 | 15,358 | 93,386 |
| Timing of revenue recognition | | | | |
| At a point in time | 12,149 | 11,628 | 15,358 | 39,135 |
| Over time | - | 54,251 | - | 54,251 |
| | 12,149 | 65,879 | 15,358 | 93,386 |
| 2023 | | | | |
| Primary geographical markets | | | | |
| Singapore | - | - | 3,267 | 3,267 |
| PRC | - | 60,377 | 5,235 | 65,612 |
| Taiwan | - | - | 951 | 951 |
| USA | - | - | 926 | 926 |
| Europe | - | - | 557 | 557 |
| Others | - | - | 2,847 | 2,847 |
| | - | 60,377 | 13,783 | 74,160 |
| Major product lines | | | | |
| Semi-conductor components | - | - | 13,783 | 13,783 |
| Gas installation and connection | - | 11,702 | - | 11,702 |
| Gas delivery and usage | - | 46,761 | - | 46,761 |
| Service concession revenue | - | 1,914 | - | 1,914 |
| | - | 60,377 | 13,783 | 74,160 |
| Timing of revenue recognition | | | | |
| At a point in time | - | 11,702 | 13,783 | 25,485 |
| Over time | - | 48,675 | - | 48,675 |
| | - | 60,377 | 13,783 | 74,160 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

4. Revenue (cont'd)

| | Group | |
|---|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Revenue recognised during the financial year from: | | |
| Amounts included in contract liabilities at the beginning of the financial year (Note 23) | 16,325 | 21,312 |

Management expects that \$12,508,000 (2023: \$16,325,000) of the advance payments from customers as at the end of reporting period will be recognised as revenue during the next reporting period.

5. Other income

| | Group | |
|---|------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Government grants | - | 16 |
| Sundry income | 192 | 137 |
| Recovery of legal costs (Note 31(i)) | - | 175 |
| Payables written back | 283 | - |
| Gain on disposal of property, plant and equipment | 3 | - |
| Gain on liquidation of a subsidiary (Note 13(b)) | 9 | - |
| | 487 | 328 |

6. Employee benefits expenses

| | Group | |
|----------------------------------|--------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| <i>Key management personnel*</i> | | |
| Short-term employee benefits | 876 | 875 |
| Defined contribution plans | 25 | 28 |
| | 901 | 903 |
| <i>Other staff</i> | | |
| Short-term employee benefits | 5,995 | 5,678 |
| Defined contribution plans | 370 | 381 |
| | 7,266 | 6,962 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

6. Employee benefits expenses (cont'd)

| | Group | |
|---|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| * Comprise amounts paid to: | | |
| <i>Directors of the Company</i> | | |
| - Remuneration, allowances and bonuses | 431 | 391 |
| <i>Directors of subsidiaries</i> | | |
| - Remuneration, allowances and bonuses | 154 | 181 |
| - Defined contribution plan expenses | 12 | 14 |
| <i>Other key management personnel ("KMP")</i> | | |
| - Salaries, allowances and bonuses | 291 | 303 |
| - Defined contribution plan expenses | 13 | 14 |
| | 901 | 903 |

7. Finance costs

| | Group | |
|---------------------------------------|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Interest expenses | | |
| - lease liabilities (Notes 12 and 21) | 38 | 11 |
| - bank borrowings (Note 21) | 1,158 | 1,164 |
| - bank overdrafts | 80 | 76 |
| - other bank charges | 70 | 58 |
| | 1,346 | 1,309 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

8. Loss before income tax

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

| | Group | |
|-----------------------------------|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Audit fees | | |
| - auditor of the Company | 145 | 145 |
| - other auditors | 161 | 148 |
| Non-audit fees | | |
| - auditor of the Company | 8 | 8 |
| - other auditors | 8 | 3 |
| Provision for Directors' fees | | |
| - Directors of the Company | 83 | 86 |
| General repair and maintenance | 361 | 286 |
| Professional and consultancy fees | 1,802 | 868 |
| Travelling expenses | 382 | 302 |
| Utilities | 409 | 323 |
| Safety production expenses | 1,126 | 909 |

9. Income tax expense

| | Group | |
|---|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Income tax expense for the financial year consist of: | | |
| Current income tax | | |
| - current year | 929 | 656 |
| - under provision in prior years | 140 | 24 |
| Deferred tax assets (Note 22) | | |
| - current year | 76 | 10 |
| Deferred tax liabilities (Note 22) | | |
| - current year | - | (20) |
| | 1,145 | 670 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

9. Income tax expense (cont'd)

Domestic income tax is calculated at 17% (2023: 17%) of the estimated assessable profit for the financial year. The Group's subsidiaries in PRC and the United States of America are subject to corporate income tax rate of 25% and 21% (2023: 25% and 21%) respectively. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to loss in the countries where the Group operates due to the following factors:

| | Group | |
|---|----------------|---------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Loss before income tax | (8,726) | (7,275) |
| Tax at domestic rates applicable to loss in the countries where the Group operates in | (1,627) | (1,602) |
| Expenses not deductible for tax purposes | 2,587 | 1,989 |
| Income not subject to tax | (343) | (224) |
| Deferred tax assets not recognised | 418 | 520 |
| Under provision in prior years | 140 | 24 |
| Others | (30) | (37) |
| | 1,145 | 670 |

Unrecognised deferred tax asset

| | Group | |
|------------------------------------|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| At beginning of the financial year | 9,803 | 9,427 |
| Additions | 418 | 520 |
| Exchange translation difference | (227) | (144) |
| At end of the financial year | 9,994 | 9,803 |

Unrecognised deferred tax asset is attributable to unutilised tax losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

9. Income tax expense (cont'd)

As at 30 April 2024, the Group has unutilised tax losses of approximately \$51,582,000 (2023: \$50,432,000) which are available to offset against future taxable profit subject to the agreement of the relevant tax authorities and compliance with certain provision of the tax legislation of the respective countries in which the Group operates. The related deferred tax asset has not been recognised in the financial statements due to the unpredictability of future revenue streams.

The unutilised tax losses can be carried forward indefinitely except for those arising from the subsidiaries in the jurisdiction of PRC amounting to \$3,307,000 (2023: \$2,351,000) 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 2028.

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 | |
|---|-------------------------|------------------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Losses | | |
| Loss for the financial year attributable to equity holders of the Company | <u>(6,782)</u> | <u>(6,058)</u> |
| Number of shares ('000) | | |
| Number of shares | 6,180,800 | 6,180,800 |
| Weighted average number of ordinary shares in issue | <u>6,180,800</u> | <u>6,180,800</u> |
| Loss per share (in cents) | | |
| Basic and diluted | <u>(0.110)</u> | <u>(0.098)</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

11. Intangible assets

| Group | Intellectual rights \$'000 | Distribution and licensing rights \$'000 | Exploration and extraction rights \$'000 | Land use rights \$'000 | Service concession arrangements \$'000 | Total \$'000 |
|---|----------------------------------|---|---|------------------------------|---|-----------------|
| 2024 | | | | | | |
| Cost | | | | | | |
| At 1 May 2023 | 688 | 38,748 | 10,434 | 1,868 | 95,487 | 147,225 |
| Additions | - | - | - | - | 4,641 | 4,641 |
| Exchange translation difference | - | (500) | 188 | (45) | (2,284) | (2,641) |
| At 30 April 2024 | 688 | 38,248 | 10,622 | 1,823 | 97,844 | 149,225 |
| Accumulated amortisation and impairment loss | | | | | | |
| At 1 May 2023 | 688 | 38,748 | 10,434 | 720 | 38,213 | 88,803 |
| Amortisation | - | - | - | 59 | 2,783 | 2,842 |
| Impairment loss | - | - | - | - | 7,896 | 7,896 |
| Exchange translation difference | - | (500) | 188 | (16) | (1,023) | (1,351) |
| At 30 April 2024 | 688 | 38,248 | 10,622 | 763 | 47,869 | 98,190 |
| Representing: | | | | | | |
| Accumulated amortisation | - | 20,187 | 2,281 | 763 | 34,752 | 57,983 |
| Accumulated impairment loss | 688 | 18,061 | 8,341 | - | 13,117 | 40,207 |
| | 688 | 38,248 | 10,622 | 763 | 47,869 | 98,190 |
| Net carrying amount | | | | | | |
| At 30 April 2024 | - | - | - | 1,060 | 49,975 | 51,035 |
| Remaining useful lives | Indefinite | 12 - 16 years | 7 years | 12 years | 11 - 15 years | |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

11. Intangible assets (cont'd)

| Group | Intellectual rights \$'000 | Distribution and licensing rights \$'000 | Exploration and extraction rights \$'000 | Land use rights \$'000 | Service concession arrangements \$'000 | Total \$'000 |
|---|----------------------------------|---|---|------------------------------|---|-----------------|
| 2023 | | | | | | |
| Cost | | | | | | |
| At 1 May 2022 | 688 | 38,748 | 10,761 | 2,034 | 101,742 | 153,973 |
| Additions | - | - | - | - | 1,914 | 1,914 |
| Exchange translation difference | - | - | (327) | (166) | (8,169) | (8,662) |
| At 30 April 2023 | 688 | 38,748 | 10,434 | 1,868 | 95,487 | 147,225 |
| Accumulated amortisation and impairment loss | | | | | | |
| At 1 May 2022 | 688 | 38,748 | 10,761 | 686 | 33,177 | 84,060 |
| Amortisation | - | - | - | 92 | 3,766 | 3,858 |
| Impairment loss | - | - | - | - | 3,977 | 3,977 |
| Exchange translation difference | - | - | (327) | (58) | (2,707) | (3,092) |
| At 30 April 2023 | 688 | 38,748 | 10,434 | 720 | 38,213 | 88,803 |
| Representing: | | | | | | |
| Accumulated amortisation | - | 20,450 | 2,296 | 720 | 32,760 | 56,226 |
| Accumulated impairment loss | 688 | 18,298 | 8,138 | - | 5,453 | 32,577 |
| | 688 | 38,748 | 10,434 | 720 | 38,213 | 88,803 |
| Net carrying amount | | | | | | |
| At 30 April 2023 | - | - | - | 1,148 | 57,274 | 58,422 |
| Remaining useful lives | Indefinite | 13 - 17 years | 8 years | 13 years | 12 - 16 years | |

Management performed an impairment test as HZLH group is loss-making during the current financial year. Based on management's assessment, the carrying amount (before impairment loss during the year) of \$57,871,000 (2023: \$61,251,000) of the HZLH group's cash-generating unit under the gas distribution segment as at 30 April 2024 exceeds its recoverable amount of \$49,975,000 (2023: \$57,274,000). Henceforth, management is of the view that the Group will not be able to recover fully the carrying amount of the intangible assets, and accordingly a further impairment of \$7,896,000 (2023: \$3,977,000) was made. Recoverable amount is the higher of FVLCD and value-in-use. The recoverable amount has been computed based on the FVLCD, determined based on valuation performed by an independent firm of professional valuers using the guideline publicly-traded comparable ("GPC") method under market-based approach.

EV/EBITDA - where the enterprise value is divided by earnings before interest, tax, depreciation, and amortisation of HZLH group is used. The median EV/EBITDA is adopted from several listed companies with business scopes and operations similar to HZLH group.

The fair value measurement is categorised as a Level 3 fair value inputs to the valuation technique used (Note 30).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

11. Intangible assets (cont'd)

Sensitivity to changes in assumptions

With regard to the assessment of FVLCD for HZLH group, a 5% decrease/increase in the median EV/EBITDA would result in increase/decrease of impairment loss of \$1,915,000 (2023: \$2,134,000).

At the end of the financial year, the Group has intangible asset in relation to infrastructure under service concession arrangements with a carrying amount of approximately \$49,975,000 (2023: \$57,274,000) pledged to financial institutions as security for bank borrowings granted to certain subsidiaries (Note 21).

Non-cash consideration

Additions to service concession arrangements during the financial years ended 30 April 2024 and 30 April 2023 are in relation to the service concession revenue recognised by the Group (Note 4).

Service concession arrangements

HZLH group supplies natural gas under 30-year exclusive contracts with the cities of Anlu, Dawu, Xiaochang and Guangshui in Hubei Province, People's Republic of China ("PRC").

The Group has determined that such exclusive contracts fall within the scope of SFRS(I) INT 12 *Service Concession Arrangements* (the "Interpretation") and has recognised its service concession arrangements as an intangible asset to the extent that it has a right to charge users of the public service.

12. Property, plant and equipment

| Group | Leasehold building \$'000 | Office equipment \$'000 | Plant and equipment \$'000 | Motor vehicles \$'000 | Offices and premises \$'000 | Total \$'000 |
|---------------------------------|---------------------------------|-------------------------------|----------------------------------|-----------------------------|-----------------------------------|-----------------|
| 2024 | | | | | | |
| Cost | | | | | | |
| At 1 May 2023 | 11,693 | 1,735 | 3,417 | 706 | 971 | 18,522 |
| Additions | 75 | 97 | 3 | 25 | - | 200 |
| Disposals and written off | - | (20) | (3) | (23) | - | (46) |
| Exchange translation difference | (273) | (8) | (50) | (12) | - | (343) |
| At 30 April 2024 | 11,495 | 1,804 | 3,367 | 696 | 971 | 18,333 |
| Accumulated depreciation | | | | | | |
| At 1 May 2023 | 3,880 | 1,641 | 2,733 | 659 | 55 | 8,968 |
| Charge for the financial year | 708 | 61 | 154 | 17 | 316 | 1,256 |
| Disposals and written off | - | (18) | (2) | (23) | - | (43) |
| Exchange translation difference | (82) | (5) | - | (12) | (1) | (100) |
| At 30 April 2024 | 4,506 | 1,679 | 2,885 | 641 | 370 | 10,081 |
| Net carrying amount | | | | | | |
| At 30 April 2024 | 6,989 | 125 | 482 | 55 | 601 | 8,252 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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

| Group | Leasehold building \$'000 | Office equipment \$'000 | Plant and equipment \$'000 | Motor vehicles \$'000 | Offices and premises \$'000 | Total \$'000 |
|---------------------------------|---------------------------------|-------------------------------|----------------------------------|-----------------------------|-----------------------------------|-----------------|
| 2023 | | | | | | |
| Cost | | | | | | |
| At 1 May 2022 | 12,341 | 1,710 | 3,417 | 1,286 | 1,326 | 20,080 |
| Additions | 313 | 51 | - | 38 | 939 | 1,341 |
| Disposals and written off | - | - | - | (530) | (1,292) | (1,822) |
| Exchange translation difference | (961) | (26) | - | (88) | (2) | (1,077) |
| At 30 April 2023 | 11,693 | 1,735 | 3,417 | 706 | 971 | 18,522 |
| Accumulated depreciation | | | | | | |
| At 1 May 2022 | 4,158 | 1,614 | 2,566 | 1,147 | 1,011 | 10,496 |
| Charge for the financial year | 25 | 49 | 167 | 32 | 337 | 610 |
| Disposals and written off | - | - | - | (441) | (1,292) | (1,733) |
| Exchange translation difference | (303) | (22) | - | (79) | (1) | (405) |
| At 30 April 2023 | 3,880 | 1,641 | 2,733 | 659 | 55 | 8,968 |
| Net carrying amount | | | | | | |
| At 30 April 2023 | 7,813 | 94 | 684 | 47 | 916 | 9,554 |

| | Office equipment \$'000 | Motor vehicles \$'000 | Total \$'000 |
|---------------------------------|-------------------------------|-----------------------------|-----------------|
| Company | | | |
| 2024 | | | |
| Cost | | | |
| At 1 May 2023 and 30 April 2024 | 32 | 201 | 233 |
| Accumulated depreciation | | | |
| At 1 May 2023 | 25 | 185 | 210 |
| Charge for the financial year | 3 | 5 | 8 |
| At 30 April 2024 | 28 | 190 | 218 |
| Net carrying amount | | | |
| At 30 April 2024 | 4 | 11 | 15 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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

| | Office equipment \$'000 | Motor vehicles \$'000 | Total \$'000 |
|-------------------------------|-------------------------------|-----------------------------|-----------------|
| Company | | | |
| 2023 | | | |
| Cost | | | |
| At 1 May 2022 | 27 | 201 | 228 |
| Additions | 5 | - | 5 |
| At 30 April 2023 | 32 | 201 | 233 |
| Accumulated depreciation | | | |
| At 1 May 2022 | 23 | 180 | 203 |
| Charge for the financial year | 2 | 5 | 7 |
| At 30 April 2023 | 25 | 185 | 210 |
| Net carrying amount | | | |
| At 30 April 2023 | 7 | 16 | 23 |

Included in additions are right-of-use assets recognised of \$Nil (2023: \$939,000).

The Group's leasing activities comprise the following:

- a) The Group leases offices and premises from non-related parties. The leases have an average tenure of between three to four years; and
- b) The Group leases certain office equipment with contractual terms of 6 months to three years. These leases are either short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 29(b)(iii).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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

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

Amounts recognised in statement of financial position

| | Group | |
|---|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| <u>Carrying amount of right-of-use assets</u> | | |
| Land use rights (Note 11) | 1,060 | 1,148 |
| Offices and premises under leases | 601 | 916 |
| | 1,661 | 2,064 |
| <u>Carrying amount of lease liabilities (Note 21)</u> | | |
| Current | 314 | 302 |
| Non-current | 292 | 616 |
| | 606 | 918 |
| <u>Additions to right-of-use assets</u> | | |
| Offices and premises | - | 939 |

Amounts recognised in profit or loss

| | Group | |
|---|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| <u>Amortisation and depreciation charge for the financial year</u> | | |
| Land use rights (Note 11) | 59 | 92 |
| Offices and premises under leases | 316 | 337 |
| | 375 | 429 |
| Lease expense not included in the measurement of lease liabilities: | | |
| Lease expense - short-term leases | 42 | 18 |
| Lease expense - low value assets | 15 | 15 |
| Interest expense arising from lease liabilities (Note 7) | 38 | 11 |

Total cash flows for leases during the financial year amounted to \$407,000 (2023: \$409,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

13. Investments in subsidiaries

| | Company | |
|---------------------------------|------------------|-----------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Unquoted equity shares, at cost | 184,793 | 184,793 |
| Quasi-equity loan | 97,386 | 97,386 |
| | 282,179 | 282,179 |
| Less: Allowance for impairment | (256,633) | (242,087) |
| Net carrying amount | 25,546 | 40,092 |

The movement in the allowance for impairment is as follows:

| | Company | |
|------------------------------------|----------------|---------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| At beginning of the financial year | 242,087 | 239,367 |
| Addition | 14,546 | 2,720 |
| At end of the financial year | 256,633 | 242,087 |

Quasi-equity loan

Quasi-equity loan represents an interest-free loan provided by the Company to its subsidiaries, Excellent Empire Limited ("EEL") and Renaissance United Group Sdn. Bhd. ("RUG"), which are not expected to be repaid in the foreseeable future. EEL has in turn substantially invested the proceeds from the quasi-equity loan to expand the operations of natural gas in the PRC.

Impairment test for investment in subsidiaries

Management has assessed the recoverable amounts of EEL group and ESA Electronics Pte. Ltd. at the end of the financial year based on FVLCD method.

EEL group

Management performed an impairment test for investment in EEL as this subsidiary had been persistently making losses. During the financial year ended 30 April 2024, an impairment loss of \$14,546,000 (2023: \$2,720,000) has been recognised in profit or loss for its investment in EEL group. The Company's carrying amount of its cost of investment in EEL as at 30 April 2024 amounted to \$20,235,000 (2023: \$34,781,000). The quasi-equity loan to EEL had been fully impaired since the financial year ended 30 April 2019.

The recoverable amount of EEL is mainly derived from the recoverable amount of HZLH group and Capri.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

13. Investments in subsidiaries (cont'd)

EEL group (cont'd)

Recoverable amount is the higher of FVLCD and value-in-use. The recoverable amount of HZLH group has been computed based on the FVLCD, determined based on valuation performed by an independent firm of professional valuers using the guideline publicly-traded comparable ("GPC") method under market-based approach. Please refer to Note 11 for details. The arrived equity value is adjusted for control premium of 43.2% (2023: 42.9%), and discounted for lack of marketability of 15.7% (2023: 15.7%).

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

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

With regard to the assessment of recoverable amount for EEL, a 1% decrease/increase in the median EV/EBITDA would result in increase of impairment loss of \$319,000 (2023: \$315,000) and decrease of impairment loss of \$245,000 (2023: \$314,000) respectively.

ESA Electronics Pte. Ltd.

The Company's carrying amount of its cost of investment in ESA Electronics Pte. Ltd. ("ESA") as at 30 April 2024 amounted to \$5,310,000 (2023: \$5,310,000). Impairment loss amounted to \$16,725,000 has been recognised in prior years.

During the financial year ended 30 April 2024, management performed an impairment test for investment in ESA. Recoverable amount is the higher of FVLCD and value-in-use. The recoverable amount of investment in ESA has been computed based on the FVLCD, determined based on valuation performed by management using the weighted of discounted cash flow (for FVLCD) method and GPC (for FVLCD) method.

Discounted cash flow (for FVLCD) method - revenue is projected to grow between 5% - 10% (2023: 1.2% - 15.0%) per annum during the period from 2025 to 2029, with average gross profit margin of 27.5% (2023: 27.9%). Inflation rate of 2.0% (2023: 2.0%) per annum and terminal growth rate of 2.0% (2023: 2.0%) is applied. The future cash flows are discounted to their present value using a pre-tax discount rate of 14.9% (2023: 14.0%) per annum. The arrived equity value is discounted for lack of marketability of 12.0% (2023: 12.0%).

GPC (for FVLCD) method - the median EV/EBITDA is adopted from several listed companies with business scopes and operations similar to ESA. The arrived equity value is discounted for lack of marketability of 12.0% (2023: 12.0%).

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

With regard to the assessment of FVLCD for ESA, a 1% decrease/increase in the gross profit margin based on management's estimation would result in increase of impairment loss of \$1,060,000 (2023: \$60,000) and a reversal of impairment loss of \$460,000 (2023: \$1,280,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

13. Investments in subsidiaries (cont'd)

Other entities

Management performed an impairment test for the investment in other entities in the Group. The recoverable amount of the remaining entities has been computed based on FVLCD. The FVLCD is determined based on the net assets of the respective entities which management had estimated that the book value is fairly comparable at market value which approximates the FVLCD of the entities. The fair value measurement is categorised as a Level 3 fair value inputs to the valuation technique used.

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

| Name of subsidiaries | Principal activities | Country of incorporation and operations | Effective equity interest held by the Group | |
|--|---|---|---|-----------|
| | | | 2024 % | 2023 % |
| 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. [#] | Engineering, construction and infrastructure development | Malaysia | 100 | 100 |
| Renaissance United Group Sdn. Bhd. [#] | Investment holding | Malaysia | 100 | 100 |
| Ambico Sendirian Berhad [#] | Dormant | Brunei | 100 | 100 |
| IpcO-Prebumi (B) Sendirian Berhad [#] | Under liquidation | Brunei | 70 | 70 |
| IpcO Contractors (S.A.) [#] | Dormant | British Virgin Islands | 100 | 100 |
| Excellent Empire Limited ("EEL") [*] | Investment holding | British Virgin Islands | 100 | 100 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

13. Investments in subsidiaries (cont'd)

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

| Name of subsidiaries | Principal activities | Country of incorporation and operations | Effective equity interest held by the Group | |
|--|---|---|---|-----------|
| | | | 2024 % | 2023 % |
| <u>Held by Ipco Contractors (S.A.):</u> Ipco China Gas Pipelines Limited# | Dormant | British Virgin Islands | 70 | 70 |
| <u>Held by Renaissance United Development Sdn. Bhd.:</u> Renaissance United Asset Sdn. Bhd.#, ^ | Dormant | Malaysia | - | 100 |
| <u>Held by Renaissance United Group Sdn. Bhd.:</u> Gulf Asia Holdings Ltd# | Dormant | Malaysia | 100 | 100 |
| Renaissance United Asset Sdn. Bhd.#, ^ | Dormant | Malaysia | 100 | - |
| <u>Held by ESA Electronics Pte. Ltd.:</u> ESA Assembly Pte. Ltd. ⁽²⁾ | Manufacturers, assemblers, installers, maintainers, repairers of and dealers in electronic components | Singapore | 81.25 | 81.25 |
| <u>Held by Excellent Empire Limited:</u> 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 |
| Renaissance United Washington, LLC* | Investment holding | United States of America | 100 | 100 |
| <u>Held by China Environmental Energy Protection Investment Limited:</u> Hubei Zonglianhuan Energy Investment Management Inc. ("HZLH") ⁽³⁾ | Providing management services | People's Republic of China | 65 | 65 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

13. Investments in subsidiaries (cont'd)

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

| Name of subsidiaries | Principal activities | Country of incorporation and operations | Effective equity interest held by the Group | |
|--|-------------------------------|---|---|-----------|
| | | | 2024 % | 2023 % |
| <i>Held by Hubei Zonglianhuan Energy Investment Management Inc.:</i> | | | | |
| Anlu Jiayu Natural Gas Company Limited ⁽³⁾ | Natural gas distribution | People's Republic of China | 65 | 65 |
| Dawu Jiayu Natural Gas Company Limited ⁽³⁾ | Natural gas distribution | People's Republic of China | 65 | 65 |
| Xiaochang Jiayu Natural Gas Company Limited ⁽³⁾ | Natural gas distribution | People's Republic of China | 65 | 65 |
| Guangshui Zhong Huan Gas Development Co., Ltd ⁽³⁾ | Natural gas distribution | People's Republic of China | 65 | 65 |
| Weihai Nanhai Zhong Huan Natural Gas Co., Ltd [#] | Dormant | People's Republic of China | 58.5 | 58.5 |
| Hai Yang Zhong Huan Natural Gas Co., Ltd [#] | Dormant | People's Republic of China | 58.5 | 58.5 |
| Rushan Zhong Huan Natural Gas Co., Ltd [#] | Dormant | People's Republic of China | 58.5 | 58.5 |
| Sino Gas Holdings Pte. Limited [#] | Investment holding | Singapore | 58.5 | 58.5 |
| <i>Held by Anlu Jiayu Natural Gas Company Limited:</i> | | | | |
| Anlu Jiayu Natural Gas Wei Huo Transportation Company Limited ^{(3), Note (b)} | Transportation of natural gas | People's Republic of China | - | 65 |

Notes:

(1) Audited by Baker Tilly TFW LLP

(2) Audited by RSM SG Assurance LLP (formerly known as RSM Chio Lim LLP)

(3) Audited by BDO China Shu Lun Pan CPAs LLP, People's Republic of China

* Not required to be audited by law of country of incorporation

Not considered as a significant subsidiary as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited

^ On 28 February 2024, Renaissance United Development Sdn. Bhd. transferred its 100% equity shares in Renaissance United Asset Sdn. Bhd. to Renaissance United Group Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

13. Investments in subsidiaries (cont'd)

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

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and the Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

- b) Liquidation of a subsidiary

On 31 July 2023, the Group has completed the liquidation of Anlu Jiaxu Natural Gas Wei Huo Transportation Company Limited ("AJN"), a 65% owned subsidiary. The completion of the liquidation resulted in a gain of \$9,000 to the Group. Upon the completion of liquidation, AJN ceased to be a subsidiary of the Group.

| | Group 2024 \$'000 |
|--|----------------------------------|
| Gain on liquidation of a subsidiary: | |
| Net liabilities | (9) |
| Gain on liquidation of a subsidiary (Note 5) | (9) |

- c) Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information in relation to the subsidiaries that have non-controlling interests ("NCI") that are material to the Group. The summarised financial information is presented before inter-company eliminations.

| | Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries | | ESA Electronics Pte. Ltd. and its subsidiary | |
|---|--|---------|---|--------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Summarised statements of profit or loss and other comprehensive income | | | | |
| Revenue | 65,878 | 60,377 | 15,358 | 13,783 |
| (Loss)/profit before income tax | (8,138) | (4,745) | 227 | (98) |
| Income tax (expense)/credit | (900) | (523) | 170 | (135) |
| (Loss)/profit after income tax | (9,038) | (5,268) | 397 | (233) |
| (Loss)/profit allocated to NCI | (3,163) | (1,843) | 74 | (44) |
| Other comprehensive loss allocated to NCI | (289) | (1,642) | - | - |
| Total comprehensive (loss)/income allocated to NCI | (3,452) | (3,485) | 74 | (44) |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

13. Investments in subsidiaries (cont'd)

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

| | Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries | | ESA Electronics Pte. Ltd. and its subsidiary | |
|--|--|----------|---|---------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Summarised statements of financial position | | | | |
| Assets | | | | |
| Current assets | 10,592 | 11,073 | 10,669 | 10,657 |
| Non-current assets | 58,781 | 67,299 | 747 | 1,165 |
| Liabilities | | | | |
| Current liabilities | (36,431) | (34,131) | (3,991) | (4,170) |
| Non-current liabilities | (9,688) | (11,116) | (311) | (637) |
| Net assets | | | | |
| Accumulated non-controlling interests | 8,139 | 11,594 | 1,334 | 1,315 |

During the financial year ended 30 April 2024, ESA Electronics Pte. Ltd. declared and paid out a final one-tier tax-exempt dividend of \$0.25 (2023: \$0.21) per ordinary share amounting to approximately \$55,000 on 29 November 2023 (2023: \$47,000 on 19 September 2022) and an interim one-tier tax exempt dividend of \$0.25 per ordinary share amounting to approximately \$56,000 on 18 January 2023 respectively) to its non-controlling interests.

| | Hubei Zonglianhuan Energy Investment Management Inc. and its subsidiaries | | ESA Electronics Pte. Ltd. and its subsidiary | |
|--|--|---------|---|--------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Summarised statements of cash flows | | | | |
| Cash flows (used in)/generated from operating activities | (3,205) | (1,485) | (688) | 656 |
| Cash flows (used in)/generated from investing activities | (53) | (282) | (65) | 226 |
| Cash flows generated from/(used in) financing activities | 2,965 | 163 | (725) | (992) |
| Net cash outflows | (293) | (1,604) | (1,478) | (110) |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

14. Inventories

| | Group | |
|----------------------|--------------|--------------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Work-in-progress | 538 | 1,297 |
| Saleable merchandise | 921 | 1,320 |
| | <u>1,459</u> | <u>2,617</u> |

The cost of inventories recognised as an expense and included in “raw materials and consumables used” amounted to \$8,569,000 (2023: \$6,845,000).

15. Development property

| | Group | |
|------------------------------------|----------|--------------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| <u>Unsold development property</u> | | |
| Land at cost | - | 4,246 |
| Development costs | - | 27 |
| | <u>-</u> | <u>4,273</u> |

The development property comprises a parcel of land which is located near the cities of Seattle and Tacoma in the state of Washington, the United States of America (“USA”). The sale was completed in February 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

16. Trade and other receivables

| | Note | Group | | Company | |
|---|------|-----------------|----------------|-----------------|----------------|
| | | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| <i>Non-current</i> | | | | | |
| Non-trade receivables | | | | | |
| - advances to sub-contractors | | 14 | 14 | - | - |
| <i>Current</i> | | | | | |
| Trade receivables | | | | | |
| - third parties | (a) | 4,232 | 5,075 | - | - |
| Less: Allowance for impairment | | (73) | (144) | - | - |
| | | 4,159 | 4,931 | - | - |
| Non-trade receivables | | | | | |
| - third parties | (b) | 18,209 | 18,495 | 42 | 41 |
| - KMP | (c) | 2,555 | 2,618 | - | - |
| Less: Allowance for impairment | | (18,193) | (18,270) | (32) | (32) |
| | | 2,571 | 2,843 | 10 | 9 |
| Due from subsidiaries | (d) | - | - | 29,731 | 33,566 |
| Less: Allowance for impairment | | - | - | (29,375) | (33,242) |
| | | - | - | 356 | 324 |
| Goods and services tax recoverable, net | | 111 | 170 | - | 1 |
| Prepayments | | 3,798 | 3,612 | 12 | 5 |
| Rental, utilities and other deposits | | 145 | 136 | 2 | 2 |
| Staff advances | | 44 | 24 | - | - |
| | | 4,098 | 3,942 | 14 | 8 |
| Total current receivables | | 10,828 | 11,716 | 380 | 341 |
| Total trade and other receivables | | 10,842 | 11,730 | 380 | 341 |

- (a) Trade receivables due from third parties for the electronics and trading segment are non-interest bearing and generally have credit terms of 30 to 90 days (2023: 30 to 90 days). As at 30 April 2023, trade receivable due from a third party for property development segment of US\$2,119,000 (approximately \$2,833,000) was non-interest bearing and was due at the earlier of the fifth anniversary of the closing or upon the customer's individual home sales to third parties, whichever earlier. During the financial year ended 30 April 2024, the sales of the property development was completed and the proceeds were fully received from the third party.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

16. Trade and other receivables (cont'd)

- (b) The current non-trade receivables due from third parties included an amount of \$5,034,000 (2023: \$5,160,000) arising from the disposal of 20% equity interest in HZLH to a third party with a payment term of 3 years and expired in 2019. The amount was impaired during the financial year ended 30 April 2018 based on the recoverability assessment performed by management.

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

- (c) The amount due from KMP, Mr. On Wang Sang, arising from consideration receivable from the disposal of HZLH shares by China Environmental Energy Protection Investment Limited ("CEEP") remains payable. The Directors are in negotiation with Mr. On to resolve the outstanding payment. The amount was impaired during the financial year ended 30 April 2019.

- (d) The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand and to be settled in cash.

Trade and other receivables are denominated in the following currencies:

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Singapore dollar | 628 | 756 | 104 | 114 |
| United States dollar | 4,722 | 5,358 | 204 | 227 |
| Renminbi | 5,454 | 5,599 | - | - |
| Others | 38 | 17 | 72 | - |
| | 10,842 | 11,730 | 380 | 341 |

17. Financial assets at fair value through profit or loss

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| At beginning of the financial year | 516 | 535 | 500 | 501 |
| Fair value loss | * | (19) | * | (1) |
| At end of the financial year | 516 | 516 | 500 | 500 |

*: Amount is less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

17. 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 | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| <i>Held for trading</i> | | | | |
| Listed securities: | | | | |
| - equity securities (Singapore) | 516 | 516 | 500 | 500 |

The fair value of these securities is based on closing quoted market prices on the last market day of the financial year.

18. Cash and cash equivalents

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Cash and cash equivalents as per statements of financial position | 17,667 | 12,731 | 2,368 | 38 |
| Bank overdrafts (Note 21) | (1,888) | (1,355) | - | - |
| Cash pledged for bank facilities (Note 21) | (2,350) | (2,350) | - | - |
| As per consolidated statement of cash flows | 13,429 | 9,026 | 2,368 | 38 |

Cash and bank balances of the Group amounting to \$2,350,000 (2023: \$2,350,000) were pledged to banks to secure credit facilities granted to the subsidiaries (Note 21).

Significant restriction

Cash and bank balances of approximately \$5,040,000 (2023: \$5,334,000), equivalent to RMB26,833,000 (2023: RMB27,703,000) held with the subsidiaries in the PRC are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

Cash and cash equivalents are denominated in the following currencies:

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Singapore dollar | 2,780 | 2,769 | 132 | 17 |
| United States dollar | 8,633 | 3,592 | 2,236 | 21 |
| Renminbi | 5,040 | 5,334 | - | - |
| Others | 1,214 | 1,036 | - | - |
| | 17,667 | 12,731 | 2,368 | 38 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

19. Trade and other payables

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Trade payables | | | | |
| - third parties | 7,942 | 8,776 | - | - |
| Non-trade payables | | | | |
| - third parties | 2,157 | 1,961 | 24 | 266 |
| - subsidiaries | - | - | 5,793 | 5,880 |
| - KMP | 982 | 1,011 | 14 | 14 |
| Accrued operating expenses | 3,187 | 2,240 | 174 | 159 |
| | 6,326 | 5,212 | 6,005 | 6,319 |
| Total trade and other payables | 14,268 | 13,988 | 6,005 | 6,319 |

Trade payables are non-interest bearing and are generally settled on 60 to 90 days (2023: 60 to 90 days) terms.

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

Reconciliation of movement of non-trade payables to cash flows arising from financing activities:

| | Balance at 1 May 2023 \$'000 | Repayment \$'000 | Balance at 30 April 2024 \$'000 |
|-------------------|------------------------------------|---------------------|---------------------------------------|
| | Amount due to KMP | 1,011 | (29) |
| | Balance at 1 May 2022 \$'000 | Repayment \$'000 | Balance at 30 April 2023 \$'000 |
| Amount due to KMP | 56 | 955 | 1,011 |

Trade and other payables are denominated in the following currencies:

| | Group | | Company | |
|------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Singapore dollar | 1,255 | 1,833 | 5,324 | 5,604 |
| Ringgit Malaysia | 2,691 | 2,829 | 681 | 715 |
| Renminbi | 10,264 | 9,233 | - | - |
| Others | 58 | 93 | - | - |
| | 14,268 | 13,988 | 6,005 | 6,319 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

20. Provisions

| | Group | | Company | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Provision for employee benefits | 27 | 7 | 17 | 3 |
| Provision for directors' fees | 9 | 9 | - | - |
| | 36 | 16 | 17 | 3 |

Movements in provisions during the financial year:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| At beginning of the financial year | 16 | 32 | 3 | 1 |
| Provisions made during the financial year | 36 | 16 | 17 | 3 |
| Amount utilised during the financial year | (16) | (32) | (3) | (1) |
| At end of the financial year | 36 | 16 | 17 | 3 |

21. Borrowings

| | Group | |
|--|-----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| <i>Secured</i> | | |
| Bank borrowings | 23,323 | 19,670 |
| Bank overdrafts (Note 18) | 1,888 | 1,355 |
| | 25,211 | 21,025 |
| <i>Unsecured</i> | | |
| Loan from a third party | - | 540 |
| Lease liabilities (Note 12) | 606 | 918 |
| Total borrowings | 25,817 | 22,483 |
| Less: Amount due for settlement within 12 months | (15,837) | (10,751) |
| Amount due for settlement after 12 months | 9,980 | 11,732 |

- (a) The bank borrowings of the Group included amount of \$23,323,000 (2023: \$19,670,000) which are secured by infrastructure under service concession arrangements (Note 11). Interest is charged at 4.0% to 12.2% (2023: 3.5% to 6.8%) per annum.
- (b) Bank overdrafts are secured by cash pledged as disclosed in Note 18. Interest is charged at 5% (2023: 5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

21. Borrowings (cont'd)

- (c) As at 30 April 2023, the loan from a third party was unsecured, interest-free and repayable on demand. The loan from a third party was fully settled during the financial year.
- (d) Management estimates the carrying amounts of bank borrowings approximate their fair values as these financial liabilities are subject to floating interest rates. This fair value measurement for disclosure purpose is categorised as level 2 of the fair value hierarchy.
- (e) Borrowings are denominated in the following currencies:

| | Group | |
|----------------------|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Singapore dollar | 2,494 | 2,273 |
| United States dollar | - | 540 |
| Renminbi | 23,323 | 19,670 |
| | 25,817 | 22,483 |

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

| | Bank borrowings \$'000 | Loan from a third party \$'000 | Lease liabilities \$'000 | Total \$'000 |
|---|---------------------------------------|---|---|-------------------------|
| Balance at 1 May 2022 | 19,921 | 557 | 344 | 20,822 |
| Changes from financing cash flows: | | | | |
| - Proceeds | 14,881 | - | - | 14,881 |
| - Repayments | (13,554) | - | (365) | (13,919) |
| - Interest paid | (1,164) | - | (11) | (1,175) |
| Non-cash changes: | | | | |
| - New leases | - | - | 939 | 939 |
| - Interest expense (Note 7) | 1,164 | - | 11 | 1,175 |
| Effect of changes in foreign exchange rates | (1,578) | (17) | - | (1,595) |
| Balance at 30 April 2023 | 19,670 | 540 | 918 | 21,128 |
| Changes from financing cash flows: | | | | |
| - Proceeds | 13,251 | - | - | 13,251 |
| - Repayments | (9,128) | (544) | (312) | (9,984) |
| - Interest paid | (1,158) | - | (38) | (1,196) |
| Non-cash changes: | | | | |
| - Interest expense (Note 7) | 1,158 | - | 38 | 1,196 |
| Effect of changes in foreign exchange rates | (470) | 4 | - | (466) |
| Balance at 30 April 2024 | 23,323 | - | 606 | 23,929 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

22. Deferred tax

| | Group | |
|---|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| <i>Deferred tax assets</i> | | |
| At beginning of the financial year | 383 | 427 |
| Charged to profit or loss (Note 9) | (76) | (10) |
| Exchange translation difference | (10) | (34) |
| At end of the financial year | 297 | 383 |
| Deferred tax assets are attributable to the following: | | |
| Property, plant and equipment | 297 | 383 |
| <i>Deferred tax liabilities</i> | | |
| At beginning of the financial year | 19 | 39 |
| Credited to profit or loss (Note 9) | - | (20) |
| At end of the financial year | 19 | 19 |
| Deferred tax liabilities are attributable to the following: | | |
| Intangible assets | 19 | 19 |

23. 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. In addition, customers are required to pay in advance for the full contract amount for natural gas installation and connection. If the services have not been rendered by the Group, a contract liability is recognised accordingly.

The following table provides information about contracts with customers:

| | Group | | |
|---|---------------|--------|----------|
| | 2024 | 2023 | 1.5.2022 |
| | \$'000 | \$'000 | \$'000 |
| Trade receivables from contracts with customers | 4,159 | 4,931 | 7,584 |
| Contract liabilities | 12,508 | 16,325 | 21,312 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

23. Contract liabilities (cont'd)

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

| | Group | |
|--|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Revenue recognised that was included in the contract liability balance at the beginning of the financial year (Note 4) | 16,325 | 21,312 |
| Increases due to advances received, excluding amounts recognised as revenue during the financial year (Note 4) | <u>12,508</u> | <u>16,325</u> |

24. Share capital

| | Group and Company | | | |
|--|-------------------|--------------|---------------------|----------------|
| | Number of share | | Issue share capital | |
| | 2024 '000 | 2023 '000 | 2024 \$'000 | 2023 \$'000 |
| <i>Issued and fully paid with no par value</i> | | | | |
| At beginning and end of the financial year | <u>6,180,800</u> | 6,180,800 | <u>265,811</u> | 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.

25. Other reserves

| | Group | | Company | |
|--|-----------------|-----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| <i>Attributable to equity holders of the Company</i> | | | | |
| Foreign exchange translation reserve | (a) (15,947) | (15,962) | - | - |
| Capital reduction reserve | (b) 1,961 | 1,961 | 1,961 | 1,961 |
| Equity - NCI | (c) (5,251) | (5,251) | - | - |
| | <u>(19,237)</u> | <u>(19,252)</u> | <u>1,961</u> | <u>1,961</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

25. Other reserves (cont'd)

(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

Equity - NCI is the effect of transaction with non-controlling interests without loss of control and these transactions will no longer result in goodwill or gains or losses.

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

26. Significant related party transactions

Some of the Group's and the Company's transactions and arrangements are between entities of the Group and with related parties, the effects of which, on basis determined between the parties, are reflected in these consolidated financial statements. The balances with these parties are unsecured, interest-free and repayable on demand unless stated otherwise.

Apart from the related party information disclosed elsewhere in these financial statements, the Group does not have any other related party transactions.

27. Commitments

Capital commitments

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

| | Group | |
|---|---------------|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Purchase in relation to service concession arrangements | 258 | 696 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

28. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

Management considers the business from both business and geographical segment perspective. The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies. There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Income taxes are managed by the management of respective entities within the Group.

The Group accounts for inter-segment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

Business segments

The Group is organised into five main business segments:

- Infrastructure development and turnkey construction;
- Property development;
- Gas distribution, including revenue from service concession (which arose from construction) (Note 2.3);
- Electronics and trading; and
- Investment securities trading.

Other operations of the Group mainly comprise investment holding and other management services, neither of which constitutes a separately reportable segment.

Segment assets consist primarily of property, plant and equipment, intangible assets, development property, deferred tax assets, inventories, receivables, financial assets and operating cash and bank deposits. Segment liabilities comprise payables, provisions, borrowings and deferred tax liabilities. Capital expenditures comprise additions to property, plant and equipment and intangible assets, including those acquired through business combinations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

28. Segment information (cont'd)

Geographic segments

The Group's business segments operate in five main geographical areas:

- *Singapore*

The operations in this area are principally the manufacture and sale of electronic components, investment securities trading, and investment holding.

- *People's Republic of China*

The operations in this area are principally distribution of gas to household, commercial and industrial users.

- *United States of America*

The operations in this area are principally the development of residential real estate for sale.

- *Taiwan and Europe*

The operations in these areas are principally acting as agents and distributors of semi-conductor back-end equipment and providing consultancy services in semi-conductor industry.

- *Other countries*

The operations in these areas are those investment holding.

Sales are based on the geographical area in which the customer is located. Total assets and capital expenditure are shown by the geographical area where the assets are located.

Information about major customer

During the financial year, there is 1 major customer (2023: Nil) who individually contributed 10% or more of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

28. 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 | |
|---|---|--------|----------------------|--------|------------------|---------|-------------------------|--------|-------------------------------|--------|----------------------|---------|---------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | | | | | | | |
| Sale to customers | - | - | 12,149 | - | 65,879 | 60,377 | 15,358 | 13,783 | - | - | - | - | 93,386 | 74,160 |
| Other items of income | 49 | 58 | 1 | 175 | 211 | 115 | 73 | 55 | - | - | 239 | 1 | 573 | 404 |
| Total external revenue | 49 | 58 | 12,150 | 175 | 66,090 | 60,492 | 15,431 | 13,838 | - | - | 239 | 1 | 93,959 | 74,564 |
| Segment (loss)/profit | (193) | (708) | 1,065 | (340) | (7,298) | (4,249) | 439 | 107 | 14 | 380 | (1,563) | (1,290) | (7,536) | (6,100) |
| Interest income | 45 | 58 | 1 | - | 14 | 17 | 26 | 1 | - | - | - | - | 86 | 76 |
| Interest expenses | - | (1) | (1) | - | (1,158) | (1,163) | (117) | (87) | - | - | - | - | (1,276) | (1,251) |
| (Loss)/profit before income tax | (148) | (651) | 1,065 | (340) | (8,442) | (5,395) | 348 | 21 | 14 | 380 | (1,563) | (1,290) | (8,726) | (7,275) |
| Income tax (expense)/credit | (13) | (14) | (401) | 2 | (901) | (523) | 170 | (135) | - | - | - | - | (1,145) | (670) |
| (Loss)/profit for the financial year | (161) | (665) | 664 | (338) | (9,343) | (5,918) | 518 | (114) | 14 | 380 | (1,563) | (1,290) | (9,871) | (7,945) |
| Non-controlling interests | - | - | - | - | 3,163 | 1,843 | (74) | 44 | - | - | - | - | 3,089 | 1,887 |
| (Loss)/profit attributable to equity holders of the Company | (161) | (665) | 664 | (338) | (6,180) | (4,075) | 444 | (70) | 14 | 380 | (1,563) | (1,290) | (6,782) | (6,058) |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

28. 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 | |
|---|---|--------|----------------------|--------|------------------|--------|-------------------------|--------|-------------------------------|--------|----------------------|--------|--------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Segment assets and liabilities | | | | | | | | | | | | | | |
| Segment assets | 1,212 | 2,229 | 6,504 | 7,081 | 68,013 | 78,447 | 11,416 | 11,875 | 10 | 10 | 2,913 | 584 | 90,068 | 100,226 |
| Segment liabilities | 28 | 175 | 146 | 452 | 46,536 | 45,334 | 4,302 | 4,804 | 2,442 | 1,771 | 230 | 1,106 | 53,684 | 53,642 |
| Additions to non-current assets | - | - | 53 | - | 4,788 | 3,255 | - | - | - | - | - | - | 4,841 | 3,255 |
| Impairment loss of intangible assets | - | - | - | - | 7,896 | 3,977 | - | - | - | - | - | - | 7,896 | 3,977 |
| (Reversal of impairment loss)/ impairment loss on trade and other receivables | - | - | - | - | - | - | (75) | 131 | - | - | - | - | (75) | 131 |
| Amortisation of intangible assets | - | - | - | - | 2,842 | 3,858 | - | - | - | - | - | - | 2,842 | 3,858 |
| Depreciation of property, plant and equipment | 4 | 9 | - | - | 735 | 62 | 509 | 532 | - | - | 8 | 7 | 1,256 | 610 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

28. Segment information (cont'd)

Analysis by geographic segments (cont'd)

| | Singapore | | People's Republic of China | | United States of America | | Taiwan | | Europe | | Others | | Total | |
|---------------------------------|-----------|--------|----------------------------|--------|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Sales to external customers | 4,138 | 3,267 | 71,505 | 65,612 | 13,007 | 926 | 1,600 | 951 | 918 | 557 | 2,218 | 2,847 | 93,386 | 74,160 |
| Other items of income | 317 | 56 | 210 | 115 | 2 | 175 | - | - | - | - | 44 | 58 | 573 | 404 |
| Total external revenue | 4,455 | 3,323 | 71,715 | 65,727 | 13,009 | 1,101 | 1,600 | 951 | 918 | 557 | 2,262 | 2,905 | 93,959 | 74,564 |
| Segment assets | 14,334 | 12,464 | 68,013 | 78,447 | 6,504 | 7,081 | - | - | - | - | 1,217 | 2,234 | 90,068 | 100,226 |
| Segment liabilities | 6,998 | 7,711 | 46,536 | 45,334 | 146 | 452 | - | - | - | - | 4 | 145 | 53,684 | 53,642 |
| Additions to non-current assets | - | - | 4,788 | 3,255 | 53 | - | - | - | - | - | - | - | 4,841 | 3,255 |
| Non-current assets | 762 | 1,187 | 58,471 | 66,783 | 53 | - | - | - | - | - | 1 | 6 | 59,287 | 67,976 |

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

During the financial years ended 30 April 2024 and 2023, there were no inter-segment sales between the business and geographic segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments

a) Categories of financial instruments

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

| | Group | | Company | |
|---|---------------|---------------|--------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | 516 | 516 | 500 | 500 |
| Financial assets at amortised cost | 24,586 | 20,665 | 2,736 | 373 |
| | 25,102 | 21,181 | 3,236 | 873 |
| Financial liabilities | | | | |
| Financial liabilities at amortised cost | 40,085 | 36,471 | 6,005 | 6,319 |

b) Financial risk management

The Group's overall risk management framework is set by the Board of Directors of the Company which sets out the Group's overall business strategies and its risk management philosophy. The Group's overall risk management approach seeks to minimise the adverse effects from the volatility of financial markets on the Group's financial performance.

There has been no change to the Group's exposure to these financial risks or the way in which it manages and measures financial risk. The Group's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Market risks (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments (cont'd)

b) Financial risk management (cont'd)

i) Market risk

Foreign currency risk

The carrying value of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the financial year were as follows:

| | Group | | Company | |
|------------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Monetary assets | | | | |
| Singapore dollar | 2,713 | 2,719 | - | - |
| United States dollar | 10,004 | 8,499 | 2,441 | 248 |
| Ringgit Malaysia | 777 | 684 | 72 | - |
| Hong Kong dollar | 9 | 3 | - | - |
| Euro | 523 | 309 | - | - |
| Others | 8 | 46 | - | - |

| | Group | | Company | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Monetary liabilities | | | | |
| Singapore dollar | 59,062 | 61,097 | - | - |
| United States dollar | 4,152 | 6,431 | 3,810 | 3,793 |
| Ringgit Malaysia | 218 | 332 | - | - |
| Hong Kong dollar | 39 | 39 | - | - |
| Euro | - | 8 | - | - |
| Others | - | 21 | - | - |

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 Singapore dollar ("SGD") and 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.

If the functional currency changes against the following foreign currencies by 10% (2023: 10%) each respectively at the end of the financial year, assuming that all other variables held constant, the effects arising from the net financial (liabilities)/assets position for the Group and of the Company will be as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments (cont'd)

b) Financial risk management (cont'd)

i) Market risk (cont)

Foreign currency risk (cont'd)

Sensitivity analysis for foreign exchange risk (cont'd)

| | (Increase)/decrease Loss before tax | |
|----------------|--|---------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Group | | |
| SGD | | |
| Strengthen 10% | (5,635) | (5,838) |
| Weaken 10% | 5,635 | 5,838 |
| <i>USD</i> | | |
| Strengthen 10% | 585 | 207 |
| Weaken 10% | (585) | (207) |
| Company | | |
| <i>USD</i> | | |
| Strengthen 10% | (137) | (355) |
| Weaken 10% | 137 | 355 |

Price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These investments are classified as financial assets at fair value through profit or loss.

Further details of these equity investments can be found in Note 17.

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

Sensitivity analysis for price risk

The sensitivity analysis assumes an instantaneous 30% (2023: 30%) change in the quoted equity prices from the end of the financial year, with all variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments (cont'd)

b) Financial risk management (cont'd)

i) Market risk (cont'd)

Price risk (cont'd)

Sensitivity analysis for price risk (cont'd)

| | (Decrease)/increase Loss before tax | |
|----------------------------|--|--------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Group | | |
| <i>Listed in Singapore</i> | | |
| - Increased by 30% | 155 | 155 |
| - Decreased by 30% | (155) | (155) |
| | 155 | 155 |
| | (155) | (155) |
| Company | | |
| <i>Listed in Singapore</i> | | |
| - Increased by 30% | 150 | 150 |
| - Decreased by 30% | (150) | (150) |
| | 150 | 150 |
| | (150) | (150) |

Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to interest-earning fixed deposits and interest-bearing debt obligations with financial institutions.

The Group's fixed deposits are placed at prevailing interest rates.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long-term and short-term borrowings.

Sensitivity analysis for interest rate risk

The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of financial year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of borrowings that have floating rates.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in Renminbi ("RMB"). If the RMB interest rates increase/decrease by 50 (2023: 50) basis points with all other variables including tax rate being held constant, the loss after tax of the Group will be higher/lower by \$107,000 (2023: \$93,000) as a result of higher/lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. 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 ongoing 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. 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:

- 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. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Definition of default (cont'd)

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 5 debtors (2023: 4 debtors) that represents 73% (2023: 75%) of the trade receivables.

As the Group and the Company do not hold any collateral for trade and other receivables, the maximum exposure to credit risk is the carrying amount of the respective class of financial instruments presented on the statement of financial position. Cash and cash equivalents are placed in banks and financial institutions with good credit ratings.

Trade receivables

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

These trade receivables are grouped based on shared credit risk characteristics and past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor such as when the debtor has been placed under liquidation, has entered into bankruptcy proceedings, cannot be located or are not recoverable despite legal recourse made to recover the debt, including reminders and warning letters issued for debts due for more than 12 months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Trade receivables (cont'd)

Based on the simplified approach for determining credit loss allowance for trade receivables as at 30 April 2024, an allowance for impairment amounting to \$73,000 (2023: \$144,000) 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 deposits, staff advances and cash and cash equivalents.

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

| Group 2024 | 12-month or lifetime ECL | Gross carrying amount \$'000 | Loss allowance \$'000 | Net carrying amount \$'000 |
|---|-------------------------------------|---|--------------------------------------|---|
| Trade receivables | Lifetime ECL | 4,232 | (73) | 4,159 |
| Other receivables (current) | Lifetime ECL - credit-impaired | 18,193 | (18,193) | - |
| | 12-month ECL | 2,571 | - | 2,571 |
| Rental, utilities and other deposits | 12-month ECL | 145 | - | 145 |
| Staff advances | 12-month ECL | 44 | - | 44 |
| Cash and cash equivalents | N.A. Exposure Limited | 17,667 | - | 17,667 |
| 2023 | | | | |
| Trade receivables | Lifetime ECL | 5,075 | (144) | 4,931 |
| Other receivables (current) | Lifetime ECL - credit-impaired | 18,270 | (18,270) | - |
| | 12-month ECL | 2,843 | - | 2,843 |
| Rental, utilities and other deposits | 12-month ECL | 136 | - | 136 |
| Staff advances | 12-month ECL | 24 | - | 24 |
| Cash and cash equivalents | N.A. Exposure Limited | 12,731 | - | 12,731 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

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

| Company 2024 | 12-month or lifetime ECL | Gross carrying amount \$'000 | Loss allowance \$'000 | Net carrying amount \$'000 |
|---|-------------------------------------|---|--------------------------------------|---|
| Other receivables (current) | Lifetime ECL - credit-impaired | 42 | (32) | 10 |
| Due from subsidiaries | Lifetime ECL - credit-impaired | 29,731 | (29,375) | 356 |
| Rental, utilities and other deposits | 12-month ECL | 2 | - | 2 |
| Cash and cash equivalents | N.A. Exposure Limited | 2,368 | - | 2,368 |
| Quasi-equity loan | Lifetime ECL - credit-impaired | 97,386 | (97,386) | - |
| 2023 | | | | |
| Other receivables (current) | Lifetime ECL - credit-impaired | 41 | (32) | 9 |
| Due from subsidiaries | Lifetime ECL - credit-impaired | 33,566 | (33,242) | 324 |
| Rental, utilities and other deposits | 12-month ECL | 2 | - | 2 |
| Cash and cash equivalents | N.A. Exposure Limited | 38 | - | 38 |
| Quasi-equity loan | Lifetime ECL - credit-impaired | 97,386 | (97,386) | - |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments (cont'd)

b) Financial risk management (cont'd)

ii) Credit risk (cont'd)

Movements in credit loss allowance are as follows:

| | ← Current → | | Total \$'000 |
|---------------------------------------|---|---|-----------------|
| | Trade receivables (Note 16) \$'000 | Other receivables (Note 16) \$'000 | |
| Group | | | |
| Balance at 1 May 2022 | 7 | 19,132 | 19,139 |
| Loss allowance measured/(reversed): | | | |
| Lifetime ECL | | | |
| - simplified approach | 141 | - | 141 |
| - credit-impaired | - | (10) | (10) |
| Currency translation differences | (4) | (852) | (856) |
| Balance at 30 April 2023 | 144 | 18,270 | 18,414 |
| Loss allowance reversed: Lifetime ECL | | | |
| - simplified approach | (75) | - | (75) |
| Currency translation differences | 4 | (77) | (73) |
| Balance at 30 April 2024 | 73 | 18,193 | 18,266 |

| | Non-current Quasi- equity loan (Note 13) \$'000 | ← Current → | | Total \$'000 |
|-------------------------------------|---|---|---|-----------------|
| | | Trade receivables (Note 16) \$'000 | Due from subsidiaries (Note 16) \$'000 | |
| Company | | | | |
| Balance at 1 May 2022 | 97,386 | 32 | 33,661 | 131,079 |
| Loss allowance measured: | | | | |
| Lifetime ECL | | | | |
| - credit-impaired | - | - | 130 | 130 |
| Currency translation differences | - | - | (549) | (549) |
| Balance at 30 April 2023 | 97,386 | 32 | 33,242 | 130,660 |
| Loss allowance reversed: | | | | |
| Lifetime ECL | | | | |
| - credit-impaired | - | - | (3,245) | (3,245) |
| Currency translation differences | - | - | (622) | (622) |
| Balance at 30 April 2024 | 97,386 | 32 | 29,375 | 126,793 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. 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 table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

| | Group | | Company | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Within one year: | | | | |
| Trade and other payables | 14,268 | 13,988 | 6,005 | 6,319 |
| Borrowings | 16,064 | 10,780 | - | - |
| Lease liabilities | 336 | 340 | - | - |
| | 30,668 | 25,108 | 6,005 | 6,319 |
| Between 1 to 5 years: | | | | |
| Borrowings | 10,356 | 12,534 | - | - |
| Lease liabilities | 308 | 644 | - | - |
| | 10,664 | 13,178 | - | - |
| | 41,332 | 38,286 | 6,005 | 6,319 |

c) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares and obtain new borrowings.

The Group's management reviews the capital structure on an annual basis. As part of the review, management considers the cost of capital and the risk associated with each class of capital. Upon review, the Group will balance its overall capital structure through new share issues as well as the issue of new debt. The Group's overall strategy remains unchanged from 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

29. Financial instruments (cont'd)

c) Capital management (cont'd)

The Group's and the Company's going concern assumption is dependent on the assessment as disclosed in Note 3.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity attributable to equity holders of the Company plus net debt.

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Net debt | 22,418 | 23,740 | 3,637 | 6,281 |
| Equity attributable to equity holders of the Company | 26,934 | 33,701 | 22,787 | 34,672 |
| Total capital | 49,352 | 57,441 | 26,424 | 40,953 |
| Gearing ratio | 45% | 41% | 14% | 15% |

30. Fair value of assets and liabilities

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).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

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

Fair value hierarchy (cont'd)

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| Group | | | | |
| 2024 | | | | |
| <i>Financial assets</i> | | | | |
| Financial assets at fair value through profit or loss | <u>516</u> | - | - | <u>516</u> |
| 2023 | | | | |
| <i>Financial assets</i> | | | | |
| Financial assets at fair value through profit or loss | <u>516</u> | - | - | <u>516</u> |
| Company | | | | |
| 2024 | | | | |
| <i>Financial assets</i> | | | | |
| Financial assets at fair value through profit or loss | <u>500</u> | - | - | <u>500</u> |
| 2023 | | | | |
| <i>Financial assets</i> | | | | |
| Financial assets at fair value through profit or loss | <u>500</u> | - | - | <u>500</u> |

During the financial years ended 30 April 2024 and 30 April 2023, there were no transfers between instruments in Level 1 and Level 2.

31. Writs of summons

- (i) On 13 May 2019, the Company and Capri (the "Defendants") were served with a complaint ("Civil Complaint") filed naming the Company and its 100% owned subsidiary Capri as Co-Defendants in the Pierce County Superior Court in the State of Washington by attorneys for Renovatio LLC (the "Plaintiff"), a Washington Limited Liability Company.

In the Civil Complaint, the Plaintiff was 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") and (b) stipend and expense reimbursement (collectively, the "Claims"). The Plaintiff is not the direct claimant of these Claims, but has made the complaint as "assignee" of all the Claims set out in the Civil Complaint.

On 12 May 2021, the Court granted the Company and Capri the motion for summary judgement dismissing all of the Plaintiff claims. Subsequently on 25 May 2021, the Plaintiff filed for notice of appeal, and an amended notice of appeal was filed on 17 June 2021. On 16 July 2021, the trial court awarded Capri US\$70,000 in attorneys' fees and costs for its successful defence of Plaintiff's claims.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

31. Writs of summons (cont'd)

- (i) On 1 March 2022, the Plaintiff filed its reply brief on the merits at the Court of Appeals. The Court of Appeals heard the argument on 7 September 2022.

On 22 November 2022, the Court of Appeals issued their opinion and affirmed the Superior Court's grant of summary judgement in favour of Capri, affirmed the Superior Court's attorney fee award and granted attorney fees to Capri for this appeal.

On 27 December 2022, the Court of Appeals Court Commissioner determined and awarded Capri and the Company US\$49,172 in attorney fees and US\$790 in costs against the Plaintiff. Capri and the Company were previously awarded US\$70,000 in attorney fees and US\$897 in costs for the hearing before the Superior Court. The Plaintiff was subsequently ordered by the Superior Court to provide supersedeas security in the form of real estate which was provided by Creekridge Holding, LLC, of which Mr. G. Patrick Healy is purportedly the Governor and Manager. Capri instructed its attorneys to commence recovery of the costs awarded to it of a total of approximately US\$120,000 (approximately \$175,000) which was received during the financial year ended 30 April 2023 (Note 5).

On 21 April 2023, the Superior Court entered a stipulated final judgement in favour of Capri, which was satisfied on 27 April 2023. There are no remaining claims against Capri.

On 13 June 2023, the Company and Capri filed an amended third-party complaint against G. Patrick Healy and Westridge Development LLC. Capri's claim for breach of fiduciary duties is the only remaining claim in this case. This claim is estimated to be no less than US\$230,000 including interest.

On 26 February 2024, a stipulated Dismissal of All Claims by All Parties and Order of Dismissal was filed with the court, the case has been dismissed.

The remaining claims in the Renovatio matter against G. Patrick Healy were also dismissed as part of the settlement agreement with Sawyer Falls Co., L.L.C. ("Sawyer") (Also see Note 31(ii)).

- (ii) On 30 November 2020, Sawyer Falls Co., L.L.C. ("Sawyer") filed a suit against the Company and its subsidiary, Capri on a promissory note made by Capri to Sawyer amounted to US\$400,000 plus an "indeterminate" amount based off of the proceeds from the sale of certain lots.

On 2 April 2021, the motion for partial summary judgement based on the statute of limitation was granted, and in which the Plaintiff's suit was dismissed. Sawyer filed for a motion to reconsider, which was denied on 19 April 2021. On 14 May 2021, Sawyer filed for notice of appeal. On 23 August 2021, Sawyer filed its opening brief at the Court of Appeals.

On 14 June 2022, the Washington State Court of Appeals, Division II, issued its unpublished opinion affirming in part and reversing in part the trial court's order on summary judgment. The Court of Appeals affirmed the trial court's dismissal of the Company from the lawsuit, but it reinstated Sawyer's claims against Capri on the promissory note.

On 5 July 2022, Capri moved to publish the decision of the Court of Appeals. The motion was denied. On 16 August 2022, Capri filed a petition for review with the Washington State Supreme Court seeking review of the Court of Appeal's decisions reversing the trial court's order on summary judgement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

31. Writs of summons (cont'd)

- (ii) On 30 June 2022, Sawyer asked the Court of Appeals to enter an order requiring Capri to deposit all future sale proceeds into a locked account pending resolution of the litigation. The Court of Appeals transferred the request to the trial court and authorised the trial court to address the request. On 29 August 2022, the Superior Court granted Sawyer's request. The parties are negotiating an alternative security arrangement, and Capri is considering potential challenges to the 29 August 2022 order.

On 8 September 2022, Capri asked the Court to reconsider or alternatively modify its 29 August 2022 order. After calling for responsive briefing from Sawyer, the Superior Court denied Capri's motion on 30 September 2022. On 10 October 2022, Capri filed a Notice of Discretionary Review, seeking review of the Superior Court's 29 August 2022 and 30 September 2022 orders by the Court of Appeals, Division II. The Motion for Discretionary Review has been filed on 25 October 2022. Capri is evaluating further action in addition to the Motion for Discretionary Review.

On 7 December 2022, the Washington Supreme Court denied Capri's petition for review. The claims relating to the promissory note will be returned to the Superior Court to be litigated based on the merits.

On 21 December 2022, the Washington State Court of Appeals, Division II Court Commissioner ordered (i) that Capri's motion for discretionary review is granted, and (ii) that the Superior Court's preliminary injunction is stayed pending further decision of the Washington State Court of Appeals. The Commissioner's ruling found that the Superior Court committed probable error in issuing the preliminary injunction, and authorised Capri to present its challenge immediately and directly to the Court of Appeals.

On 17 July 2023, Division II of the Washington State Court of Appeals granted Sawyer's motion to modify the 21 December 2022 Commissioner ruling granting discretionary review. The said Court of Appeals has denied Capri's motion for discretionary review.

On 16 August 2023, Capri filed a motion for discretionary review and stay of the preliminary injunction with the Washington State Supreme Court. The motion for stay will be considered by the Supreme Court Commissioner prior to consideration of the motion for discretionary review. The motion for discretionary review was set for consideration on 11 October 2023.

On 9 February 2024, Capri reached a settlement with the plaintiff, Sawyer. In accordance with the terms of the settlement, Capri agreed to pay Sawyer a total of US\$4,000,000 (approximately \$5,386,000, of which \$4,847,000 pertains to the legal settlement costs). The settlement sum was paid from the proceeds of the completion of the sale of the remaining parcel of land in the USA (Note 15).

On 23 February 2024, a stipulated Dismissal of All Claims by All Parties and Order of Dismissal was filed with the court, the case has been dismissed.

The Board and management have concluded that the settlement was in the interest of the Company and Capri. The decision was made primarily to avoid ongoing costs, potential disruptions to Capri's business and the uncertainties of the final outcome of trial by jury.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2024

32. Subsequent events

- (a) On 29 May 2024, the Company's wholly owned subsidiary, Renaissance United Washington, LLC ("RUW") entered into a non-binding memorandum of understanding ("MOU") with Maxstar International Sdn. Bhd. ("Maxstar"), under which the parties proposed to enter into a definitive agreement whereby RUW would be appointed Maxstar's sole and exclusive agent to market and distribute certain of Maxstar's kitchen cabinetry and other customised flatpack furniture (the "Products") to the USA, where the Group has a real estate development and sale business.

On 28 June 2024, Maxstar and RUW signed an exclusive marketing representative agreement ("Exclusive Marketing Agreement") to appoint RUW as Maxstar's exclusive representative in the USA for the marketing and distributions of the Products for an initial term of 8 years.

- (b) On 25 June 2024, the Group entered into a sales and purchase agreement ("SPA") with Pelangi Sdn. Bhd. (the "Vendor") for the acquisition of a parcel of a freehold land together with the completed building (the "Property") located in Johor Bahru, State of Johor, Malaysia under the project name "Pelangi Avenue".

The building-in-construction on the Property, when completed, will be a four-storey building with spaces and common facilities and services for shops or offices, and a total built-up area of 6,240 square feet. The building is expected to be completed within thirty-six months from the date of SPA.

The total purchase price of the Property amounted to RM3,366,000 (equivalent to \$968,000). The purchase price is payable in instalments of fixed percentages, based on certain events or milestones stipulated in the Third Schedule to the SPA. At the date of SPA, the Group had paid a total sum of RM336,600 (approximately \$97,000), equivalent to 10% of the total purchase price.

On 19 July 2024, the Group had subsequently paid a total sum of RM1,678,000 (approximately \$584,000), equivalent to 55% of the total purchase price.

33. 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 2024 were authorised for issue in accordance with a resolution by the Board of Directors on 15 August 2024.

CORPORATE GOVERNANCE

Introduction

The Board of Directors (the “Board” or “Directors”) of Renaissance United Limited (the “Company”), and together with its subsidiaries (the “Group”), is committed to maintaining a high standard of corporate governance within the Group. We believe this is essential to the long-term viability and sustainability of the Group’s business and performance, safeguards the interests of the Company’s shareholders (the “Shareholders”), and enhances corporate value and accountability.

The corporate governance framework which the Company operates, including board leadership and effectiveness, board appointments, remuneration, accountability and internal controls, and reporting of financial results is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the Group’s businesses, and is reflective of the Group’s values.

The Company is an investment holding company, quoted on the mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Group core businesses, as at the date of this CG Report, are:

- Infrastructure development & turnkey construction;
- Property Development;
- Gas distribution, including revenue from service concession (which arises from construction);
- Electronics and trading; and
- Investment holding.

The Company adheres to the “Principles” and “Provisions” of the Code of Corporate Governance 2018 (the “Code”). Compliance with the Code is also part of the SGX-ST.

This Corporate Governance Report (this, or the “CG Report” or “Report”) aims to provide an explanation of how the “Principles” and “Provisions” of the Code have been applied, practically, throughout the year under review. Compliance with the Code is part of the continuing obligations of the Company under the rules of the Listing Manual (the “Listing Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

Under the Code and the Listing Rules, issuers are required to provide a detailed description of their corporate governance practices, referencing both the Principles and Provisions, and how their practices adhere to both. This transparency provides Shareholders and investors with material information about a company’s corporate governance framework and helps them make informed decisions when investing in or engaging with the company.

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

The Code

The latest version of the Code, published in August 2018 and amended on 11 January 2023, is constructed around 13 core broad Principles, supported and illustrated by Provisions, which are designed to facilitate compliance. While issuers are expected to adhere to these Provisions, deviations are permitted if they are accompanied by a clear and comprehensive explanation demonstrating how the company’s practices align with the intent and philosophy of the relevant Principle(s).

Compliance with these Principles is mandatory. These Principles set out broadly accepted characteristics of good corporate governance.

Compliance with the Code

The Board confirms that, during the year under review, the Company has applied and complied, materially, with both the Principles and Provisions of the Code. Where deviations from any Provision has occurred, clear and meaningful explanations have been provided in this CG Report. For reference, a copy of the Code and Practice Guidance (periodically updated) can be found on the Monetary Authority of Singapore's website: www.mas.gov.sg.

BOARD STRUCTURE

The Company has a single-tier Board, with the executive management led by the Executive Director and Chief Financial Officer, Mr. James Moffatt Blythman. There are four Directors on the Board, one of who is an executive director and the other three are non-executive independent directors ("Non-Executive Independent Directors"). The respective summarised biographies of the Directors are set out below. Information about Directors who are seeking reappointment is set out from pages 156 to 158 of the Company's annual report for the financial year ended on 30 April 2024 ("AR FY2024"). The Company has not appointed any Director as Chairman of the Board.

Mr. James Moffatt Blythman ("Mr. Blythman")

Mr. Blythman is the Executive Director and Chief Financial Officer of the Company. He has extensive experience in strategic planning, business development, and general management within the property and manufacturing industries. His career includes roles with multinational companies like Bluescope Ltd and Xella International GmbH in mainland China and the Asia-Pacific region.

Mr. Blythman holds a double degree in Arts and Commerce from Deakin University, majoring in Chinese and International Business. He is a Certified Public Accountant (Australia) and a Certified Fraud Examiner.

| | |
|----------------------------|-------------------|
| Date of first appointment: | 28 May 2018 |
| Date of last election: | 29 September 2023 |

Mr. Sazali Bin Mohd Nor ("Mr. Sazali")

Mr. Sazali Bin Mohd Nor is a Non-Executive Independent Director of the Company. He chairs the Board's Nominating Committee (also referred to as the "NC") and Remuneration Committees (also referred to as the "RC"), and serves on the Audit Committee (also referred to as the "AC"). With a career starting in 1983, he has extensive experience in biopharmaceuticals, green technology, and entrepreneurship.

Mr. Sazali has led multiple start-ups in pharmaceuticals, trading, and distribution. His achievements include securing government grants for biotechnology product pre-commercialization and establishing the Centre of Proteomic Research in FRIM.

Mr. Sazali previously served as the CEO of Pahang Technology Resources Sdn. Bhd., a state-owned entity focusing on the area of technology development. He is currently the appointed Executive Chairman and Director of Jellyfish Mobile Sdn. Bhd., a fintech startup holding the exclusive license to market SIM3 technology, which secures data and financial transactions in Malaysia.

| | |
|-----------------------------|-------------------|
| Date of first appointment: | 30 January 2019 |
| Date of last reappointment: | 29 September 2023 |

CORPORATE GOVERNANCE

Mr. Aswath Ramakrishnan (“Mr. Ramakrishnan”)

Mr. Ramakrishnan is a Non-Executive Independent Director of the Company. He serves on the Board’s Audit, Nominating and Remuneration Committees. Mr. Ramakrishnan is a practising lawyer specializing in corporate and commercial disputes, and currently heads the Dispute Resolution Department of a Kuala Lumpur law firm. Prior to this, he practised with a leading law Malaysian, focusing on commercial and corporate litigation, often assisting multinational clients with complex matters involving fraudulent trading, breach of trust, and other regulatory compliance.

He read law at the University of Northumbria in Newcastle, United Kingdom, and is a Barrister-at-Law of Middle Temple, United Kingdom. He majored in International Commercial Law, with a focus on cross border disputes.

Date of first appointment: 17 July 2020
Date of last reappointment: 30 November 2022

Mr. Koh Beng San (“Mr. Koh”)

Mr. Koh is a Non-Executive Independent Director of the Company. He chairs the Board’s Audit Committee and serves on the Nominating and Remuneration Committees.

Mr. Koh is a Fellow of the Association of Chartered Certified Accountants. He is also a member of the Malaysian Institute of Accountants, Chartered Tax Institute of Malaysia and ASEAN Chartered Public Accountants.

Mr. Koh started his career in 1999 with BDO Binder, conducting financial audits. In 2003, he joined Southern Industrial Gas Sdn. Bhd. as Finance Director, overseeing treasury, accounting, and finance functions.

Mr. Koh was appointed to the Board of Cape EMS Bhd on 5 May 2022 and currently serves as the chairman of the Board’s Audit committee. He is also a member of the Sustainability and Risk Management, Nominating, and Remuneration Committees.

Date of first appointment: 13 October 2020
Date of last election: 30 November 2022

(A) BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Company is headed by the Board which is responsible for the overall leadership and management of the Company. The Board works closely with the Executive Director and key management personnel of its Subsidiaries (collectively, the “Management”). Management is responsible for the day-to-day management and operation of the Group’s business, and is accountable to the Board in this regard. Information of the current Key Management Personnel is set out below.

The Company operates under the strategic direction and governance of its Board, which provides overarching leadership and management. Collaboratively, the Board engages closely with the Executive Director and the senior management team of its subsidiaries, (collectively referred to as the “Management”). The Management team is entrusted with the daily operational management and strategic execution of the Group’s business activities, reporting directly to the Board for oversight and accountability. Below, we detail the profiles of the current Key Management Personnel who drive the operational and strategic initiatives of the Group.

Key Management Personnel

James Moffatt Blythman

Executive Director and Chief Financial Officer

Mr. Blythman was appointed Chief Financial Officer on 1 March 2018 and Executive Director on 28 May 2018. He has overall responsibility for the implementation of the strategies approved by the Board, the operational management of the Company and its Subsidiaries. Mr. Blythman is a qualified CPA (Australia) and Certified Fraud Examiner. He has over 13 years of experience in strategic planning, business development and general management. The Nominating Committee recognises Mr. Blythman’s extensive experience and business acumen in guiding and steering the Group’s diversified businesses. Mr. Blythman is fluent in Mandarin which further enhances his capacity to lead within the global business landscape.

Koh William

CEO, ESA Electronics Pte. Ltd. and subsidiaries (“ESA”)

Koh William is one of the initial co-founders of ESA, and holds a Diploma in Electrical and Communication Engineering from the Singapore Polytechnic. Mr. Koh has accumulated invaluable experience in the field of engineering from his past appointments 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 responsible for the management and operations (including the technical, engineering and marketing aspects) of ESA.

Ong Swee Hin, Danny

Engineering Director, ESA

Ong Swee Hin Danny holds a bachelor’s degree in engineering (Electrical and Electronics) from the Nanyang Technological University of Singapore. He has more than 20 years’ working experience in the field of engineering. As the Engineering Director of ESA, he manages a team of design engineers. Mr. Ong also oversees the CAD (Computer-Aided Design) application, software, and product development departments in ESA.

CORPORATE GOVERNANCE

Wilson On Wang Sang

Director of Hubei ZongLianhuan Energy Investment Management Inc. ("HZLH")

Wilson On is director of the Company's China business unit, HZLH, a pivotal unit of the Group's operations in China. Mr. On brings with him a depth of knowledge and experience in finance, commercial trading, and business management, which he has cultivated across mainland China and Hong Kong since 1986. Mr. On joined the Group in 2003. During his tenure, Mr. On has primarily focused on spearheading the Group's gas distribution and development business in China, significantly contributing to the strategic and operational growth of Group's endeavors in the region.

The Board, however, has overall responsibility for the businesses of the Group, setting its strategic direction and establishing appropriate policies. It is the Directors' responsibility to oversee the financial position of the Company and monitor its business and affairs, on behalf of Shareholders, to whom they are ultimately accountable.

The primary duty of the Board is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal controls and risk management. The Non-Executive Independent Directors are respected professionals in their respective field of work, and bring a wide range of skills and experience to the Company, as well as independent judgment on strategy, risk and performance. The Board considers the present composition of the Board to be suitable and proportionate to the scale and scope of the Group's businesses and operations.

The independence of each Non-Executive Independent Director is assessed at least annually, and all of the Non-Executive Independent Directors are considered to be independent at the date of this Report – please refer to the section "Provision 2.1 – Independence".

While there is no fixed number of times the Board must meet in any given financial year, Board meetings are scheduled for the release of the Group's quarterly, half and full year financial results, and as and when circumstances require. The number of meetings of the Board and board committees held during the year under review is set out below under the section "Provision 1.5 - Board and Committee Meetings".

Where necessary, the Board may make decisions through written resolutions, email communications, or teleconference calls.

The responsibilities of the Board are documented in a charter or terms of reference ("Board Charter"), which terms include:

- (1) providing entrepreneurial leadership, approving policies, setting strategies and financial objectives, and monitoring Management's performance;
- (2) ensuring necessary financial and human resources are in place for the Group to meet its objectives;
- (3) establishing a framework of prudent and effective internal controls which allow for risks to be assessed and managed, and a process for evaluating the adequacy of its internal controls, financial reporting and compliance, including corporate governance;
- (4) approving appointments and reappointments of Directors and Key Management Personnel of the Company and the Group;
- (5) approving annual budgets, major funding, investment and divestment proposals;

- (6) identifying key stakeholder groups, recognising that their perceptions affect the Company's reputation, and setting the Company's values and standards, and ensuring that obligations to key stakeholder groups are understood and met;
- (7) considering sustainability issues, e.g., environmental, social and governance factors, as part of its strategic formulation; and
- (8) delegating authority to the respective committees, such as the AC, RC and NC, to make recommendations in relation to their specific roles, all of which are underpinned by the fiduciary duties each Director is held responsible for under the law.

Provision 1.1 Fiduciary Duties, Code of Conduct and Ethics and Conflict of Interests

Each Director is a fiduciary of the Company and is expected to act in the best interest of the Company. The Board has put in place a code of conduct and ethical policy which set the desired tone in terms of the organisational culture and accountability it expects of its Directors and Management. Through regular engagement with employees at all levels within the Group, the Board acquires a view of on the desired culture within the Group and how successfully expected behaviour is instilled across the organisation in ways that will contribute to its overall success.

All Directors are required to declare their interests under sections 156 and 165 of the Companies Act 1967 of Singapore (the "Companies Act") in respect of any transaction or proposed transaction the Group is entering into, and shares of the Company which they hold. All Directors must recuse themselves from voting for transactions they are interested in or if there appears to be a conflict of interest, as determined by the Board, after being notified of the Director's interest.

Provision 1.2 - Roles of Directors, Training and Development

When Directors are first appointed to the Board, an orientation programme is arranged for them to familiarise themselves with the Company's various businesses and governance practices. For new Directors with no prior experience as directors of a Singapore public listed company, they will be enrolled for the Listed Entity Director Programme, organised by the Singapore Institute of Directors ("SID"). Directors are kept updated by the Company Secretary and the Company's internal and external auditors of the latest regulatory and financial standards, updates and changes. In addition, Directors are encouraged to attend relevant training and briefing sessions conducted by outside bodies such as the SID.

Where a new Director is nominated for his or her specialised knowledge, additional orientation is provided for that Director to gain a deeper understanding of the specific business segment(s) he or she has specialised knowledge of. This includes visits to the relevant subsidiary and meetings with the management of the subsidiary to understand its operations and financial position.

Each Non-Executive Independent Director on first appointment is provided with a letter of appointment which sets out the duties expected of him or her, a copy of the Code, the Listing Manual, and if appointed a member of the AC, RC and/or NC, the terms of reference or charter of these committees and the various significant policies of the Company. Independent Directors are also asked to confirm they can devote sufficient time to meet the expectations of their role.

During their term of office, all Directors are encouraged to attend regular training, particularly on relevant new laws and regulations and to keep abreast of changing commercial risks. Changes to the Listing Rules, regulations and accounting standards are monitored closely by the Management and the AC.

Provision 1.3 - Matters Requiring Board Approval

As part of the Board Charter, the following are matters reserved for the approval of the Board and instructions have been given to the Management on the requirement to refer these reserved matters to the Board:

- Statutory and regulatory requirements, such as approval of full year and interim unaudited financial statements, all announcements, annual reports and public communication with shareholders and investors;
- Long-term corporate objectives, strategies, policies and annual budgets of the Group;
- Corporate transactions not in the ordinary course of business, investment and divestment proposals, whether or not in the ordinary course of business;
- Significant financial/funding arrangements and decisions of the Group;
- Nomination of Directors and appointment of key executives;
- Approval of the terms of reference for board committees and any changes;
- Remuneration (including share and other incentive schemes) of the Management, Directors and key employees of the Group, as recommended by the RC;
- Material acquisition and disposal of assets/investments;
- Extension or diversification of the Group's activities into new areas;
- Material capital expenditures;
- Issuance of policies and key business initiatives;
- Declaration of interim dividends and the proposal of final dividends;
- Processes for evaluating the adequacy of internal controls risk management and compliance;
- Commencement, defending and settlement of significant litigation;
- The appointment and removal of the Company Secretary and internal and external auditors and key management staff;
- Share issuance;
- Convening Shareholders' meetings, such as annual general meetings or extraordinary general meetings where Shareholders' approvals are required or desired in relation to any transaction or corporate action of the Company and Group;
- Other transactions of a material nature requiring announcement and/or approval of the SGX-ST and compliance with the Listing Rules, and all other matters of strategic importance; and
- Any matter that is outside of the ordinary course of business or a significant issue arising from the ordinary course of business of any of its subsidiaries.

Provision 1.4 - Board Committees

The Board has established an AC, NC, and RC, each of which has been delegated specific authorities and functions. The Board has put in place charters or terms of reference for each committee to address their respective scope and functions. More information regarding each committee's charter and members is set out in the following sections of this CG Report. Each committee is chaired by an Independent Director and all members are Independent Directors. The effectiveness of each Committee is reviewed by the Board, as a whole, at least on an annual basis.

Other than the AC, RC, and NC, the Board has no other sub or executive committees. For more information on the members of each of the AC, RC, and NC, please refer to the following relevant sections of this CG Report. A summary of the activities of the AC, RC, and NC during the year under review is disclosed under the relevant section setting out the Report of the AC, RC and NC.

Provision 1.5 - Board and Committee Meetings

At the outset of each financial year, the Board establishes a meeting schedule to address and approve key matters, including the Group's full-year and interim financial results. This schedule also allocates time for the Board to review and discuss the auditor's preliminary findings and the final audit report upon its completion. In instances where the agenda does not specify particular items for Board deliberation, particularly for meetings convened by the Audit Committee to discuss unaudited interim financial results, the Board will adopt a written resolution to sanction the publication of these financial outcomes.

Directors are required to attend all meetings of the Board and the committees they serve on, and to devote enough time to the Company to perform their duties. Board and committee papers are distributed before meetings other than, by exception, urgent papers which may need to be tabled at the meeting. If Directors are not able to attend a meeting because of conflicts in their schedules, they receive all the relevant papers and have the opportunity to submit their comments in advance to the other Directors, or to the Company Secretary. If necessary, they can follow up with the chair of the meeting.

The Executive Director is not a member of any Board committees. He is invited to attend meetings of all committees, by invitation, in order to keep abreast of their discussions and routinely does so.

The table below reflects the composition of the Board and Board committees during FY2024 and records the number of meetings and members' attendance.

Meetings of Board, Audit, Nominating, and Remuneration Committees

| | Board | Audit Committee | Remuneration Committee | Nominating Committee |
|---|-------|-----------------|------------------------|----------------------|
| Number of meetings held | 3 | 4 | 1 | 1 |
| Number of meetings attended | | | | |
| Mr. James Moffatt Blythman ¹ | 3 | 4 | 1 | 1 |
| Mr. Sazali Bin Mohd Nor | 3 | 4 | 1 | 1 |
| Mr. Aswath Ramakrishnan | 3 | 4 | 1 | 1 |
| Mr. Koh Beng San | 3 | 4 | 1 | 1 |

¹ Mr. Blythman was invited to attend all committee for discussions which are routinely done without the presence of management.

CORPORATE GOVERNANCE

At the conclusion of each financial year, every Director is required to disclose their involvement with other boards. This is to enable both the Nominating Committee and the Board to evaluate whether the Directors are able to devote adequate time to the Company's matters. The Board considers, among other factors, expectations of particular investor groups, the attendance record of meetings held, the number of principal commitments² of the Directors, as well as their performance and contribution.

Concurrently, during the final board meeting of the financial year, the Board conducts an evaluation of the performance of each Director.

Provision 1.6 - Provision of timely information to Board

In accordance with the Board Charter, it is incumbent upon Management to ensure the timely provision of all pertinent information to the Board prior to each Board meeting. Additionally, Management is tasked with updating the Board on the fulfillment of resolutions or decisions adopted at prior Board meetings, as well as on an ad-hoc basis whenever there are any material or noteworthy changes affecting the Group's operations.

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

All Directors have direct access to the Management, the Company Secretary and if required, external advisors, appointed at the Company's expense. The Board confirms that the appointment and removal of the Company Secretary is a decision to be taken by the Board as a whole.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company

The Board's policy is to appoint and retain Directors who bring relevant expertise as well as a wide perspective to the Group and its decision-making framework. The Board continues to support its Diversity Policy adopted on 30 August 2022 which states that a diverse Board will support the Group's business and strategic objectives better, so that the Group as a whole may achieve sustainable growth through the enhanced decision-making process of the Board from the different perspectives contributed by a diverse board made up of individuals with different complementary skills, business experience, industry disciplines, gender, age, ethnicity and cultural, geographical background and nationalities, tenure of service and other distinguishing qualities of its members.

The Diversity Policy provides a framework for setting the Company's diversity objectives, which includes:

- setting targets to achieve more diversity on the Board;
- plans and timelines for achieving the targets set;
- requirements to report progress made towards achieving the targets set within the timelines; and
- a description of how the combination of skills, talents, experience and diversity of its directors can serve the needs and plans of the Group.

The Board is committed to achieving gender diversity, and the NC will, when reviewing and assessing the composition of the Board, prioritize achieving gender diversity when the Company makes its next appointment of a new Director.

² The term "Principal commitments" as defined in the Code is adopted by the Board.

The current members of the Board, while comprising only males, possess a range of skillsets, experiences, industry disciplines, ages, cultural and nationality diversity. While the Board will strive to achieve diversity as set out in its Diversity Policy, it will only appoint a director if his or her overall skills- set, experience are found to be suitable and appropriate for the Group's development and strategic objectives, based on recommendations made by the NC of the skillsets and experience that are needed to enhance the effectiveness of the Board. No member of the Board will be a "diversity-hire" simply to satisfy the Diversity Policy of the Company.

New directors must submit themselves for re-election at the annual general meeting of the Company following their initial appointment. Regulation 89 of the Company's Constitution requires at least one- third of the Board to retire via rotation at every annual general meeting. Retiring directors are eligible for re-appointments at annual general meetings. Directors who have been appointed casually to fill a vacancy must retire at the next annual general meeting and are eligible for reelection.

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.

Provision 2.1 - Independence

3 out of the 4 Board members are Non-Executive Independent Directors. The Board considers an "Independent Director" to be one who is independent in conduct, character, and judgement, and has no relationship with the Company, its related corporations, substantial shareholders or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement made in the best interest of the Company. No Non-Executive Independent Director falls under any of the circumstances described in Listing Rule 210(5)(d) of the Listing Manual.

With 3 Non-Executive Independent Directors who are senior members of their respective industries, the Non-Executive Independent Directors regularly and constructively challenge and guide Management in developing business strategies and regularly review the performance of Management. The Directors are, collectively, of the view that the Board is effective and able to exercise independent judgment in all areas of their duties and functions in relation to the Management.

Provisions 2.2 & 2.3 - Majority of the Board

The Non-Executive Independent Directors make up an overwhelming majority of the Board. As stated above under the section "Board Structure", the Company does not currently have a Chairman.

Provision 2.4 - Composition of Board & Board Committees

The Board comprises Directors who, as a group, provide an appropriate balance and diversity of skills, experience, and knowledge. They possess core competencies in the areas of law, accounting, banking, finance, financial risk and fraud evaluation, business and management, specific industry knowledge, strategic planning and customer relationship management and knowledge. A brief description of the background of each Director is presented in the "Profiles of Directors" section of this CG Report. Please refer to the section "Principle 2: Board Composition and Guidance" above for more information on the Board's Diversity Policy statement.

Provision 2.5 - Independent Directors meet without Management

As and when necessary, the Non-Executive Independent Directors meet to discuss issues without the presence of the Management, and they report the conclusions of such meetings to the Board at the next Board meeting and for any actions agreed to be taken.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board (as stated in the sections “Board Structure” and “Provision 2.1: Independence”) comprises an overwhelming majority of Non-Executive Independent Directors, and the Management is led by the Executive Director, who is also the Chief Financial Officer.

Provision 3.1 - Separation between Chairman and Chief Executive Officer

The Company currently does not have a chairman of the board or a Chief Executive Officer. Notwithstanding the above, the Board is of the view that there are sufficient safeguards, checks and balances to ensure that all decisions made by the Board are independent and collective in nature. In addition, each of the key operating subsidiaries has its own management team. Further, as noted under the write-up of Principle 2, there are 3 Non-Executive Independent Directors and only 1 Executive Director representing the 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) its effectiveness in all aspects of its role;
- (b) that the agenda set for all board meetings has undergone consultation with all Directors, and that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) the promotion of a culture of openness and debate at the Board level;
- (d) that the Directors receive complete, adequate and timely information;
- (e) full disclosure (as required under the Listing Rules) and effective communication with shareholders;
- (f) constructive relationships within the Board and between the Board and Management;
- (g) the facilitation of effective contribution of Non-Executive Independent Directors in particular; and
- (h) promotion of a high standard of corporate governance.

Provision 3.2 - Division between Chairman and Chief Executive Officer

As explained above under Provision 3.1, the Company does not have a chairman or a chief executive officer. However, the leadership of the Board and Management is separate and distinct, and each has its separate set of duties and responsibilities. The Board Charter sets out matters that are reserved only for its decisions.

Provision 3.3 - Lead Independent Director

The Company does not have a Lead Independent Director as the leadership of the Board is not helmed by an Executive or Non-Independent Director or Chairman. Shareholders may contact all Independent Directors directly without having to go through the Management.

The Board's Report for the financial year ended 30 April 2024 ("FY2024")

For FY2024, the Board is pleased to provide the following summary relating to corporate governance matters of the Company as follows:

A. Introduction

In our continuous commitment to transparency and accountability, the Board continues with the Company's corporate governance statements that have shaped the Group during the financial year under review. This section aims to provide Shareholders and stakeholders with more insight into the workings of the Board, which we believe illustrate not only our compliance with regulatory requirements but also our proactive approach in navigating the challenges and opportunities that have come our way, ensuring the Company's resilience and long-term success.

B. Material Developments & Corporate Actions

As announced, the Company was placed on the watch-list of the SGX-ST pursuant to Listing Rule 1311(1) on 5 December 2023.

The Company will have to take active steps to restore its financial health and meet the requirements of Listing Rule 1314 within 36 months from 5 December 2023, failing which the SGX Regulation will delist the Company or suspend trading of the Company's shares with a view to delisting the Company.

Listing Rule 1314 stipulates that the Company may apply to the SGX Regulation to be removed from the Financial Watch-list if it records a consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S\$40 million or more over the last 6 months.

The Board is proactively addressing the requirements for removal from the watch-list and concurrently evaluating alternative strategies to meet these criteria. The Company will promptly inform Shareholders of any resolutions reached in this regard. The Board's current primary commitment is to enhance the Group's financial stability and performance.

As announced on 4 December 2023, the Board explained that the Group's consolidated losses over the three consecutive years (prior to being placed on the watch-list) were directly and adversely affected by the challenging trading conditions precipitated by the COVID-19 pandemic. Hubei Zonglianhuan Energy Investment Management Inc. which operates exclusively in the People's Republic of China (the "PRC") expended much resources and effort in complying with and ensuring that its operations continued as normally as possible in the face of the very stringent containment measures imposed by the Chinese government, the majority of which were only lifted in or around mid of 2023. ESA Electronics Pte. Ltd is also reliant on sales to the PRC. With respect to Capri Investment LLC, while it successfully defended two legal proceedings brought against it in the state of Washington, USA (further details of which are disclosed in announcements released by the Company on the subject matter), considerable resources were expended in protecting the interests of the Company.

The Company has not undertaken any corporate action.

C. Changes to Board and Senior Management

No changes to the Board or to any key management personnel was made in FY2024. No alternate director has been appointed by any of the current sitting Directors.

D. Board Activities

The Board is responsible for the overall leadership and management of the Group. The Board works closely with the Executive Director and key management personnel of its subsidiaries. Management is, collectively, accountable to the Board for the businesses and operations of the Group. The Board works to a yearly meeting plan with corresponding agendas and pre-read papers. Agenda items include reports from the Executive Director and Chief Financial Officer regarding the Group's operations and businesses outside of Singapore and from each Board committee. Other updates throughout the year came from the various business units and key functions, including from the external and internal auditors and the Company Secretary. The Board also considered and approved the quarterly, half-year and full-year financial results, SGX-Net announcements, and, at Board meetings, considered investment, divestment and/or financing proposals, as well as conducting performance tracking of planned actions or business strategies. Additionally, the Board reviewed the Group's annual operating plan and the various litigation that the Group has been involved in. For more information please refer to item L below and also to the Notes to the Audited Consolidated Financial Statements of the Group for the financial year ended 30 April 2024 published in the annual report of the Company for FY2024 ("AR FY2024").

E. Proposals for FY2025

As announced in the Company on 26 June 2024 and 2 July 2024, the Company disclosed that (a) its subsidiary, Renaissance United Assets Sdn. Bhd, acquired from Pelangi Sdn. Bhd., a subsidiary of SP Setia Berhad, land and building (in development), which when completed, the Group would operate to rent the offices and retail spaces within the Building for rental, and (b) its subsidiary, Renaissance United Washington, LLC, ("RUW") entered into an exclusive marketing representative agreement with Maxstar International Sdn. Bhd. of Malaysia ("Maxstar"), under which RUW was appointed exclusive marketing agent for Maxstar in the distribution of home products in the United States.

These developments underpin a proposal by the Company to expand the geographical scope of its Property Development business into the countries of Singapore, Malaysia, Vietnam, Cambodia, Sri Lanka, Australia, and the Peoples' Republic of China, and to diversify into the businesses to include commercial property development, rental and management and the distribution of home furnishing. The Company will update Shareholders by way of further announcements as and when these plans have been finalised.

F. Compliance with the Code

The Company has applied and complied, materially, with the Principles of the Code, as further enunciated by the Provisions, both in spirit and in form.

G. Governance Framework

As stated above, the Company has a single-tier Board of Directors, led by Non-Executive Independent Directors who comprise an overwhelming majority of the Board, and the Management is led by the Executive Director and Chief Executive Officer and key management personnel of its subsidiaries. The Board has also established an AC, RC, and NC, and has appointed external and internal auditors to provide additional assurance to its internal control and risk management systems. The Company Secretary provides advice, as and when necessary, regarding compliance with the Listing Rules.

Other than the AC, RC, and NC, no other board or management committee has been established.

In relation to section “Provisions 9.1 & 9.2 - Board oversight of risk management and disclosure” of this CG Report, based on the Group’s internal controls put in place and the procedures established and maintained by the Group, assurances received from the Executive Director and Chief Financial Officer and key management personnel, as well as work and review performed by the external auditors and internal auditors, and the Management, 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 2024.

The Board, with the assistance of the NC, reviews and assesses members of the AC to ensure that each member is appropriately qualified to discharge his responsibilities. The Board is of the view for the financial year under review 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 its responsibilities. The AC has taken measures (through updates provided by the external auditor and informational updates published by the big-four accounting firms) to keep abreast of changes to accounting standards and issues which have a direct impact on the financial statements of the Company and by attending relevant seminars and courses.

The Board has not established a separate risk committee as the Board is currently assisted by the AC and the Management in carrying out its responsibility of overseeing the Company’s internal controls and risk management systems, framework and policies.

H. Engagement with Shareholders

The Board is committed to maintaining good communication and having constructive dialogue with Shareholders. Shareholders have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all Shareholders are encouraged to attend the Company’s general meetings. Investors also have access to current information on the Company through its website, <https://www.ren-united.com> and announcements released by the Company on the SGXNet. Please refer to the section “Shareholder Rights and Engagement” for further information.

I. Directors’ Remuneration Report

The Company has set out the remuneration of its Directors and key management personnel in the sections “Provision 8.1 (a) - Disclosure on Remuneration of Directors” and “Provision 8.1 (b) - Disclosure on Remuneration of Key Management Personnel” below.

In line with current disclosure requirements, the Company has disclosed below the names, exact amounts and breakdown of remuneration paid to each Director and the Chief Financial Officer by the Company and its subsidiaries. Such breakdown has included (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

J. Environmental, Social and Governance report

Since 30 August 2022, the Board adopted a Diversity Policy which the Board believes may assist the Group to achieve sustainable growth through the enhanced decision-making process of a diverse Board. As no new appointment of a Director or key management personnel has been made, the Board intends to adhere to its commitment of achieving gender diversity when the Company makes its next appointment of a director to the Board.

To affirm the importance of having a sustainability strategy as an integral part of our corporate agenda, the Company's sustainability report is published within this Annual Report.

In the sustainability report, we provided insights into the way we do business, while highlighting our material sustainability factors under the economic, environmental, social and governance pillars. For FY2024, the sustainability factors identified were (a) total customer satisfaction, sustainable business performance (under economic pillar); (b) water conservation, energy conservation and GHG emissions reduction, responsible waste management (under environmental pillar); (c) safe working environment, talent management, equality and diversity in the workplace and ongoing community engagement (under social pillar); and (d) robust corporate governance framework (governance).

For FY2024, targets set for items (a) to (d) (except item (b) were either fully achieved or partially achieved. In relation to item (b) water conservation (under environmental pillar), the amount of water consumption increased primarily due to the requirements from certain customers of the Group's electronic and trading business who required more stringent washing process of its printed circuit boards.

K. Dividends Policy

The Board is not recommending any dividend distribution to its shareholders for the financial year under review. The Board is of the view that the Group has to rebuild and strengthen its financial position. Please refer to the section on "Dividend Policy" for an explanation of the Group's current policy on dividends.

L. Other legal, statutory & regulatory information

(1) Directors' Interests

Other than Mr. Blythman, who is deemed to be interested in all the 880,000,000 (14.24%) shares held by Meridian Equities Pte Ltd, by virtue of his ownership of Meridian Equities Pte Ltd, for the year under review, no Director (including Mr. Blythman) has any interest in any transaction or business of the Company as required to be reported under section 156 of the Companies Act nor any interest in the shares of the Company as required to be reported under section 165 (except for Mr. Blythman).

(2) Litigation

Please refer to the Notes to the Audited Consolidated Financial Statements for the year ended 30 April 2024 published in the AR FY2024 for more information on the various litigations the Group has been involved in during the year under review. The Company has also disclosed in various announcements as and when material developments in relation to these litigations occurred.

In defending and settling the various legal proceedings, the Board has balanced factors such as the merits of each legal proceedings, the costs involved if any such legal proceeding proceeded to trial, the necessity to protect and preserve the Group's reputation, underpinned by a philosophy of practicality that the businesses of the Group should not be unduly impacted by any such legal proceedings.

(3) Listing Rule Disclosures

For the year under review, to the best information, knowledge and belief of the Directors, the Company has complied with disclosures required under the Listing Rules, including its continuing obligations under Chapter 7 of the Listing Manual, as further supplemented and expounded by Appendix 7.1 and Practice Note 7.1 of the Listing Manual.

No new shares or any securities of the Company were issued during the year under review, nor did the Company enter into any Significant Transaction or Interested Party Transaction that required the approval of shareholders during the year under review. The Group does not have a general mandate pursuant to Listing Rule 920 for interested person transactions.

For Interested Party Transactions that are in aggregate below the S\$100,000 threshold, please refer to the Notes to the Audited Consolidated Financial Statements for the year ended 30 April 2024 published in the AR FY2024 for more information.

(4) Dealings in Company's shares

For FY2024, the requirements of Listing Rule 1207(19) and the Company's internal code on dealings in the Company's shares were complied with. No officer of the Company dealt in the Company's shares on short-term considerations nor during periods of "black-out" prior to release of the Company's quarterly, half-year and full year financial results.

Principle 4: Board Membership

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

New Directors (including alternate directors proposed by any sitting Directors) are appointed by the Board after the NC has reviewed and recommended their appointments. The NC formally discusses and agrees on the appointment or reappointment of Directors in a formal and open process and makes its recommendation to the Board accordingly. In recommending the reappointment of Directors, the NC and the Board will consider the Director's past performance and whether he has fully discharged his duties and obligations. The NC and the Board will also consider whether the Director to be reappointed has been involved in companies with an adverse track record or a history of irregularities, including the reasons for the Director's resignation from a previous company, and whether the Director himself has been under any investigations, including by the professional association or regulatory body he is a member of.

When the need for a new director arises, the NC will review the expertise, skills and attributes of the current Board as a whole, discuss the requirements required of the new director, shortlist and interview candidates with the appropriate profiles for nomination to the Board. New directors are usually 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 and the Board will, respectively, interview at least 2 shortlisted candidates.

Provision 4.1 - Establishment of Nominating Committee

The Board has established an NC which comprises all three Independent Directors. The Chairman of the NC is Mr. Sazali Bin Mohd Nor.

The NC's principal functions are as follows:

- (a) to review the succession plans for directors, including the Chairman, the CEO and key management personnel;
- (b) to review and recommend to the Board, key executive appointments, all board appointments and re appointments;
- (c) to determine the independence status of the Independent Directors annually;
- (d) to determine whether or not a Director is able to and has been adequately carrying out his or her duties;
- (e) to evaluate the performance and effectiveness of the Board as a whole, its board committees and the contribution of each Director; and
- (f) to suggest and provide opportunities in relation to the training and professional development needs of the Directors.

Provision 4.2 - Majority of the Nominating Committee is Independent

The current members of the NC are Mr. Sazali, Chairman of the NC, Mr. Ramakrishnan and Mr. Koh, all of whom are Independent Directors.

Provision 4.3 - Process of selection and appointment of and criteria to identify and evaluate potential directors, channel of search etc.

Where a vacancy exists, or where additional directors are required, the Board will seek potential candidates from their own sources of contacts and refer them to the NC for interview and assessment of their credentials and suitability. In addition, the NC has the liberty to instruct executive search companies, receive referrals from personal contacts (as relevant), deliberate on and consider recommendations in its search and nomination process for the right candidates.

New directors are appointed by the Board after the NC has reviewed and recommended their appointments. When the need for a new director arises, the NC will review the expertise, skills and attributes of the Board as a whole, identify its needs and shortlist candidates with the appropriate profiles for nomination. In its search and selection process, the NC will interview at least 2 shortlisted candidates.

In appointing a new Non-Executive Independent Director, the Nomination Committee evaluates the requisite skills and experience for the role, considering the time commitments involved, the interests of distinct shareholder groups, and the prospective director's existing board roles. The Chair of the Nomination Committee engages in discussions with each Board member to assess the appropriateness of the candidate. Although gender alone is not a determining factor, the Committee ensures that female candidates are considered in alignment with the organization's Diversity Policy.

Provision 4.4 - NC's determination of directors' independence

In accordance with the requirements of the Code, the Nominating Committee carries out a review the independence status of the Non-Executive Independent Directors at least once annually, and from time to time, where circumstances so require.

The Nominating Committee bases its assessment on the written disclosure and confirmation of independence provided by each Director, the declarations made under sections 156 and 165 of the Companies Act, any interested party transactions entered into with the Director, as well as from other sources, where circumstances require. Where a Director has any relationship with the Company, or where there are other factors that may impede a Director's independence, such relationship or factors will be taken into account, and will be documented and disclosed accordingly in the Company's annual report.

Provision 4.5 - NC's determination of directors' duties, performance and effectiveness

At the end of each financial year, the NC makes a formal assessment of the performance of the Board as a whole, and also each Director's performance to determine if each Director has carried out his or her duty adequately.

The section "NC Report for FY2024" sets out the principal commitments of each Director and the number of other directorships each Director holds in both private and publicly listed companies. In this connection, the Company does not set a maximum number of listed company board representations its Directors may have, but takes into account the actual number of directorships and principal commitments each Director has in assessing its ability to discharge his or her duties.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

Provision 5.1 - NC recommends for Board approval performance of Board, each Board committee, the Chairman and each individual director

As stated above in accordance with Provision 4.5, the NC makes a formal assessment of the performance of the Board as a whole and also of each Director. Prior to making such assessment, the NC will recommend for the Board's approval, the performance criteria it will adopt in making the assessment.

For the financial year ended 30 April 2024, all members of the NC were requested to complete a Board Assessment Checklist designed to seek their view on the various aspects of the Board's performance in order to assess the overall effectiveness of the Board. The performance criteria for the evaluation covers amongst other criteria already stated above, composition structure and processes of the Board, access to information, corporate strategy, internal control and risk management and standard of conduct.

The Nominating Committee will consolidate all responses and present the results to the Board for discussion and to determine if there are any area(s) for improvement. While the checklists have been used to serve as a guide, the ultimate assessment of the Board and each Director is based on the discussions and conclusions of the NC upon reviewing these checklists.

The factors taken into consideration for the re-appointment of Directors for the year under review are, amongst other matters, the Director's attendance at meetings, the adequacy of their preparation, and participation made at such meetings.

CORPORATE GOVERNANCE

The NC's Report for FY2024

For FY2024, the NC is pleased to provide the following summary relating to its work as follows:

A. Introduction

The Nominating Committee's key priorities this year were focused on spearheading initiatives that nurture talent, leadership, and foster an environment of diversity, equity, and inclusion. A critical part of our work involved ensuring the Company's values are integrated into our expectations of both employee and employer behaviors, thereby strengthening our commitment to diversity, and the Environmental, Social, and Governance principles we have espoused.

B. Board and Board committees evaluation

The Nominating Committee assessed the Board, as a whole, and each of the AC, RC and NC, and determined that the Board and each Board committee operated effectively. Each Director has also been determined to have performed and contributed to the overall effectiveness of the Board adequately.

In making its assessment, the Nominating Committee took into consideration the number of board roles of each Director, the time and effort committed by each Director, the assessment results of the Board and each such Director, any specific shareholder group's interest and the overall role played by the Board in the Group's overall sustainability strategy. No external facilitator was engaged for the assessment process. For the year under review, the other directorships (in other listed companies) and other principal commitments of the Directors are set out below in the table below:

| Director | Current directorships in listed companies (other than the Company) | Past directorships in listed companies (preceding three years) | Other principal commitments |
|----------------------------|---|--|--|
| Mr. James Moffatt Blythman | None | None | None |
| Mr. Sazali Bin Mohd Nor | None | None | Executive Chairman of Jellyfish Mobile Sdn. Bhd. |
| Mr. Aswath Ramakrishnan | None | Malaysian Genomics Resources Centre Bhd Bintai Kinden Corporation Bhd | Partner, Messrs. Ahmad Deniel, Ruben & Co |
| Mr. Koh Beng San | Cape EMS Bhd | None | Director of :- 1. Koh BS & Co 2. Elinity Sdn. Bhd. 3. Elinity Corporate Services Sdn. Bhd. 4. SSB Cryogenic Equipment Sdn. Bhd. 5. Sing Hoh Realty Sdn. Bhd. 6. SSB Cryo Logistics Sdn Bhd |

The Nominating Committee has also assessed and determined that the current size of the Board is appropriate for the Group's current businesses and operations.

No person has been considered for appointment as a new Director in FY2024. No alternate director was proposed to be appointed by any Director.

The Nominating Committee has also assessed each Independent Director to be independent, in accordance with the definition set out in the Code and in the Practice Notes to the Listing Rules, and is satisfied (with the concurrence of the Board) that all Independent Directors are independent and there are no circumstances that would impede the independence of each Independent Director, having regard to Provision 2.1 of the Code and Listing Rule 210 (5)(d).

B. Recommendation for reappointment

The Nominating Committee has recommended and the Board has agreed that at the forthcoming annual general meeting, Mr. Aswath Ramakrishnan and Mr. Koh Beng San shall retire in accordance with the Company's constitution and the requirements of the Listing Rules and the Code.

Each of them has agreed to be re-appointed. Accordingly, a separate resolution seeking shareholders' approval for each of their re-appointment has been tabled in the Notice of Annual General Meeting for FY2024 ("Notice of AGM").

C. Succession Plan

The Nominating Committee has not yet formally put in place a succession plan as the priority of the Company is still to ensure that the Group's businesses and operations are stabilised and steered in the right direction. The current set of Directors were appointed between 2018 and 2020. As such, there is no urgency for a specific succession plan to be put in place at the current time.

However, the Nominating Committee and the Board have discussed the appointment or promotion of second-in-command for certain key management personnel within the Group, and will formulate a plan in due course.

D. Tenure of Independent Directors

No Non-Executive Independent Director has served beyond 9 years from the date of his first appointment.

E. Continuing development and education

To enhance the effectiveness of the Board, the Nominating Committee has actively recommended a variety of courses and refresher programs for the Directors. This initiative aims to ensure that Directors remain well-informed and up-to-date with the latest financial, legal, and regulatory developments pertinent to the Group's operations. Recognising the importance of sustainability within the Group's strategic goals, the committee emphasised the need for Directors to deepen their understanding of sustainability issues. Directors are, therefore, strongly encouraged to participate in comprehensive training sessions on sustainability, to better align their expertise with the Group's sustainability objectives.

Throughout the past year, Messrs. Blythman, Koh, and Ramakrishnan have participated in professional development courses to maintain their professional credentials. These courses have also served as updates to the regulatory and compliance requirements the Group has to meet.

(B) REMUNERATION MATTERS

Principle 6: Procedure for developing remuneration policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee has set a framework for the remuneration of the Directors and key management personnel which has been approved and adopted by the Board. In determining remuneration packages of Executive Directors and key management personnel, the current framework provides for (a) a base salary, and (b) a discretionary bonus element. The discretionary element of the basic remuneration framework gives scope to reward the Executive Director or key management personnel where non-financial or indirect financial or non-financial benefits have accrued to the Group through the work or performance of the Executive Director or key management personnel. Each year, the Remuneration Committee will discuss and review the financial and non-financial targets of the Executive Director and key management personnel previously agreed, in conjunction with their individual performance indicators. A discretionary bonus is then recommended by the Remuneration Committee.

The framework strives to ensure that remuneration paid to executive Directors and key management personnel is sufficiently competitive to retain the talents required to move the Group forward to longer term stability and sustainability.

Where a profit sharing has been agreed with a key management personnel, the ratio of profit-sharing and requirements for achieving such profit-sharing are agreed with the key management personnel concerned in clear terms and unambiguous terms. These are based primarily on the revenue contributions by the respective business units to the overall revenue of the Group.

Annual reviews of the compensation for the Executive Director and key management personnel are carried out by the Remuneration Committee to ensure their respective remuneration commensurate with their performance and contribution to the Group, giving due regard to financial, non-financial, business strategies and operations requirements of the Group. The performance of the Executive Director and other key management personnel is also reviewed periodically by the Remuneration Committee and the Board, as and when circumstances require. For an explanation of the factors the Remuneration Committee will take into account when assessing the remuneration to be paid to Directors and key management personnel, please refer to the section "Provision 6.3 - RC considers all aspect of remuneration and terms of service" below.

Provisions 6.1 & 6.2 - Establishment of Remuneration Committee and Remuneration Matters

The Remuneration Committee comprises Mr. Sazali who chairs the committee, Mr. Ramakrishnan and Mr. Koh who serve on the committee as members. All members of the committee are Non-Executive Independent Directors.

Details of how the remuneration framework works have been described in the paragraph above.

The main responsibilities of the RC are to:

- make recommendations to the Board on remuneration matters, including but not limited to fees, salaries, allowance, bonuses, options and benefits-in-kind, of Directors and key management personnel;
- determine the appropriateness of the specific remuneration for each Director and key management personnel;
- review and recommend to the Board, the terms of service agreements of Executive Director and key management personnel; and
- consider the disclosure requirements for Directors and key executives' remuneration as required by the Listing Manual and the Code.

Provision 6.3 - RC considers all aspect of remuneration and terms of service

All aspects of remuneration, including but not limited to base salaries, discretionary bonuses, fees, allowances, share options and benefits-in-kind are assessed in totality by the Remuneration Committee, following recommendations made by the Management.

The Remuneration Committee will consider, amongst other things, the responsibilities, skills, expertise and contributions made to the Group's performance as a whole, and whether the remuneration packages are sufficiently competitive to attract and retain within the Group, the best available talent. The remuneration packages agreed on also take into consideration the longer-term interests of the Group and ensures that the interests of Directors and key management personnel align with those of Shareholders.

No Director or key management personnel is involved in deciding his or her own remuneration. The Remuneration Committee will, from time to time, review the terms of the service contracts or employment contracts of the Executive Director and key management to ensure the terms of such contacts are complied with by both parties and continue to be fair and reasonable in accordance with the prevailing circumstances of the Group and market norms.

No member of the Remuneration Committee is involved in deliberating his own remuneration, compensation or any form of benefits to be granted to him.

Each member of the Remuneration Committee abstains from voting on any resolution and making any recommendation and/ or participating in discussion regarding his own remuneration package or in any matter in which he is interested.

Provision 6.4 - Remuneration Consultants

The Remuneration Committee has access to external advisers if thought necessary when assessing and recommending remuneration packages for the Executive Director and key management personnel. For the financial year ended 30 April 2024, the RC did not consult any external consultant.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 & 7.3 - Linking of remuneration to corporate and individual performance and alignment with shareholders' interest and long-term success of the Company

As explained above, the current remuneration framework provides for (a) a base salary, and (b) a discretionary bonus element. The total remuneration packages of the Executive Director and key management personnel are structured to link remuneration with the overall performance of the Group, as well as individual performances. The total packages agreed on take into consideration the interests of Shareholders and the longer-term financial success and sustainability of the Group's businesses and operations.

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

Provision 7.2 - Remuneration of Non-Executive Directors

The Non-Executive Independent Directors do not participate in any discretionary bonus or other profit-linked payments. They receive a respective flat fee, which is determined in accordance with their individual contribution, skills and experience, taking into account factors such as time and effort spent and their specific roles and responsibilities. The Non-Executive Independent Directors' fees are recommended by the Remuneration Committee and endorsed by the Board for approval by Shareholders at the Company's annual general meetings. Except as disclosed in the AR FY2024, the Independent Directors do not receive any other remuneration from the Company.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 (a) - Disclosure on Remuneration of Directors

The Code recommends that companies fully disclose the amount and breakdown of remuneration for each individual director and the CEO on a named basis, for confidentiality reasons and prevention of poaching, the Board has deviated from complying with Provision 8.1(a), and have provided below in the Report of the Remuneration Committee, a breakdown showing the level and mix of each Director's remuneration in bands of S\$250,000 for the financial year ended 30 April 2024.

Commencing on or after 31 December 2024, the [amended] Listing Rules require the disclosure of the exact amount (and percentage mix) of remuneration to directors and the CEO on a named basis.

Provision 8.1 (b) - Disclosure on Remuneration of Key Personnel

Provision 8.1(b) of the Code provides that companies should name and disclose the remuneration of at least the top five (5) key management personnel (who are not Directors or the CEO) in bands of S\$250,000. In addition, the companies should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the CEO).

Commencing on or after 31 December 2024, the [amended] Listing Rules require the exact breakdown (and percentage mix) of remuneration to the CEO on a named basis.

Provision 8.2 - Remuneration of related employees

Where applicable, the Company will disclose the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a Director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The Company will disclose clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Provision 8.3 - Other forms of remuneration and share schemes

Details pertaining to the forms of remuneration and other payments and benefits to Directors, and key management personnel are disclosed by the Company.

The Remuneration Committee's Report for FY2024

For FY2024, the Remuneration Committee is pleased to provide the following summary relating to its work:

A. Introduction

FY2024 marked the culmination of several material developments for the Group. The long drawn-out litigation between the Group and Sawyer Falls Co., LLC was settled out of court (the "Falling Water Litigation") and the Group completed the sale of the balance of its Falling Water Planned Development District (development) tract to KBHPNW LLC, a subsidiary of USA national home builder, KB Home on 13 February 2024.

2024 was also the year where all remaining restrictions imposed by the Chinese government during the COVID-19 pandemic were finally disbanded. As remarked in the section "Letter to Shareholders", while there is some good news in that the Chinese policy makers have decided to allow local gas companies to increase their selling prices in tandem with increases from upstream supplies, there are as yet no details of this new policy decision.

Trade sanctions levied at China, and potentially more and higher levels of sanctions have been publicised. These are headwinds that require careful strategic planning and being flexible to adapt to new economic conditions. While the overall revenues of the Group recorded a 26% increase to S\$93,386,000, the Group recorded a loss before tax of S\$8,726,000.

B. Framework for Remuneration – Level and Mix

In accordance with the current remuneration framework, the remuneration of the Executive Director and key management personnel comprised a basic salary component and a variable discretionary bonus tied to the performance of the Group as a whole and their individual performances, as well as considerations of other financial and non-financial targets, including the successful conclusion of the sale of the balance plats held by Capri to KB Home and Falling Water Litigation.

There were no pre-determined performance conditions for the grant of discretionary bonuses. The discretionary bonus is, as explained, based on qualitative criteria (including successful conclusions of certain matters, 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).

CORPORATE GOVERNANCE

The remuneration adopted by the Board for key management personnel comprised a larger proportion of fixed component in comparison with the discretionary bonus-component, as the Group's operating units are the key revenue drivers, and the overall objective of the is currently to better its financial position and profits, and to take into account the need to retain and motivate the key management personnel to continue to perform.

The level and mix of remuneration for the Executive Director comprises a smaller proportion of fixed component and a larger proportion of the variable component.

For FY2024, a discretionary bonus was awarded to each of Mr. Blythman, Mr. William Koh and Mr. Danny Ong Swee Hin (being key management personnel). The Remuneration Committee is comfortable that the current remuneration framework operated as intended.

In accordance with Provision 7.2 of the Code, the Non-Executive Independent Directors will each receive a director's fee in accordance with their contributions, taking into account factors such as effort and time spent, and any specific responsibility borne by them. The fees were recommended by the Remuneration Committee and have been endorsed by the Board for approval by Shareholders at the annual general meeting of the Company.

Other than a director's fee, the Non-Executive Independent Directors did not receive any other remuneration from the Company. The Remuneration Committee has recommended and the Board has endorsed for shareholders' approval at the annual general meeting for FY2024 a total of S\$46,818 in directors fees should be paid to the Non-Executive Independent Directors. The fees of S\$46,818 include all fees payable by the Company and its subsidiaries. As the Group does not have a share plan in place, the remuneration of all Non-Executive Independent Directors comprises only of the director's fees proposed to be paid to them, and they are not entitled to participate in any discretionary bonus payments.

Set out below is a table showing the components of the directors' fees payable to the Non-Executive Independent Directors.

| FY2024 Fees Below S\$50,000 | Share-Based Remuneration | Directors Fees | Total |
|--|-------------------------------------|---------------------------|--------------|
| Mr. Aswath Ramakrishnan | - | 100% | 100% |
| Mr. Koh Beng San | - | 100% | 100% |
| Mr. Sazali Bin Mohd Nor | - | 100% | 100% |

The total remuneration shown above that has been recommended and will be tabled for shareholders' approval at the upcoming AGM for FY2024 is S\$46,818 and includes all amounts payable by the Company's subsidiaries.

In accordance with Principle 8 of the Code on the disclosure on remuneration, the Company is transparent on the framework of its remuneration policies in specifying the level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation (including financial and non-financial considerations). While Provision 8.1(a) of the Code recommends, and recent amendments to the Listing Rules mandate that companies should fully disclose the amount and breakdown of remuneration for each individual director and the CEO on a named basis in their annual reports after 31 December 2024, the Board has decided for FY2024, it will continue to provide a breakdown showing only the level and mix of the Executive Director's remuneration in bands of S\$250,000 for the financial year ended 30 April 2024. This is to preserve some level of confidentiality for commercial reasons, while the RC and the Board engage in discussions if there should be any changes made to the current remuneration framework for the new financial year and beyond.

The table below presents the compensation structure for the Executive Director. The base salary for the Executive Director remains unchanged from FY2023. The discretionary bonus awarded to Mr. Blythman is in recognition of his significant contributions, including his management of the Sawyer Falls Litigation in the United States, facilitating the completion of the property sale to KB Home, and overseeing the efficient operations of the Group's various business segments.

| Executive Director Above S\$250,000 to below S\$500,000 | Salary*(a) % | Fees % | Bonus % | Other benefits % | Total % |
|--|-------------------------|-------------------|--------------------|---------------------------------|--------------------|
| Mr. James Moffatt Blythman | 23% | 25% | 47% | 5% | 100% |

In accordance with Provision 8.1(b) of the Code, the aggregate remuneration of each of the top key management personnel of the Group, who are not Directors or the CEO, is disclosed and the total remuneration received each such top key management personnel is also disclosed in bands of S\$250,000 in the table below:

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

* Salary is inclusive of defined contribution plan.

Please also refer to Notes 6 and 8 of the Audited Consolidated Financial Statements for FY2024 which also set out this information.

As explained above, the three key management personnel helm business units that represent the core businesses of the Group, and notwithstanding losses reported for FY2024, they are critical to the business continuity of the Group. The RC and the Board are of the view that compensation to each key management personnel below the band of S\$250,000 reflects market norms, and is within the median range of similar positions in comparable industry sectors.

The Remuneration Committee, together with the Board, believes that the remuneration disclosures provided in this section of the CG Report adequately provide Shareholders with a comprehensive understanding of the Company's compensation strategies, when compared with its present financial and operational performance.

C. Service contracts

The RC has reviewed and made no recommendation to the Board to change or vary any term of any Executive Director's or key management personnel's service or employment contract.

There are no contractual provisions which allow the Company to reclaim any incentive components of remuneration from the Executive Directors or key management personnel as the bonus given for FY2024 is on a fully discretionary basis, and no exceptional circumstances that would or may cause financial loss to the Company or Group have been noted.

D. Remuneration of other employees

Our principles for setting pay across the wider workforce are consistent with those for our Executive Director and key management personnel, in that the proportion of the remuneration package which is linked to performance increases for more senior roles within the Company as responsibility and accountability increase.

Base salaries are targeted at an appropriate level in the relevant markets in which the Group operates and competes for talent. The Remuneration Committee considers the base salary percentage increases for the Group's local and international employee populations using the relevant consumer-index increase and inflation as a bench-mark. In FY2024, Group-wide pay was determined with a focus on factors such as individual skills and experience and position relative to market.

E. Employees who are connected persons

In accordance with Provision 8.2 of the Code on the remuneration of related employees, no employee was related to a substantial shareholder, Director, or the Chief Financial Officer, and no employee was an immediate family member of a Director, the Chief Financial Officer.

In accordance with Provision 8.3 of the Code on the requirement to disclose other forms of remuneration and share schemes, the RC confirms that the Group does not operate any share plan and has not paid any other form of remuneration to any Director, Management or key personnel.

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk management and internal controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provisions 9.1 & 9.2 - Board oversight of risk management and disclosure in Annual Report

The Board has overall responsibility for managing the Group's key risks to safeguard Shareholder's interests and the Group's assets.

The 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 management personnel of the Group.

The Company's internal and external auditors will bring to the Board's attention any material accounting or internal control weaknesses within the Group discovered in the course of their internal and statutory audits. In case of any issues arising from the external auditors' comments and findings, the Board acts to put the recommended additional or revised controls made by the external auditors in place promptly. Management regularly reviews, in consultation with the AC and the Board, the Group's overall risks positions. Both existing and emerging risks are assessed against current controls in place to determine if any additional or enhanced controls need to be implemented.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1, 10.2 & 10.3 - Duties and composition of Audit Committee "AC"

The Audit Committee comprises three Board members, all of whom are Independent Directors. The Chairman of the Audit Committee is Mr. Koh. Mr. Ramakrishnan and Mr. Sazali, both Independent Directors are members of the committee. There is no restriction imposed on the number of members in the Audit Committee, other than the minimum requirements set out in the Listing Rules and the Code.

The Audit Committee carries out its functions in accordance with Section 201 of the Companies Act, and has been entrusted with the following functions, to:

- (a) review 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 Management to the external auditors;
- (b) review 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) review the scope and results of the internal audit function and ensuring co-ordination between the internal and external auditors and the Management;
- (d) review the co-operation given by the Company's officers to the external auditors;
- (e) review 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) review the assurance from the Executive Director and CFO on the financial records and financial statements of the Group;
- (g) reviews the cost effectiveness, independence and objectivity of the external auditors;
- (h) review the nature and extent of non-audit services, if any, provided by the external auditors and seek to balance the maintenance of independence and value for money;
- (i) undertake such other reviews and projects as may be requested by the Board;

CORPORATE GOVERNANCE

- (j) review, at least annually, the adequacy and effectiveness of the internal audit function;
- (k) ensure that the external and internal audit function is adequately resourced (staffed with persons with relevant qualifications and experience), independent of the activities it audits and has appropriate standing within the Company;
- (l) oversee the Group's whistle-blowing policy;
- (m) review and nominates external auditors for appointment/re-appointment and approving their remuneration and terms of engagement;
- (n) review all interested person transactions to ensure that they comply with the approved internal control procedures and are in accordance with the requirements of the Listing Manual of the SGX-ST; and
- (o) disclose 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 Audit Committee meets at least four (4) times a year, and as and when required. In particular, the Audit Committee meets to review the financial statements before each announcement.

The Audit Committee may at any time meet with the auditors without the presence of the Company's management. It may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of a regulatory or legal nature. The Audit Committee has the power to conduct or authorise investigations into any matter within the Audit Committee's scope of responsibility.

No former partner or director of the Company's existing external auditor is a member of the Audit Committee (a) within a period of two years commencing on the date of their ceasing to be a partner or director of the external auditor firm or corporation; and in any case, (b) for as long as they have any financial interest in the audit firm or auditing corporation.

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

Provisions 10.4 & 10.5 - Internal Audit function and meeting with internal and external auditors

Since FY2021, the Audit Committee has appointed CLA Global TS Risk Advisory Pte Ltd (formerly known as Nexia TS Risk Advisory Pte Ltd) (the "Internal Auditors"), an external firm, to carry out the internal audit function. The Internal Auditors are a certified public accounting firm and a corporate member of the Institute of internal auditors, Singapore, and is staffed with professionals with relevant qualifications and experience for the job it has been appointed for.

The Audit Committee (and the Board) recognise its respective responsibilities in ensuring a sound system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems to safeguard shareholders' investments and the Company's assets. Rule 719(1) of the SGX-ST Listing Manual requires an issuer to have a robust and effective system of internal controls, addressing financial, operational, compliance and information technology controls and risks. Effective internal controls not only refer to financial controls but include, among others, business risk assessment, operational and compliance controls.

The Internal Auditors report directly to the Audit Committee which decides its appointment, termination and remuneration. The Internal Auditors have been provided access to all documents, records, properties and personnel of the Group and have good standing within the Group. For each financial year, the Audit Committee will review and approve the audit plans and the results of the Internal Auditors' review of the Company's system of internal controls.

The AC's Report for FY2024

For FY2024, the AC is pleased to provide the following summary relating to its work as follows:

A. Introduction

The Audit Committee assists the Board in discharging its responsibilities for external financial reporting, internal controls over financial reporting and the relationship with the external auditors.

While the committee focused its attention primarily on the Company's financial and non-financial control framework, during FY2024 it has also put specific governance emphasis on:

- the governance around internal controls, in particular as the Group's enterprise risk management framework evolves.
- the introduction of deep-dives on key subject areas to expand the committee's knowledge. This was introduced after the Group re-classified its gas distribution business in China in accordance with SFRS(I)12.
- oversight of the Group's evolution as it continues its transition to align its resources and capabilities to meet internal and external clients' needs.
- significant changes in senior personnel in the Finance function.
- continued to focus on the quality of financial reporting.
- Valuation methodologies

B. Financial Statements

The Audit Committee reviewed and approved the audit plan, the quarterly, half-yearly and full-year unaudited financial results for announcement purposes.

The Audit Committee considered all estimates and judgements that Directors understood could be material to the FY2024 financial statements. The committee also focused on disclosure of these key accounting estimates and judgements.

CORPORATE GOVERNANCE

In particular, the committee reviewed the basis of accounting and in particular the appropriateness of adopting the going concern basis of preparation of the financial statements for FY2024. In doing so, it considered the Group's cash flows resulting from its business activities, the recent completion of the sale of the Falling Waters remaining plots, and factors likely to affect its future development, performance and position together with related risks. The Committee recommended the going concern statement to the Board.

Significant attention was given to the impairment testing of the Group's gas distribution business and the carrying value of the cost of investment of ESA Electronics. The AC engaged third party experts to assist in their review.

For FY2024, the AC (and the Board) received assurance from the Executive Director and Chief Financial Officer and key management personnel that the financial records of the Company and its subsidiaries have been properly maintained and that the financial statements give a true and fair view of the Group's operations and finances.

The consolidated financial statements of the Group for FY2024 were prepared in accordance with SFRS(I) and the external auditor has, save for the qualified opinions expressed, noted that the consolidated financial statements of the Company represented a true and fair view of the consolidated financial position of the Group.

The AC meets with internal and external auditors without the presence of Management.

There were certain discrepancies between the unaudited consolidated financial statements and the Audited Consolidated Financial Statements of the Group, which discrepancies were announced on the SGXNET on 15 August 2024. These relate to audit adjustments made after the full year results announcement on 28 June 2024.

For FY2024, the external auditors made certain qualifications and emphasis of matters in the auditors' report, and the qualifications and emphasis of matters were announced on the SGXNET on 15 August 2024.

C. Internal Controls and Risk management

For FY2024, the AC (and the Board) received assurance from the Executive Director and Chief Financial Officer and key management personnel regarding the adequacy and effectiveness of the Group's risk management systems and that the internal control systems put in place were adequate and effective in addressing key risks identified in its current business environment, including its financial, operational, compliance and information technology functionalities.

The AC (and the Board) noted 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 internal controls on a continuing basis.

For FY2024, the AC 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 reviewed by the Management. Based on the Group's internal controls put in place and the procedures established and maintained by the Group, assurances received from the Executive Director and Chief Financial Officer and key management personnel, as well as work and review performed by the external auditors and internal auditors, and Management, the Board with the concurrence of the AC are of the view that the Group's internal controls (including financial, operational compliance and information technology controls) and risk management systems in place are adequate and effective as at 30 April 2024.

D. Internal Audit

For the FY2024, the internal auditor was engaged with a focus attention on the Group's gas distribution business with a scope of 1. Revenue, Receivables and Collections, 2. Service Concession and Compliance Management, and 3. Cash and Bank Management.

The AC is also satisfied that the internal audit function is independent, effective and has been adequately resourced and staffed by suitably qualified and experienced professionals with the relevant experience. The internal auditor also has good standing and is well regarded within the Group.

E. Audit and Non-Audit Fees

The aggregate amount of fees paid to the external auditor, broken down into audit and non-audit services during FY2024 are disclosed below and in Note 8 to the Audited Consolidated Financial Statements.

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

In relation to the non-audit service fees paid or payable by the Company to the external auditor for FY2024, the AC undertook a review and are of the opinion that the value and scope of the non-audit services performed by the external auditor would not affect the independence of the external auditor.

F. Independence of External Auditor

The Group's external auditor, Baker Tilly TFW LLP ("Baker Tilly"), is an accounting firm registered with the Accounting and Corporate Regulatory Authority. The external auditor was first appointed on by shareholders at an Extraordinary General Meeting held on 28 February 2018. 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 AC is satisfied that Baker Tilly and the audit engagement partner assigned to the audit of the Group have adequate resources and experience to meet its audit obligations. In this connection, the AC (and the Board) confirm that it is in compliance with Listing Rule 712 and Listing Rule 715, read together with Listing Rule 716 of the Listing Manual in relation to the appointment of external auditor.

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 annual general meeting.

In accordance with Listing Rule 713, the audit engagement partner assigned to the audit of the Company has not been in charge of auditing the Company and its Subsidiaries for more than 5 consecutive audits.

The AC (and the Board) are also satisfied that notwithstanding the financial statements of the Company's subsidiaries in China are audited by BDO China-Shu Lun Pan CPAs and ESA is audited by RSM SG Assurance LLP, such appointments do not compromise the standard and effectiveness of the overall audit of the Company by its external auditors. The component auditors for the Group's subsidiaries and ESA are reputable firms with good standing.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder rights and conduct of general meeting

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2 & 11.3 - General meetings

The Board welcomes the views of shareholders on matters affecting the Company at the shareholders' meetings. The Board encourages active shareholder participation during general shareholders' meetings, including annual and extraordinary general meetings. It believes that general meetings are an opportune time and suitable platform for shareholders and the Board and Management of the Company to engage in active exchange of ideas.

While there is no limit imposed on the number of proxy votes for nominee companies, the Constitution of the Company allows each shareholder to appoint up to two (2) proxies to attend an annual general meeting. The Companies Act now allows corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

If a specific corporate action that requires shareholders' approval is proposed to be undertaken, a circular will be written up containing all pertinent information and addressed to shareholders. Reports or circulars of the general meetings will be accessible to all shareholders electronically and also made available on SGXNET.

Separate resolutions are proposed for each substantially separate issue at the general meeting. At its annual general meetings, shareholders have the opportunity to raise questions to the Board and Management and clarify with them any issue they may have relating to the resolutions to be passed.

All Board members, Management and the external auditors are required to attend shareholders' meetings and are on hand to address any questions raised. The external auditor was present at the last AGM held on 29 September 2023 to assist the Directors in addressing any relevant queries on the Audited Consolidated Financial Statements for the financial year ended on 30 April 2023 from the shareholders.

Shareholders will be informed of the procedures, including voting procedures that govern general meetings. Where a resolution has been put to vote, the Company will make an announcement of the details and results showing the number of votes cast for and against each resolution and the respective percentages.

The Company has not amended its Constitution to provide for absentia voting methods which call for elaborate and costly implementation of a fool-proof system, the need for which has not arisen. The minutes of an annual general meeting will be made available via SGXNET.

Provision 11.5 - Minutes of general meetings

The Company, with the help of the Company Secretary, prepares minutes of general meetings that include substantial and relevant comments relating to the agenda of the meetings and responses from the Board and management and such minutes, where relevant will be made available to shareholders upon their written request.

Provision 11.6 - Dividend policy

The Group does not have a dividend policy at present which deviates from Provision 11.6 of the Code. In considering the declaration of dividends, the Company will have to take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividend is recommended and declared for the financial year under review as the Board is of the view that the Group has still to rebuild and strengthen its financial position. With the financial and other impact that have been caused by the COVID-19 pandemic, the Group continues to conserve cash for its operations.

Principle 12: Engagement with shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provisions 12.1, 12.2 & 12.3 - Shareholder engagement

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. The Board is aware of its obligations to shareholders and has devised investor relations policies to provide regular, effective and fair communication, and to convey pertinent information to shareholders. In line with the continuous disclosure obligations of the Company under the Listing Rules, the Board's policy is that all shareholders should be equally and timeously informed of all major developments and events that impact the Group. All information communicated to shareholders relating to the Company's initiatives is first disseminated via SGXNET followed by news release, where appropriate, and through annual reports/circulars that are available via the Company's website. Notices of general meetings are advertised.

Results of quarterly, half yearly and annual reports are announced or issued within the mandatory period are also simultaneously disseminated via SGX-NET, and where relevant, the press.

While the Company does not have a separate investor relations policy, it will engage with investors and shareholders as and when the occasion requires, in addition to general meetings of shareholders and the prompt announcement of material developments of the Group. Contact details and channels of communications with shareholders and public remain open and relevant information is duly updated and conveyed via the Company's websites and email channels.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provision 13.1, 13.2 and 13.3- Stakeholder engagement

The Group places great importance to having open and transparent engagement with our key stakeholders. Stakeholders play an important role to ensure the sustainability of our business and products. Quarterly, Half-yearly and Full year results are made available on SGX-Net and our website at <https://www.ren-united.com>.

CORPORATE GOVERNANCE

The Group publishes a sustainability report which provides details about the strategy and key areas of focus in relation to the management of stakeholder relationships. The Group has also identified the environmental, social and governance factors that are important to these stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes, and progress are reviewed by and approved by the Board, before they are published annually in our sustainability report.

To enable shareholders to contact the Company easily, the contact details of the company are set out in the contents page of the Company's Annual Report for FY2024 as well as on the Company's website at <https://www.ren-united.com>.

Dealing in Securities

In line with Listing Rule 1207(19) of the Listing Manual, the Company has in place an internal code on dealings with securities, which has been issued to all Directors and employees setting out the implications on insider trading.

The internal code prohibits the dealing in securities of the Company by Directors and employees while in possession of price sensitive information, and during the period beginning two (2) weeks before the announcement of the quarterly results and one (1) month before the announcement of the full year results, and ending on the date of the announcement of the respective results. Directors are required to report securities dealings to the Company Secretary who will assist to make the necessary announcements.

In addition, Directors and employees are reminded to observe insider trading laws at all times. The Company's officers are discouraged from dealing in the Company's shares on short-term considerations.

For FY2024, the requirements of Listing Rule 1207 (19) and the Company's internal code on dealings were complied with.

Interested Person Transactions

The Company has established internal control policies to ensure that transactions with interested persons are reported to the AC, reviewed and approved, and are on normal commercial terms and conducted at arm's length basis, and will not be prejudicial to the interests of the Company and its minority shareholders.

During FY2024, the Group did not enter into any interested person transactions with a value exceeding of S\$100,000 or more. The Group does not have a general mandate pursuant to Listing Rule 920 for interested person transactions.

Material Contracts

There was no material contract entered into between the Company and or its subsidiaries involving the interests of any Director or controlling shareholder for the financial year under review.

Whistleblowing

The Company has put in place a whistle blowing policy. The policy encourages employees to raise concerns, in confidence, about possible irregularities to Mr. Ramakrishnan and Mr. Koh. Such concerns include fraudulent acts, dishonesty, legal breaches and other serious improper conduct, unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. It aims to provide an avenue for employees to raise concerns and at the same time provide reassurance to employees that they will be protected from reprisals or victimisation for whistle blowing in good faith.

Whenever a concern is raised in writing, by telephone or in person to the abovementioned persons, the whistle blower and the report received shall be treated with utmost confidentiality and will be attended to immediately or as soon as practicable. The whistleblowing policy will be posted on a notice board at each subsidiary's premises. The email addresses of Mr. Ramakrishnan and Mr. Koh are stated in the whistleblowing policy which can be also be found on the Company's website.

When making a report, the whistleblower should provide the following information:

- Name, NRIC and contact details;
- Parties involved, time and place of the alleged improprieties;
- Evidence leading to the improprieties, if any; and
- Any other details or documentation that would assist in the evaluation of the improprieties.

Some concerns may be resolved by agreed action without the need for investigation. If an investigation is necessary, the whistleblowing committee member will commence an independent investigation. All whistle blowers have a duty to cooperate with investigations.

The AC oversees the administration of the whistle blowing policy. Periodic reports will be submitted to the AC specifying the number and details of the complaints received, results of the investigations, follow-up actions required and any unresolved complaints. There were no whistle blowing reports received for the financial year under review.

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

Mr. Ramakrishnan and Mr. Koh are the Directors seeking re-election at the forthcoming AGM to be held 30 August 2024 ("AGM") under Ordinary Resolutions 3 and 4 (respectively) as set out in the Notice of AGM dated XX July 2024.

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information relating to the Retiring Directors is set out below:

| Name of Director | Mr. Aswath Ramakrishnan | Mr. Koh Beng San |
|--|---|--|
| Date of Initial Appointment | 17 July 2020 | 13 October 2020 |
| Date of last re-appointment (if applicable) | 30 November 2022 | 30 November 2022 |
| Age | 39 | 50 |
| Country of principal residence | Malaysia | Malaysia |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | <p>The Board acknowledges the contributions made by Mr. Ramakrishnan since his appointment, in particular, his input and advice regarding the various litigation that Group is involved in.</p> <p>Mr. Ramakrishnan is retiring pursuant to Regulation 89 of the Company's Constitution and is seeking re-election.</p> <p>The Board (on the recommendation of the NC) recommends Mr. Ramakrishnan's re-election.</p> | <p>The Board acknowledges the contributions made by Mr. Koh since his appointment.</p> <p>As the AC Chairman, Mr. Koh has been instrumental in ensuring that the financial statements of the Company and its subsidiaries have been kept and maintained in good order and that all internal controls put in place and required to be put in place are performed timeously and effectively.</p> <p>Mr. Koh is retiring pursuant to Regulation 89 of the Company's Constitution and is seeking re-election.</p> <p>The Board (on the recommendation of the NC) recommends Mr. Koh's re-election.</p> |
| Whether appointment is executive, and if so, the area of responsibility | Non-Executive Appointment | Non-Executive Appointment |

| Name of Director | Mr. Aswath Ramakrishnan | Mr. Koh Beng San |
|--|--|---|
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Non-Executive and Independent Director and member of the AC, RC and NC. | Non-Executive and Independent Director, Chairman of the AC, and member of the RC and NC. |
| Professional qualifications | LLB & LLM (Northumbria University) Barrister at Law | Fellow Member of Association of Chartered Certified Accountant, UK Member of Malaysian Institute of Accountants and Member of Asean Chartered Professional Accountant Member of Chartered Tax Institute of Malaysia |
| Working experience and occupation(s) during the past 10 years | Year 2012 – United National International Criminal Tribunal for the Former Yugoslavia (The Hague) Defence Team Member Year 2014 to 2018 – Messrs. Shearn Delamore & Co – Associate Year 2018 to current – Messrs. Ahmad Deniel, Ruben & Co – Partner and Head of Dispute Resolution Department | Year 2003 to 2020 – Finance Director of Southern Industrial Gas Sdn Bhd a wholly owned subsidiary of SIG Gases Bhd a main market listed company on Bursa Malaysia Securities Bhd Year 2020 to Present Director of Koh BS & Co, (2020 to present) |
| Shareholding interest in the listed issuer and its subsidiaries | No | No |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries | No | No |
| Conflict of interest (including any competing business) | No | No |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |

CORPORATE GOVERNANCE

| Name of Director | Mr. Aswath Ramakrishnan | Mr. Koh Beng San |
|--|--|--|
| <p>Other Principal Commitments* Including Directorships#</p> <p>“Principal Commitments” has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p> | <p>Partner and Head of Dispute Resolution Department, Messrs. Ahmad Deniel, Ruben & Co</p> | <p>Director of Koh BS & Co, Accountants</p> <p>Non-Executive and Independent Director of Cape EMS Berhad (appointed on 5 May 2022)</p> |
| <p>Any prior experience as a director of an issuer listed on the Exchange?</p> | <p>NA, as this is a re-election</p> | <p>NA, as this is a re-election</p> |
| <p>If yes, please provide details of prior experience.</p> | <p>Non-Executive and Independent Director of the Company from 17 July 2020 to date</p> | <p>Non-Executive and Independent Director of the Company from 13 October 2020 to date.</p> |
| <p>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.</p> | <p>NA</p> | <p>NA</p> |
| <p>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).</p> | <p>NA, as this is a re-election</p> | <p>NA, as this is a re-election</p> |

Mr. Ramakrishnan and Mr. Koh have confirmed in the negative on items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Rules.

SHAREHOLDERS' INFORMATION

STATISTICS OF SHAREHOLDERS AS AT 31 JULY 2024

| | | |
|---------------------------|---|----------------------------------|
| 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 31 JULY 2024

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | | NO. OF SHARES | |
|-----------------------|---------------------|---------------|----------------------|---------------|
| | | % | | % |
| 1 - 99 | 5 | 0.04 | 179 | - |
| 100 - 1,000 | 450 | 3.94 | 441,134 | 0.01 |
| 1,001 - 10,000 | 3,276 | 28.70 | 19,081,494 | 0.31 |
| 10,001 - 1,000,000 | 7,070 | 61.93 | 1,229,057,989 | 19.88 |
| 1,000,001 AND ABOVE | 615 | 5.39 | 4,932,219,190 | 79.80 |
| TOTAL | 11,416 | 100.00 | 6,180,799,986 | 100.00 |

SUBSTANTIAL SHAREHOLDERS

| Name of Shareholders | Direct Interest | | Deemed Interest | |
|---------------------------|-----------------|------|-----------------|-------|
| | Units | % | Units | % |
| Meridian Equities Pte Ltd | 0 | 0.00 | 880,000,000 | 14.24 |

*As at 31 July 2024, 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.

SHAREHOLDERS' INFORMATION

TWENTY LARGEST SHAREHOLDERS AS AT 31 JULY 2024

| NO. | SHAREHOLDER'S NAME | NUMBER OF SHARES HELD | % |
|-----|--|--------------------------|--------------|
| 1 | CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. | 893,987,374 | 14.46 |
| 2 | PHILLIP SECURITIES PTE LTD | 777,081,153 | 12.57 |
| 3 | MAYBANK SECURITIES PTE. LTD. | 200,216,000 | 3.24 |
| 4 | DBS NOMINEES PTE LTD | 184,113,300 | 2.98 |
| 5 | NG QUEK PENG | 76,383,900 | 1.24 |
| 6 | ONG SOH NEO | 68,870,000 | 1.11 |
| 7 | HUANG QINGPING | 65,000,000 | 1.05 |
| 8 | OCBC SECURITIES PRIVATE LTD | 63,196,998 | 1.02 |
| 9 | LAM WEI KUEN | 48,000,000 | 0.78 |
| 10 | SOH BENG HUAT OR SOH CHYE LIN | 48,000,000 | 0.78 |
| 11 | ONG GIM LOO | 45,000,000 | 0.73 |
| 12 | NG HONG ENG | 42,728,300 | 0.69 |
| 13 | SOH ENG LEE | 38,273,000 | 0.62 |
| 14 | IFAST FINANCIAL PTE LTD | 34,557,400 | 0.56 |
| 15 | PHUA MENG THONG | 31,000,000 | 0.50 |
| 16 | RAFFLES NOMINEES (PTE) LIMITED | 30,361,700 | 0.49 |
| 17 | LIM KEE WAY IRWIN | 30,100,000 | 0.49 |
| 18 | SHEN JIANKUN | 29,100,000 | 0.47 |
| 19 | TIEW YEW SENG | 28,901,000 | 0.47 |
| 20 | MAK SENG FOOK | 28,800,000 | 0.47 |
| | TOTAL | 2,763,670,125 | 44.72 |

SHARES HELD BY THE PUBLIC AS AT 31 JULY 2024

Based on information available to the Company as at 31 July 2024, 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 OF ANNUAL GENERAL MEETING

This Notice of Annual General Meeting (the “**Notice**”) of Renaissance United Limited (the “**Company**”) has been made available on SGXNET at: <https://www.sgx.com/securities/company-announcements> and the Company’s website at: <https://www.ren-united.com>, and will in accordance with the Listing Rules of the SGX-ST be sent to members of the Company. The annual report for financial year ended 30 April 2024 and other documents accompanying the Notice will also be made available on SGXNET and the Company’s website. Physical copies of the annual report will not be posted to members.

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**AGM**”) of the Company will be convened and held on 30 August 2024 at 11:00 a.m. at York Hotel, 21 Mount Elizabeth Road, Singapore 228516, Marie Room II, Level 1, where the following agenda will be tabled to shareholders for their consideration and approval:

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 2024 together with the Directors’ Statement and the Auditors’ Report thereon. **[Resolution 1]**
2. To approve Directors’ fees of S\$46,818 (2023:S\$49,831). **[Resolution 2]**
[See Explanatory Note 1]
3. To re-elect the following Director retiring pursuant to Regulation 89 of the Company’s Constitution: **[Resolution 3]**

Mr. Aswath Ramakrishnan.
[See Explanatory Note 2]
4. To re-elect the following Director retiring pursuant to Regulation 89 of the Company’s Constitution: **[Resolution 4]**

Mr. Koh Beng San.
[See Explanatory Note 3]
5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 5]**
6. To transact any other ordinary business which may be transacted at an annual general meeting.

As Special Business

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

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

That pursuant to Section 161 of the Companies Act 1967, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:
 - (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

As Special Business (cont'd)

7. Authority to allot and issue new shares and convertible securities (cont'd)
 - (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 during the validity of this resolution, 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 (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 all 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 (calculated in accordance with sub-paragraph (ii) below);
 - (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST, from time to time) 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 this resolution is passed, 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 this resolution is passed; and
 - (3) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF ANNUAL GENERAL MEETING

As Special Business (cont'd)

7. Authority to allot and issue new shares and convertible securities (cont'd)
- (c) in exercising the authority conferred by this resolution, the Company will comply with all applicable provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGXST), all applicable legal requirements under the Companies Act and the Constitution of the Company; and
 - (d) unless revoked or varied by the Company in a subsequent general meeting, the authority given by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note 4]

By Order of the Board

Allan Tan
Company Secretary

Singapore, 15 August 2024

EXPLANATORY NOTES:

- (1) Includes Directors fees paid by the Company's subsidiaries.
- (2) Mr. Aswath Ramakrishnan has submitted himself for re-nomination and re-appointment. Mr. Ramakrishnan will, upon re-election, remain as a Non-Executive and Independent Director of the Company, a member of the Audit, Nominating and Remuneration Committees. Please refer to the Annual Report for more information on Mr. Ramakrishnan.
- (3) Mr. Koh Beng San has submitted himself for re-nomination and re-appointment. Mr. Koh will, upon re-election, remain as Non-Executive and Independent Director of the Company, Chairman of the Audit Committee, and a member of the Nominating and Remuneration Committees. Please refer to the Annual Report for more information on Mr. Koh.
- (4) Ordinary resolution 6 proposed under 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. This authority is limited to 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this resolution is passed, with up to 20% of that amount issuable to shareholders or third parties rather than to all shareholders proportionately. This authority granted to Directors 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 this authority is varied or revoked by the Company in a subsequent general meeting, whichever occurs first in time. The maximum number of shares that may be issued under this resolution is based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of this ordinary resolution's passage, after adjusting for potential new shares from outstanding conversions, exercises vesting of share awards, and any subsequent changes to the share capital of the Company by way of bonus issue, consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTES TO THE AGM

1. This AGM will be held as a physical meeting. There is no option for shareholders to participate virtually. Printed copies of the Annual Report 2024 will not be sent to members, and will be published on the SGX website at <https://www.sgx.com/securities/company-announcements> and on the Company's website at: <https://www.ren-united.com>. Only the Notice and the accompanying proxy form will be sent to shareholders.
2. Shareholders (including CPF and SRS investors) may participate in the AGM by: (a) attending the AGM in person; (b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) through duly appointed proxy(ies). For the avoidance of doubt, to participate in the AGM, CPF and SRS Investors should contact their respective CPF Agent Banks or SRS Operators to appoint them as proxies to attend the AGM. CPF and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the Meeting) to attend, speak and/or vote at the AGM on their behalf if they do not wish for their CPF Agent Banks or SRS Operators to appoint them as proxies.
3. Instructions on the steps for registration, submission of questions and voting at the AGM by shareholders, including CPF and SRS investors, are set out in Appendix A to this announcement. In particular, CPF and SRS investors who wish to request their CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting as their proxy in respect of their shares held by such CPF Agent Banks or SRS Operators on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit the proxy forms with voting instructions by 11.00 a.m. on 23 August 2024, i.e., 7 days before the date and time set for the AGM.
4. Except for a member who is a Relevant Intermediary (as defined under Section 181(6) of the Companies Act), a member is entitled to appoint not more than two (2) proxies to participate and vote in the AGM. Where a member appoints more than one (1) proxy, the proportion of their shares to be represented by each proxy must be specified in each proxy form.
5. Pursuant to Section 181(1C) of the Companies Act, any member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to participate in the AGM. Each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the Relevant Intermediary. Where the Relevant Intermediary appoints more than two (2) proxies, the number and class of Shares in relation to which a proxy has been appointed must be specified in the proxy form.
6. Persons who hold the Company's shares through Relevant Intermediaries, other than CPF and SRS investors, and who wish to participate in the AGM by: (a) attending the AGM in person; (b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) by appointing the Chairman of the Meeting as proxy, should contact their Relevant Intermediary through as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.
7. All voting if carried out by way of proxy forms must be directed as stipulated above.
8. The proxy form appointing the Chairman as proxy must be emailed to the Company at corp@ren-united.com or sent by post to Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619 not later than seventy-two (72) hours before the time set for the AGM.
9. The proxy form must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under hand by any officer or attorney duly authorised. A copy of the power of attorney or such other authority must be submitted together with the proxy form.
10. A depositor's name must appear in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) maintained by The Central Depository (Pte) Limited not later than seventy-two (72) hours before the date and time set for the AGM for the depositor to be entitled to participate in the AGM and vote at the AGM.

Personal Data Privacy Terms:

By submitting an instrument appointing 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company 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)

IMPORTANT:

- For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "CPF Investors" or "SRS Investors"), this Proxy Form is not valid for use and will be ineffective if used by them.
- CPF or SRS investors:
 - may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies.
 - may ask their CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting as their proxy to vote on their behalf at the AGM.
 - should, in any event, approach their respective CPF Agent Banks or SRS Operators early so that their agents or operators may submit proxy forms appointing the Chairman of the meeting to vote on their behalf by the cut-off date at 11.00 a.m. on 23 August 2024 their votes, i.e., at least seven (7) working days before the AGM.

PROXY FORM

I/We _____, (Name) (NRIC/Passport No./Company Registration Number)

of _____ (Address)

being a member/members of **RENAISSANCE UNITED LIMITED** hereby appoint:

(a)

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

OR

- (b) the Chairman of the meeting as my/our proxy to participate and vote for me/us at the 32nd Annual General Meeting ("AGM") of the Company to be held at York Hotel, 21 Mount Elizabeth Road, Singapore 228516, Marie Room II, Level 1 at 11.00 a.m. on 30 August 2024 and at any adjournment thereof.

I/We* direct the Chairman of the meeting to vote for, or against, or abstain from voting on each of the resolutions as set out in the Notice of AGM dated 15 August 2024, as follows.

Please mark the appropriate field with a "✓" to signify your voting preference for each resolution as "For", "Against", or "Abstain". Alternatively, specify the number of Shares you are voting with in the space provided.

All resolutions put to the AGM will be decided by way of a poll.

| No. | Resolutions | For | Against | Abstain |
|-----------------------------|---|-----|---------|---------|
| As Ordinary Business | | | | |
| 1. | Adoption of Audited Financial Statements together with the Directors' Statement and Report of the Auditor for the financial year ended 30 April 2024. | | | |
| 2. | To approve Directors' fees of S\$46,818 (2023:S\$49,831). | | | |
| 3. | Re-election of Mr. Aswath Ramakrishnan as a Director. | | | |
| 4. | Re-election of Mr. Koh Beng San as a Director. | | | |
| 5. | To re-appoint Messrs Baker Tilly TFW LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. | | | |
| As Special Business | | | | |
| 6. | Authority to allot and issue shares and convertible securities. | | | |

Note: Please note that the short descriptions of the resolutions as indicated above have been inserted for convenience only. Shareholders should refer the Notice of AGM dated 15 August 2024 for the full text of the Resolutions to be passed.

Dated this _____ day of _____ 2024

| Total number of shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

Signature(s) of Member(s) /
Common Seal of Corporate Shareholder

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES:

1. Members of the Company (including Relevant Intermediaries) may vote by their duly appointed proxy or proxies.
2. Please insert the total number of Shares held by you as follows: (a) if you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number; (b) if you have Shares registered in your name in the Register of Members of the Company, you should insert that number; (c) if you have Shares entered against your name in the Depository Register and the Register of Members, you should insert the combined number of Shares. If no number is inserted, this proxy form shall be deemed to include all Shares held by you.
3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such a member wishes to appoint two proxies, each instrument appointing proxy must state the number of Shares held by that member to be represented by each proxy.
4. A member who is a relevant intermediary may appoint multiple proxies, provided each proxy shall represent a distinct number of shares owned by the member. In instances where a member appoints more than two proxies, it is mandatory to clearly indicate the specific number and category of shares each proxy is authorized to represent.
5. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
6. A proxy need not be a member of the Company.

First fold

Affix
Postage
Stamp

RENAISSANCE UNITED LIMITED
c/o Tricor Barbinder Share Registration Services
9 Raffles Place, Republic Plaza, Tower I,
#26-01, Singapore 048619.

Second fold

7. The instrument appointing a proxy must be signed by its appointor or of the appointor's attorney, duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either by affixing its common seal or by the attorney or a duly authorised officer of the corporation.
8. The duly executed instrument appointing a proxy must be sent by post to the office of the Company's share registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619, or emailed to the Company at corp@ren-united.com, not later than seventy-two (72) hours before the time set for the AGM.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 August 2024.
10. The Company shall be entitled to reject a proxy form submitted if it is incomplete, improperly completed or illegible or where the true intentions of the appointor cannot be ascertained from the instructions specified in the proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form submitted if the member, being the appointor, is not shown to have Shares entered against their name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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RENAISSANCE UNITED LIMITED

16 Kallang Place, #05-10/18
Kallang Basin Industrial Estate
Singapore 339156