

## REQUIREMENT TO PERFORM QUARTERLY REPORTING

The Company is required to continue to do quarterly reporting in view of the modified opinion issued by its statutory auditor in its latest annual report.

## UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.

- 1(a)(i) An income statement and statement of comparative income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### Consolidated statement of comprehensive income for the Group

##### The Group

|                                                                      | 30 Jun 2021<br>RMB'000 | 30 Jun 2020<br>RMB'000 | change<br>% |
|----------------------------------------------------------------------|------------------------|------------------------|-------------|
| <b>Revenue</b>                                                       | <b>25,168</b>          | <b>187,992</b>         | <b>-87%</b> |
| Cost of sales                                                        | (18,299)               | (143,904)              | -87%        |
| <b>Gross profit</b>                                                  | <b>6,869</b>           | <b>44,088</b>          | <b>-84%</b> |
| Other income                                                         | 7,783                  | 5,867                  | 33%         |
| Administrative costs                                                 | (9,695)                | (9,159)                | 6%          |
| <b>Profit before taxation</b>                                        | <b>4,957</b>           | <b>40,796</b>          | <b>-88%</b> |
| Income tax                                                           | (1,010)                | (12,106)               | -92%        |
| <b>Profit after taxation</b>                                         | <b>3,947</b>           | <b>28,690</b>          | <b>-86%</b> |
| <b>Other comprehensive income</b>                                    |                        |                        |             |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                        |                        |             |
| Exchange differences on translating foreign operations, net of tax   | 233                    | 21                     | *n.m        |
| <b>Total comprehensive income for the year</b>                       | <b>4,180</b>           | <b>28,711</b>          | <b>-85%</b> |
| <b>Net profit attributable to:</b>                                   |                        |                        |             |
| Equity holders of the company                                        | 3,031                  | 25,389                 | -88%        |
| Non controlling Interest                                             | 916                    | 3,301                  | -72%        |
|                                                                      | <b>3,947</b>           | <b>28,690</b>          | <b>-86%</b> |
| <b>Total comprehensive profit attributable to:</b>                   |                        |                        |             |
| Equity holders of the parent company                                 | 3,270                  | 25,410                 | -87%        |
| Non controlling Interest                                             | 910                    | 3,301                  | -72%        |
|                                                                      | <b>4,180</b>           | <b>28,711</b>          | <b>-85%</b> |

\*n.m - not meaningful

# 1(a)(ii) Other information

The Group's profit before taxation is arrived at after charging/(crediting):

|                                                        | FY2021<br>RMB'000<br>(Unaudited) | FY2020<br>RMB'000<br>(Audited) |
|--------------------------------------------------------|----------------------------------|--------------------------------|
| Depreciation of property, plant and equipment          | (45)                             | (45)                           |
| Interest income                                        | 286                              | 1,334                          |
| Unwinding of discount on non-current trade receivables | 7,305                            | 4,344                          |
| Government grant                                       | 188                              | -                              |

# 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

## Statements of financial position

|                                                     | The Group               |                         | The Company             |                         |
|-----------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                     | 30 June 2021<br>RMB'000 | 30 June 2020<br>RMB'000 | 30 June 2021<br>RMB'000 | 30 June 2020<br>RMB'000 |
| <b>Assets</b>                                       |                         |                         |                         |                         |
| <b>Non-current assets</b>                           |                         |                         |                         |                         |
| Property, plant and equipment                       | 174                     | 219                     | -                       | -                       |
| Trade and other receivables                         | 251,830                 | 272,700                 | -                       | -                       |
| Investment in subsidiaries                          | -                       | -                       | 510                     | 510                     |
| <b>Total non-current assets</b>                     | <b>252,004</b>          | <b>272,919</b>          | <b>510</b>              | <b>510</b>              |
| <b>Current assets</b>                               |                         |                         |                         |                         |
| Trade and other receivables                         | 48,682                  | 51,572                  | -                       | -                       |
| Other contract asset                                | 29,160                  | 5,531                   | -                       | -                       |
| Prepayment                                          | 106                     | 101                     | 98                      | 96                      |
| Amount due from a subsidiary                        | -                       | -                       | 131,809                 | 141,073                 |
| Cash and bank balances                              | 91,243                  | 97,221                  | 39                      | 3                       |
| <b>Total current assets</b>                         | <b>169,191</b>          | <b>154,425</b>          | <b>131,946</b>          | <b>141,172</b>          |
| <b>Total assets</b>                                 | <b>421,195</b>          | <b>427,344</b>          | <b>132,456</b>          | <b>141,682</b>          |
| <b>Liabilities and equity</b>                       |                         |                         |                         |                         |
| <b>Equity</b>                                       |                         |                         |                         |                         |
| Share capital                                       | 192,187                 | 192,187                 | 192,187                 | 192,187                 |
| Treasury shares                                     | (24)                    | (24)                    | (24)                    | (24)                    |
| Reserves                                            | (11,352)                | (11,585)                | 93,087                  | 93,087                  |
| Retained earnings/ (accumulated losses)             | 12,570                  | 9,539                   | (155,700)               | (147,687)               |
| Non Controlling Interest                            | 20,581                  | 19,317                  | -                       | -                       |
| <b>Equity attributable to owners of the Company</b> | <b>213,962</b>          | <b>209,434</b>          | <b>129,550</b>          | <b>137,563</b>          |
| <b>Current Liabilities</b>                          |                         |                         |                         |                         |
| Trade and other payables                            | 183,595                 | 195,281                 | 2,906                   | 4,119                   |
| <b>Non-Current Liabilities</b>                      |                         |                         |                         |                         |
| Deferred tax liability                              | 23,638                  | 22,629                  | -                       | -                       |
| <b>Total liabilities</b>                            | <b>207,233</b>          | <b>217,910</b>          | <b>2,906</b>            | <b>4,119</b>            |
| <b>Total liabilities and equity</b>                 | <b>421,195</b>          | <b>427,344</b>          | <b>132,456</b>          | <b>141,682</b>          |

**(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

| As at 30 June 2021 |                      | As at 30 June 2020 |                      |
|--------------------|----------------------|--------------------|----------------------|
| Secured<br>RMB'000 | Unsecured<br>RMB'000 | Secured<br>RMB'000 | Unsecured<br>RMB'000 |
| -                  | -                    | -                  | -                    |

**Amount repayable after one year**

| As at 30 June 2021 |                      | As at 30 June 2020 |                      |
|--------------------|----------------------|--------------------|----------------------|
| Secured<br>RMB'000 | Unsecured<br>RMB'000 | Secured<br>RMB'000 | Unsecured<br>RMB'000 |
| -                  | -                    | -                  | -                    |

**Details of any collateral**

Not applicable

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated statement of cash flows for the Group**

|                                                                | <b>FY2021<br/>RMB'000</b> | <b>FY2020<br/>RMB'000</b> |
|----------------------------------------------------------------|---------------------------|---------------------------|
| <b>Operating activities</b>                                    |                           |                           |
| Profit before income tax                                       | 4,957                     | 40,796                    |
| Adjustments for:                                               |                           |                           |
| Depreciation of property, plant and equipments                 | 45                        | 45                        |
| Interest Income                                                | (286)                     | (4,903)                   |
| <b>Operating cash flows before changes in working capitals</b> | <b>4,716</b>              | <b>35,938</b>             |
| <u>Changes in working capital:</u>                             |                           |                           |
| Other contract asset                                           | (23,629)                  | 82,798                    |
| Trade and other receivables                                    | 23,755                    | (147,019)                 |
| trade and other payables                                       | 2,751                     | 7,751                     |
| <b>Cash generated from/(used in) operating activities</b>      | <b>7,593</b>              | <b>(20,532)</b>           |
| Interest received                                              | 286                       | 1,334                     |
| Income tax paid                                                | -                         | -                         |
| <b>Net cash generated from/(used in) operating activities</b>  | <b>7,879</b>              | <b>(19,198)</b>           |
| <b>Investment activities</b>                                   |                           |                           |
| Acquisition of property, plant and equipment                   | -                         | (12)                      |
| <b>Net cash used in investing activity</b>                     | <b>-</b>                  | <b>(12)</b>               |
| <b>Financing activities</b>                                    |                           |                           |
| Amount due to directors                                        | 379                       | (52)                      |
| Amount due to shareholders                                     | (14,817)                  | 11,856                    |
| Acquisition of non-controlling interests                       | 348                       | -                         |
| <b>Net cash (used in)/generated from financing activities</b>  | <b>(14,090)</b>           | <b>11,804</b>             |
| <b>Net decreased in cash and cash equivalents</b>              | <b>(6,211)</b>            | <b>(7,406)</b>            |
| Cash and cash equivalents at beginning of financial period     | 97,221                    | 104,606                   |
| Effect of currency translation                                 | 233                       | 21                        |
| <b>Cash and cash equivalents at end of financial period</b>    | <b>91,243</b>             | <b>97,221</b>             |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Statement of changes in equity for the Group**

|                                                                                         | <-----Attributable to equity holders of the Company-----> |                               |                             |                            |                                 |                              |                                               |                               |                                                       |                                    |                                           |                         |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------|-----------------------------|----------------------------|---------------------------------|------------------------------|-----------------------------------------------|-------------------------------|-------------------------------------------------------|------------------------------------|-------------------------------------------|-------------------------|
|                                                                                         | Share<br>Capital<br>RMB'000                               | Treasury<br>shares<br>RMB'000 | Share<br>Premium<br>RMB'000 | Capital reserve<br>RMB'000 | Statutory<br>reserve<br>RMB'000 | Merger<br>reserve<br>RMB'000 | Currency<br>Translation<br>Reserve<br>RMB'000 | Surplus<br>reserve<br>RMB'000 | (Accumulated<br>losses)/Retained<br>Profit<br>RMB'000 | Controlling<br>Interest<br>RMB'000 | Non<br>Controlling<br>Interest<br>RMB'000 | Total Equity<br>RMB'000 |
| <b>Balance as at 01.07.2019 (Restated)</b>                                              | <b>192,187</b>                                            | <b>(24)</b>                   | <b>93,087</b>               | <b>-</b>                   | <b>-</b>                        | <b>(102,287)</b>             | <b>(797)</b>                                  | <b>-</b>                      | <b>(17,459)</b>                                       | <b>164,707</b>                     | <b>16,016</b>                             | <b>180,723</b>          |
| Total Comprehensive income for the period                                               | -                                                         | -                             | -                           | -                          | -                               | -                            | -                                             | -                             | 25,389                                                | 25,389                             | 3,301                                     | 28,690                  |
| Exchange differences arising on translation of foreign operation                        | -                                                         | -                             | -                           | -                          | -                               | -                            | 21                                            | -                             | -                                                     | 21                                 | -                                         | 21                      |
| Transfer to retained earnings- change in functional currency of Company from SGD to RMB | -                                                         | -                             | -                           | -                          | -                               | -                            | (1,609)                                       | -                             | 1,609                                                 | -                                  | -                                         | -                       |
| <b>Balance as at 30.06.2020 (Restated)</b>                                              | <b>192,187</b>                                            | <b>(24)</b>                   | <b>93,087</b>               | <b>-</b>                   | <b>-</b>                        | <b>(102,287)</b>             | <b>(2,385)</b>                                | <b>-</b>                      | <b>9,539</b>                                          | <b>190,117</b>                     | <b>19,317</b>                             | <b>209,434</b>          |
| <b>Balance as at 01.07.2020 (Restated)</b>                                              | <b>192,187</b>                                            | <b>(24)</b>                   | <b>93,087</b>               | <b>-</b>                   | <b>-</b>                        | <b>(102,287)</b>             | <b>(2,385)</b>                                | <b>-</b>                      | <b>9,539</b>                                          | <b>190,117</b>                     | <b>19,317</b>                             | <b>209,434</b>          |
| Total Comprehensive income for the period                                               | -                                                         | -                             | -                           | -                          | -                               | -                            | -                                             | -                             | 3,031                                                 | 3,031                              | 916                                       | 3,947                   |
| Exchange differences arising on translation of foreign operation                        | -                                                         | -                             | -                           | -                          | -                               | -                            | 233                                           | -                             | -                                                     | 233                                | -                                         | 233                     |
| Acquisition of subsidiaries                                                             | -                                                         | -                             | -                           | -                          | -                               | -                            | -                                             | -                             | -                                                     | -                                  | 348                                       | 348                     |
| <b>Balance as at 30.06.2021 (Unaudited)</b>                                             | <b>192,187</b>                                            | <b>(24)</b>                   | <b>93,087</b>               | <b>-</b>                   | <b>-</b>                        | <b>(102,287)</b>             | <b>(2,152)</b>                                | <b>-</b>                      | <b>12,570</b>                                         | <b>193,381</b>                     | <b>20,581</b>                             | <b>213,962</b>          |

## Statement of changes in equity for the Company

|                                                                                                     | Share<br>Capital<br>RMB'000 | Treasury<br>shares<br>RMB'000 | Share<br>Premium<br>RMB'000 | Accumulated<br>losses<br>RMB'000 | Currency<br>Translation<br>Reserve<br>RMB'000 | Total Equity<br>RMB'000 |
|-----------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------|-----------------------------|----------------------------------|-----------------------------------------------|-------------------------|
| <b>Balance as at 01.07.2019</b>                                                                     | <b>192,187</b>              | <b>(24)</b>                   | <b>93,087</b>               | <b>(145,801)</b>                 | <b>1,609</b>                                  | <b>141,058</b>          |
| Total comprehensive loss<br>for the period                                                          | -                           | -                             | -                           | (3,495)                          | -                                             | (3,495)                 |
| Transfer to retained<br>earnings- change in<br>functional currency of<br>Company from SGD to<br>RMB | -                           | -                             | -                           | 1,609                            | (1,609)                                       | -                       |
| <b>Balance as at 30.06.2020 (Audited)</b>                                                           | <b>192,187</b>              | <b>(24)</b>                   | <b>93,087</b>               | <b>(147,687)</b>                 | <b>-</b>                                      | <b>137,563</b>          |
| <b>Balance as at 01.07.2020 (Audited)</b>                                                           | <b>192,187</b>              | <b>(24)</b>                   | <b>93,087</b>               | <b>(147,687)</b>                 | <b>-</b>                                      | <b>137,563</b>          |
| Total comprehensive loss<br>for the period                                                          | -                           | -                             | -                           | (8,013)                          | -                                             | (8,013)                 |
| <b>Balance as at 30.06.2021 (Unaudited)</b>                                                         | <b>192,187</b>              | <b>(24)</b>                   | <b>93,087</b>               | <b>(155,700)</b>                 | <b>-</b>                                      | <b>129,550</b>          |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

|                                            | Number of<br>Shares | Share capital<br>RMB'000 |
|--------------------------------------------|---------------------|--------------------------|
| Balance as at 1 July 2020 and 30 June 2021 | 67,959,583          | 192,187                  |

There were no convertible shares issued by the Company as at 30 June 2021.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.**

|                                                     | As at<br>30 June<br>2021 | As at<br>30 June<br>2020 |
|-----------------------------------------------------|--------------------------|--------------------------|
| Number of ordinary shares in issue                  | 67,959,583               | 67,959,583               |
| Less: Ordinary shares kept as treasury shares       | (8,000)                  | (8,000)                  |
| Number of ordinary shares excluding treasury shares | 67,951,583               | 67,951,583               |

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.**

There are no sales, transfers, disposal, cancellation and / or use of treasury shares by the Company as at 30 June 2021.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 3(a) Where the latest financial statements are subject to an adverse opinion, qualified opinion, or disclaimer of opinion: -**

The latest audited financial statements for the financial year ended 30 June 2020 contained a Qualified Opinion issued by the independent auditor of the Company (the "Auditor"). The following subjects were included in the said audit opinion:

- (i). Opening Balance
- (ii). Non-consolidation of certain entities due to loss of control

**3(a)(i) Update on the efforts taken to resolve each outstanding audit issues.**

**(i). Opening Balance**

The independent auditor's report for financial statement ended 30 June 2019 contained a qualified opinion, as such the audit opinion for financial statement ended 30 June 2020 is modified because of the possible effects of these matters on the comparability of the current period's figures and the corresponding figures.

The management will be working together with auditor to resolve the issue. The auditors will re-assess the impact of the prior year opening balances in their course of audit for FY2021.

**(ii). Non-consolidation of certain entities due to loss of control**

The independent auditor is unable to perform any audit procedures to obtain sufficient appropriate audit evidence in accordance with SFRS(I) as a result of loss of control of previous subsidiaries.

These previous subsidiaries had already been deconsolidated from the Group since financial year ended 30 June 2019. The group will take the remedy actions to eliminate this qualified opinion.

**3(a)(ii) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 30 June 2020.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and Company has adopted the new or amendments to SFRS (I) that are effective for annual years beginning on 1 July 2020. The adoption of this new SFRS (I) did not result in any significant impact on the financial statements of the Group and Company.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

**Basic and Diluted Profit/(Loss) Per Share**

|                                                                             | As at 30 June 2021 | As at 30 June 2020 |
|-----------------------------------------------------------------------------|--------------------|--------------------|
| Profit attributable to equity holders of the Company (RMB'000)              | 3,031              | 25,389             |
| Weighted average number of ordinary shares excluding treasury shares ('000) | 67,952             | 67,952             |
| Profit per share (RMB) – basic and diluted                                  | 0.04               | 0.37               |

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

|                                                                                       | The Group                |                          | The Company              |                          |
|---------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                                                                       | As at<br>30 June<br>2021 | As at<br>30 June<br>2020 | As at<br>30 June<br>2021 | As at<br>30 June<br>2020 |
| Net asset value per ordinary share (RMB)                                              | 3.15                     | 3.08                     | 1.91                     | 2.02                     |
| Number of issued ordinary shares<br>excluding treasury share as at end of the<br>year | 67,951,583               | 67,951,583               | 67,951,583               | 67,951,583               |

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Review of Financial Performance**

**Revenue, Gross Profit and Gross Margin**

The Revenue in FY2021 was RMB25.2 million, which was lower compared to the previous Y-O-Y levels. On a more positive note, the committed project value of RMB550 million remains intact, the actual revenue recognition will grow in tandem with the milestone achievements. This past year was exceptional, and the progress was affected by the restrictive operating conditions on the ground.

During FY2021, the construction work for the road parcel was disrupted because of Covid-19 pandemic. However, the Company did not stop all on-going construction work due from Covid-19 situation. The project halted for 15 days in February 2021 solely for the purpose of breaking for the Lunar New Year holidays as well as the overall reduction of manpower for the project after the Lunar New Year holidays whereby several construction workers could not return to work in time within the holiday period. Furthermore, the workers need to take a longer duration to travel to and from their respective hometowns due to Covid-19 constraints measurement in China.

The Company is keeping track on the progress to ensure the project meeting its milestones scheduled as timely as possible.

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## **Review of Financial Performance (continued)**

### **Other Income**

Other income has been increased by RMB1.9 million or 33% from approximately RMB5.9 million in FY2020 to approximately RMB7.8 million in FY2021. This is mainly attributable to :

- 1) Increased in the unwinding of discount in conjunction with non-current trade receivables from RMB 4.3 million for FY2020 to RMB7.3 million for FY2021.

In accordance with Singapore Financial Reporting Standards International (“SFRS(I)”) 9 – Financial Instrument, the unwinding of discount in conjunction with non-current trade receivables were carried at amortised cost in view of time value of money. The Group has consistently applied discounting non-current trade receivables (future cash receipts) to arrive at a present value since prior financial years. Then it becomes necessary to unwind those discounts for each successive financial year until the Group receives the payment in full.

The above unwinding discount methodology is consistent with our Group auditor’s approach which has been applied for the audited financial statements for FY2020.

- 2) Significant decreased in bank interest income from RMB1.3 million for FY2020 to RMB0.3 million FY2021. The lower interest was generated in FY2021 is due to the Company did not re-extend its amount to fixed deposit since the fixed deposits was expired in FY2020. The reason for not to extend to fixed deposits was for future potential bank loan repayment. Currently the Company is still negotiating with the bank for bank loan to finance the Public-Private Partnership (“PPP”) project in China.

### **Administrative expenses**

Administrative expenses increased by approximately RMB0.5 million or 6% from approximately RMB9.2 million in FY2020 to approximately RMB9.7 million in FY2021, mainly attributed to additional business development costs of RMB0.4 million and office general expenses of RMB0.1 million during the financial year.

### **Finance cost**

There is no finance cost incurred in FY2021 as there is no loan taken during the financial year.

### **Income tax expense**

The effective tax rate for our operation in China is 25% of the profit.

### **Profit**

In tandem to significantly decrease in revenue, net profit shrank to RMB4.2 million for FY2021 compared to RMB28.7 million for FY2020.

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## **Review of Financial Position**

### **Non-current assets**

Trade and other receivables increased by approximately RMB20.9 million or 7.7% from approximately RMB272.7 million as at 30 June 2020 to approximately RMB251.8 million as at 30 June 2021. During FY2021, total revenue of RMB21.7 million from the infrastructure business, being taken into the effect of time value of money amounting to RMB2.2 million, is recognized upon the acceptance of the client. The credit term with the client is based on a progressive payment schedule for every parcel of completed road accepted and payable over a period of 10 years.

### **Current assets**

Trade and other receivables decreased by approximately RMB2.9 million or 5.6% from approximately RMB51.6 million as at 30 June 2020 to approximately RMB48.7 million as at 30 June 2021. This was mainly due to the collection from the client for the completed road parcels amounting to RMB50.3 million during FY2021 for the settlement of current outstanding balance.

Other contract asset increased by RMB23.6 million or more than 100% from RMB5.5 million as at 30 June 2020 to RMB29.2 million as at 30 June 2021 was mainly due to additional road construction costs incurred for the 11<sup>th</sup> and 12<sup>th</sup> parcel of road, amounting to approximately RMB 23.6 million.

These additional two parcels (i.e. 11<sup>th</sup> and 12<sup>th</sup>) of road commenced construction in July 2020 and are approximately 13% and 20% completed as of 30 June 2021. The Company has targeted to complete these two parcels by the end of year 2021.

Upon every acceptance of a road parcel by the client, the Group will recognize the revenue for the relevant parcels and transfer from other contract assets to trade receivables.

### **Current liabilities**

Trade and other payables decreased by approximately RMB11.7 million or 6.0% from approximately RMB195.3 million as at 30 June 2020 to approximately RMB183.6 million as at 30 June 2021. This was mainly due to the decrease in amount due to a shareholder by a subsidiary of RMB14.8 million or 8.8% as compared to FY2020. 宜宾路桥 is a shareholder of Bo Dao and also the main contractor for the project. Both contractor and the Company had mutually agreed that the settlement of their payment will be upon the receipt payment from our client.

## **Review of Cashflow Position**

Overall, cash and cash equivalents decreased by RMB6.0 million or 6.1% from RMB97.2 million as at 30 June 2020 to RMB91.2 million as at 30 June 2021. This was mainly due to the cash of RMB14.8 million used to pay its project contractor - 宜宾路桥 and partially offset by cash generated from operating activities amounting to RMB7.9 million.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has previously been disclosed.

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**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**a) Trust Green City Township Development project ("Project")**

On 08 May 2020, the Company has entered into a Memorandum Of Understanding with the Army Welfare Trust ("AWT") of the People's Republic of Bangladesh in relation to the Project.

On 30 November 2020, the Company executed Final Agreement with AWT to stipulate the terms and considerations including established a new joint venture company- Raffles Infrastructure Development Bangladesh Ltd ("JVC") in Bangladesh on 1 December 2020.

The Company and MCC Land (Singapore) Pte Ltd ("MCC Singapore") are exploring the collaboration structure in this Project based on the MOU signed on 21 December 2020. MCC Singapore will conduct due diligence exercise and a feasibility study on the Project. Upon satisfactory outcome, it is anticipated that MCC Singapore will participate in the Project as a project manager and main contractor and/or by making a direct investment into the Company

The Company will update and disclose further as soon as there is a material development in relation to this Project.

**b) New share placement**

The Company has, on 30 June 2021 entered into a subscription agreement ("Subscription Agreement") with Integrated Health Ventures Pte. Ltd. (the "Subscriber") for the proposed allotment and issue by the Company, and the subscription by the Subscriber, of a total of 8,000,000 new shares at the price of S\$0.25 for each New Share (the "**Issue Price**"), amounting to an aggregate Issue Price of S\$2,000,000. The new shares represent approximately 11.77% of the existing issued and paid-up share capital of the Company and will represent approximately 10.53% of the Enlarged Share Capital.

The completion of the share placement transaction is subject to fulfilment of certain conditions precedent.

**11. Dividend**

**(a) Current Financial Period Reported On**

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial year ended 30 June 2021 because the Company believes that it is more beneficial to re-invest the profits for the rapid growth of business.

**13 Interested Person Transactions**

The Group does not have any general mandate from shareholders for Interested Person Transactions. No interested person transactions exceeding S\$100,000 has been entered into by the Group for the year ended 30 June 2021.

**14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

| <u>30 June 2021</u>       | <u>China</u><br><u>(RMB'000)</u> | <u>Hong Kong</u><br><u>(RMB'000)</u> | <u>Total</u><br><u>(RMB'000)</u> |
|---------------------------|----------------------------------|--------------------------------------|----------------------------------|
| Revenue                   |                                  |                                      |                                  |
| Infrastructure Business   | 21,681                           | -                                    | 21,681                           |
| Business Advisory Service | -                                | 3,487                                | 3,487                            |
| Total revenue             | 21,729                           | 3,487                                | 25,168                           |
| Cost of sales             |                                  |                                      |                                  |
| Infrastructure Business   | (16,098)                         | -                                    | (16,098)                         |
| Business Advisory Service | -                                | (2,201)                              | (2,201)                          |
| Total cost of sales       | (16,098)                         | (2,201)                              | (18,299)                         |
| Gross profit              | 5,583                            | 1,286                                | 6,869                            |
|                           |                                  |                                      |                                  |
| <u>30 June 2020</u>       | <u>China</u><br><u>(RMB'000)</u> | <u>Hong Kong</u><br><u>(RMB'000)</u> | <u>Total</u><br><u>(RMB'000)</u> |
| Revenue                   |                                  |                                      |                                  |
| Infrastructure Business   | 187,992                          | -                                    | 187,992                          |
| Business Advisory Service | -                                | -                                    | -                                |
| Total revenue             | 187,992                          | -                                    | 187,992                          |
| Cost of sales             |                                  |                                      |                                  |
| Infrastructure Business   | (143,904)                        | -                                    | (143,904)                        |
| Business Advisory Service | -                                | -                                    | -                                |
| Total cost of sales       | (143,904)                        | -                                    | (143,904)                        |
| Gross profit              | 44,088                           | -                                    | 44,088                           |

There is no reporting on segment assets since the Group operates principally in a single business segment which is the provider of infrastructure projects as at financial year ended 30 June 2020 and 31 June 2021.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Paragraph 8 above for details.

**16. A breakdown of sales**

|                                   | The Group    |              |        |
|-----------------------------------|--------------|--------------|--------|
|                                   | 30 June 2021 | 30 June 2020 | Change |
|                                   | RMB'000      | RMB'000      | %      |
| Sales for the first half year     | 20,186       | -            | *n.m.  |
| Operating profit/(loss) after tax | 6,186        | (5,582)      | 211%   |
| Sales for the second half year    | 4,982        | 187,992      | - 97%  |
| Operating (loss)/profit after tax | (2,239)      | 34,272       | - 107% |

\*n.m - not meaningful

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.**

The Company confirms that there is no person occupying any managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**19. Confirmation by the Board Pursuant to Rule 705(5) of SGX Listing Manual**

The Board confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results of the Group for financial year ended 31 June 2021, to be false or misleading in any material aspect.

**20. Confirmation by the Board Pursuant to Rule 720(1) of SGX Listing Manual**

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in form Appendix 7.7.

**21. Use of IPO proceeds**

As at the date of this announcement, the net proceeds from the Company's initial public offering and placement proceeds had been utilised as follows:

| Use of IPO Proceeds                                   | Amount allocated<br>S\$'000 | Amount Utilised<br>S\$'000 | Balance<br>S\$'000 |
|-------------------------------------------------------|-----------------------------|----------------------------|--------------------|
| to construct new facilities and acquire new machinery | 14,000                      | 13,231                     | 769                |
| to expand Research & Development facilities           | 1,000                       | 1,000                      | -                  |
| Working capital purposes                              | 2,182                       | 2,182                      | -                  |
|                                                       | <b>17,182</b>               | <b>16,413</b>              | <b>769</b>         |

### Used of Placement Proceeds

|                                         |               |               |               |
|-----------------------------------------|---------------|---------------|---------------|
| Project Investment <sup>(1)</sup>       | 22,900        | 7,048         | 15,852        |
| Working capital purposes <sup>(2)</sup> | 7,000         | 4,843         | 2,157         |
|                                         | <b>29,900</b> | <b>11,891</b> | <b>18,009</b> |
|                                         | <b>47,082</b> | <b>28,304</b> | <b>18,778</b> |

- (1) On 22 November 2020, the Company injected S\$ 67,620 (US\$50,000) into a new joint venture company - Raffles Infrastructure Development Bangladesh Ltd for pre-operational cost as the initial investment for Trust Green City Township Development project.
- (2) Use of Placement Proceeds of S\$4.8 million for “working capital purpose”, the breakdown as follow:
- i. Payroll and Staff related expenses (incl. Directors Fees) – S\$2.2 million
  - ii Operating Expenses (incl. Rental, Stationery, Entertainments, Travelling) – S\$0.6 million
  - iii. Professional Fees (incl. Legal, Audit, Corporate Secretary Services etc) S\$2.0 million

BY ORDER OF THE BOARD  
Eric Choo Han Kiat  
Executive Director and CEO  
27 August 2021