

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 THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 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

	Third Quarter			9 Months		
	FY2021	FY2020	change	FY2021	FY2020	change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	-	188,113	*n.m	19,069	188,113	-90%
Cost of sales	-	(135,123)	*n.m	(13,887)	(135,123)	-90%
Gross profit	-	52,990	*n.m	5,182	52,990	-90%
Other income	2,325	1,010	130%	7,001	1,036	576%
Administrative costs	(4,220)	(1,942)	117%	(6,912)	(7,550)	-8%
(Loss)/profit before taxation	(1,895)	52,058	-104%	5,271	46,476	-89%
Income tax	-	(13,245)	*n.m	(973)	(13,245)	-93%
(Loss)/profit after taxation	(1,895)	38,813	-105%	4,298	33,231	-87%
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations, net of tax	20	-	*n.m	128	-	*n.m
Total comprehensive (loss)/income for the period	(1,875)	38,813	105%	4,426	33,231	-87%
Net (loss)/profit attributable to:						
Equity holders of the company	(859)	35,200	-102%	3,447	29,619	-88%
Non controlling Interest	(1,036)	3,613	-129%	851	3,612	-76%
	(1,895)	38,813	-105%	4,298	33,231	-87%
Total comprehensive (loss)/profit attributable to:						
Equity holders of the parent company	(841)	35,200	-102%	3,576	29,619	-88%
Non controlling Interest	(1,034)	3,613	-129%	850	3,612	-76%
	(1,875)	38,813	-105%	4,426	33,231	-87%

*n.m - not meaningful

1(a)(ii) Other information

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

	Third Quarter		9 Months	
	FY2021	FY2020	FY2021	FY2020
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	3	12	34	33
Unwinding of discount on non-trade receivables	2,212	-	6,637	-
Government grant	39	-	147	-

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	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	185	219	-	-
Trade and other receivables	296,096	272,700	-	-
Investment in subsidiaries	-	-	510	510
Total non-current assets	296,281	272,919	510	510
Current assets				
Trade and other receivables	14,151	51,572	-	-
Other contract asset	29,160	5,531	-	-
Prepayment	206	101	197	96
Amount due from a subsidiary	-	-	134,043	141,073
Cash and bank balances	95,794	97,221	6	3
Total current assets	139,311	154,425	134,246	141,172
Total assets	435,592	427,344	134,756	141,682
Liabilities and equity				
Equity				
Share capital	192,187	192,187	192,187	192,187
Treasury shares	(24)	(24)	(24)	(24)
Reserves	(11,457)	(11,585)	93,087	93,087
Accumulated losses	12,986	9,539	(154,968)	(147,687)
Non Controlling Interest	20,516	19,317	-	-
Equity attributable to owners of the Company	214,208	209,434	130,282	137,563
Current Liabilities				
Trade and other payables	197,782	195,281	4,474	4,119
Non-Current Liabilities				
Deferred tax liability	23,602	22,629	-	-
Total liabilities	221,384	217,910	4,474	4,119
Total liabilities and equity	435,592	427,344	134,756	141,682

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

Amount repayable in one year or less, or on demand

As at 31 March 2021		As at 30 June 2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year

As at 31 March 2021		As at 30 June 2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	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

	9 Months	
	FY2021	FY2020
	RMB'000	RMB'000
Operating activities		
Profit before income tax	5,271	46,476
Adjustments for:		
Depreciation of property, plant and equipments	34	33
Interest Income	(213)	(1,016)
Operating cash flows before changes in working capitals	5,092	45,493
<u>Changes in working capital:</u>		
Other contract asset	(23,629)	82,798
Trade and other receivables	13,920	(152,266)
trade and other payables	2,355	5,859
Cash used in operating activities	(2,262)	(18,116)
Interest received	213	1,016
Income tax paid	-	-
Net Cash used in operating activities	(2,049)	(17,100)
Investment activities		
Acquisition of property, plant and equipment	-	(12)
Net Cash generated from /(used in) investing activity	-	(12)
Financing activities		
Amount due to directors	156	706
Amount due to shareholders	(10)	12,756
Acquisition of non-controlling interests	348	-
Net Cash generated from financing activities	494	13,462
Net increase/ (decreased) in cash and cash equivalents	(1,555)	(3,650)
Cash and cash equivalents at beginning of financial period	97,221	104,606
Effect of currency translation	128	176
Cash and cash equivalents at end of financial period	95,794	101,132

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 Capital RMB'000	Treasury shares RMB'000	Share Premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Merger reserve RMB'000	Currency Translation Reserve RMB'000	Surplus reserve RMB'000	(Accumulated losses)/Retained Profit RMB'000	Controlling Interest RMB'000	Non Controlling Interest RMB'000	Total Equity RMB'000
Balance as at 01.07.2019 (Restated)	192,187	(24)	93,087	-	-	(102,287)	(797)	-	(17,459)	164,707	16,016	180,723
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	-	-	-
Balance as at 30.06.2020 (Restated)	192,187	(24)	93,087	-	-	(102,287)	(2,385)	-	9,539	190,117	19,317	209,434
Balance as at 01.07.2020 (Restated)	192,187	(24)	93,087	-	-	(102,287)	(2,385)	-	9,539	190,117	19,317	209,434
Total Comprehensive income for the period	-	-	-	-	-	-	-	-	3,447	3,447	851	4,298
Exchange differences arising on translation of foreign operation	-	-	-	-	-	-	128	-	-	128	-	128
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	348	348
Balance as at 31.03.2021 (Unaudited)	192,187	(24)	93,087	-	-	(102,287)	(2,257)	-	12,986	193,692	20,516	214,208

Statement of changes in equity for the Company

	Share Capital RMB'000	Treasury shares RMB'000	Share Premium RMB'000	Accumulated losses RMB'000	Currency Translation Reserve RMB'000	Total Equity RMB'000
Balance as at 01.07.2019	192,187	(24)	93,087	(145,801)	1,609	141,058
Total comprehensive loss for the period	-	-	-	(3,495)	-	(3,495)
Exchange differences arising on translation of foreign operation	-	-	-	-	-	-
Transfer to retained earnings- change in functional currency of Company from SGD to RMB	-	-	-	1,609	(1,609)	-
Balance as at 30.06.2020 (Audited)	192,187	(24)	93,087	(147,687)	-	137,563
Balance as at 01.07.2020 (Audited)	192,187	(24)	93,087	(147,687)	-	137,563
Total comprehensive loss for the period	-	-	-	(7,281)	-	(7,281)
Balance as at 31.03.2021 (Unaudited)	192,187	(24)	93,087	(154,968)	-	130,282

- 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 Shares	Share capital RMB'000
Balance as at 1 July 2020 and 31 March 2021	67,959,583	192,187

There were no convertible shares issued by the Company as at 31 December 2020.

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

	As at 31 March 2021	As at 30 June 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 period reported on.**

There are no sales, transfers, disposal, cancellation and / or use of treasury shares by the Company as at 31 March 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 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 period 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 SFRS (I) that are effective for annual periods beginning on or after 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

	9 Months			
	3Q FY2021	3Q FY2020	FY2021	FY2020
(Loss)/Profit attributable to equity holders of the Company (RMB'000)	(859)	35,200	3,447	29,619
Weighted average number of ordinary shares excluding treasury shares ('000)	67,952	67,952	67,952	67,952
(Loss)/Profit per share (RMB) – basic and diluted	(0.01)	0.52	0.05	0.44

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 31 March 2021	As at 30 June 2020 (Restated)	As at 31 March 2021	As at 30 June 2020
Net asset value per ordinary share (RMB)	3.15	3.08	1.92	2.02
Number of issued ordinary shares excluding treasury share as at end of the period	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

There is a significant decrease in total revenue by RMB169.0 million or 90% from approximately RMB188.1 million in 9MFY2020 to approximately RMB19.1 million in 9MFY2021. This is mainly due to one road parcel being completed and accepted by the client in 9MFY2021 as compared to five road parcels in 9MFY2020. During 3QFY2021, the construction work for the road parcel was disrupted because of Covid-19 pandemic.

Other Income

Other income has significantly increased in 3Q2021 and 9MFY2021, mainly attributable to the unwinding of discount in conjunction with non-trade receivables of RMB 2.2 million in 3QFY2021 and RMB6.6 million for 9MFY2021 respectively.

Administrative expenses

Administrative expenses decreased by approximately RMB0.6 million or 8.0% from approximately RMB7.6 million in 9MFY2020 to approximately RMB7.0 million in 9MFY2021, mainly attributed to the legal and professional fees relating to the Special Audit and resumption of trading incurred in 1QFY2020.

Administrative expenses increased significantly by approximately RMB2.3 million or 117% from approximately RMB1.9 million in 3QFY2020 to approximately RMB4.2 million in Q3FY2021 is mainly due to write off revenue of approx. RMB1.1 million from the business advisory service and recognize its corresponding costs of approx. RMB1.0 million as incurred. The Company and its customer had reached a mutual agreement to terminate the advisory service contact in January 2021 as a result of uncertainty on Covid-19 pandemic..

Finance cost

There is no finance cost incurred in 3QFY2021 and 9MFY2021 as there is no loan taken during the financial period.

Income tax expense

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

Profit

In tandem to the above, net profit shrank to RMB4.3 million for 9MFY2021 compared to RMB33.2 million a year ago.

Review of Financial Position

Non-current assets

Trade and other receivables increased by approximately RMB23.4 million or 8.6% from approximately RMB272.7 million as at 30 June 2020 to approximately RMB296.1 million as at 31 March 2021, where increment was mainly due to :

- Total revenue of RMB15.6 million, being taken into the effect of time value of money amounting to RMB1.7 million, and subsequently recognized upon the acceptance of the client in September 2020. 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.
- Total unwinding of discount in conjunction with non-trade receivables of RMB6.6 million for 9MFY2021.

Current assets

Trade and other receivables significantly decreased by approximately RMB37.4 million or 72.5% from approximately RMB51.6 million as at 30 June 2020 to approximately RMB14.2 million as at 31 March 2021. This was mainly due to :

- total collection from the client for the completed road parcels amounting to RMB40.7 million during 3QFY2021 offset against additional trade receivables of RMB 1.7 million recognized upon the acceptance of the client in September 2020.
- increased in amount due from related parties by approximately RMB1.6 million which is in the normal course of business.

Other contract asset increased by RMB23.6 million from RMB5.5 million as at 30 June 2020 to RMB29.2 million as at 31 March 2021 was mainly due to additional road construction costs approximately RMB 23.6 million incurred for the 11th and 12th parcel of road. This construction cost for parcels of roads incurred but has not yet to be accepted by the client. 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 increased by approximately RMB2.5 million or 1.3% from approximately RMB195.3 million as at 30 June 2020 to approximately RMB197.8 million as at 31 March 2021. This increment is mainly attributable to increase in trade payables which is line with increasing in other contract asset as at 31 March 2021.

Review of Cashflow Position

Overall, cash and cash equivalents decreased by RMB1.6 million or 1.6% from RMB97.2 million as at 30 June 2020 to RMB95.8 million as at 31 March 2021 was mainly due to net cash flow used in operating activities of RMB2.0 million as a result of changes in working capital for receivables and payables.

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.

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) Joint Venture for Business Advisory Services

On 02 November 2020, the Company has successfully entered a Joint Venture with Raffles Financial Private Limited. The Joint Venture Company is named as Raffles Infrastructure Capital Limited ("RIC"), which was incorporated in Hong Kong.

The Board is of view that this Joint Venture for business advisory services is in line with the Company's on-going objective of seeking opportunities and growth in its business and operations with a diversity on revenue streams.

Subsequent to 31 March 2021, total number of shares in RIC will be enlarging from 200 shares to 700 shares by allotting an additional 500 shares to third party. As a result, the Company's number of shares in RIC will be diluted from 50% to 14.29%. The Company will make further announcement when there are material developments in this matter.

c) Incorporation of wholly owned subsidiary

On 6 January 2021, the Company set up a new wholly owned subsidiary – Raffles Infrastructure Development Holdings Pte Ltd ("RIDH"). RIDH is incorporated for the purpose of holding real estate development investments.

On 4th February 2021, the Company has transferred 100% of shares in Raffles Infrastructure Development Pte. Ltd., ("RIDPL") (formerly known as Raffles Infrastructure Investments (Singapore) Pte. Ltd) to RIDH without any consideration.

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 period ended 31 March 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 period ended 31 March 2021.

14. 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 the third quarter ended 31 March 2021, to be false or misleading in any material aspect.

15. 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.

16. 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 S\$'000	Amount Utilised S\$'000	Balance 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	-
	17,182	16,413	769
Used of Placement Proceeds			
Project Investment ⁽¹⁾	22,900	7,048	15,852
Working capital purposes ⁽²⁾	7,000	4,703	2,297
	29,900	11,751	18,149
	47,082	28,164	18,918

(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\$4.7 million for "working capital purpose", the breakdown as follow:

- i. Payroll and Staff related expenses (incl. Directors Fees) – S\$2.0 million
- ii Operating Expenses (incl. Rental, Stationery, Entertainments, Travelling) – S\$0.7million
- 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
14 May 2021