
RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”) and together with its subsidiaries, (collectively known as the “**Group**”) wishes to provide the following information in responses to the queries from the Singapore Exchange Securities Trading Limited in respect of the announcement filed on 24 November 2022 in respect of its financial statements for the three months period ended 30 September 2022,

QUERY 1

Our Query 1 relates specifically to the customized e-platform set up which generated revenue in 1QFY2023 of RMB6.38 million (“First Quarter Project”) whereas the Company has provided general responses. Please provide responses to each part of our Query 1, reproduced below, specific to the First Quarter Project:

- a. a description and utility of the e-platform
- b. the client, the jurisdiction and size of the client, and location where the sales occurred;
- c. the scope of work performed/to be performed and tenure of the contract;
- d. the technology and services provided in-house by the Company and the work to be contributed by its partner(s)/service;
- e. providers that the Company collaborated with/engaged, including the role and contribution of each partner/service provider;
- f. when was each contract signed and when it commenced; and
- g. whether the fees and services revenue for the First Quarter Project have been fully paid by the client to-date.

RESPONSE:

The Company wishes to clarify that the First Quarter Project comprises of three contracts and each contract is unique in accordance with the respective customer’s requirements. Please refer to the table below for an overview of the First Quarter Project:

	Client 1	Client 2	Client 3
a. Description and utilities of the e-platform	The customized e-platform for each Client 1, 2 and 3 is in the areas of customer management database and data analytics to improve their digital online services for their end-customers. The customized e-platform aims to enable Client 1, 2 and 3 to better manage their end-customers and ability to construct their own databases to satisfy their business requirements.		
b. The client, jurisdiction and size of the client and location where the sales occurred	The client is a SME from the Philippines and the sales occurred in Singapore.	The client is a SME from Hong Kong and the sales occurred in Singapore.	The client is a SME from the Philippines and the sales occurred in Singapore.
c. Scope of work performed/to be performed and tenure of the contract	- To set up customized Client Data Management System (CDMS) - To provide user testing and acceptance - Set up 22 users for the platform - Monthly maintenance of CDMS, including providing technical support and maintaining user database on a continuous basis. - To provide database security, back up into cloud systems.	- To set up customized CDMS - To provide user testing and acceptance - Set up 150 users for the platform - Monthly maintenance of CDMS, including providing technical support and maintaining user database on a continuous basis. - To provide database security, back up into cloud systems.	- To set up customized CDMS which allows for data analytic function for the list of customers. - Set up 26 users for the platform - Monthly maintenance of CDMS, including providing technical support and maintaining user database on a continuous basis. - To provide database security, back up into cloud systems.

	The customized e-platform is to be completed within three weeks from the date of signing of the contract, and the tenure of the monthly maintenance service is for one year.	The customized e-platform is to be completed within three weeks from the date of signing of the contract, and the tenure of the monthly maintenance service is for one year.	The customized e-platform is to be completed within three weeks from the date of signing of the contract, and the tenure of the monthly maintenance service is for one year.
d. & e. The technology provider	The service provider is Chengdu Bowen Jinfu Technology Co., Limited (the official website: http://chengdubowen.com/) and the job scope is as follows: - To deliver the software, software documentation, and other deliverables to RDI - To grant the licenses of the intellectual property to RDI - To set up customized CDMS - To provide user testing and acceptance - To set up users for the platform - Monthly maintenance of CDMS - To provide technical consultancy services for further customization of the CDMS		
f. Date of contract and commencement date	10 January 2022	21 January 2022	1 July 2022

g. The Company wishes to reiterate that of the RMB6.4 million revenue recognised in 1QFY2023, RMB5.6 million has been received to-date.

QUERY 2

With reference to the Company's response to our Query 2, please explain in detail what "Add: unwinding discounted cash flow" and "Less time value of money" refers to and why and how these arise, especially since the revenue recognized for 久陈路 and 下同路 have already been discounted for the time value of money.

RESPONSE:

The Company wishes to clarify that the table for the increase of RMB27 million in non-current assets should be:

	RMB (mil)
Revenue recognized for 久陈路 & 下同路	28.0
Additions in non-current other contract assets	0.5
Add: unwinding discounted cash flow	2.2
Less: time value of money reclass from non-current trade receivables to current trade receivables	(3.7)
Movements in non-current assets	27.0

The accounting concept for the time value of money and unwinding discounted cash flow is disclosed on pages 24 and 25 of the unaudited financials for 1QFY2023, and the methodology is applied in accordance with the Singapore Financial Reporting Standards International 9 – Financial Instrument. The accounting treatment for time value of money will be adjusted in both non-current trade receivables and revenue accordingly.

QUERY 3

With reference to the Company's response to our Query 3, the Company has not provided an explanation as to why 96% of the construction revenue was recognized as non-current (given RMB27 million of RMB28.1 million of revenue was recognized under non-current assets) instead of 90% according to the 10-year payment term of the Public-Private-Partnership Agreement signed with the Provincial Government in China. Please explain and disclose accordingly.

RESPONSE:

The Company wishes to clarify that 96% of the construction revenue was recognized after taking into account for the time value of money and unwinding discounted cash flow adjustments ("Adjustments")

Please refer to the table below for the reconciliation of non-current receivables before the Adjustments:

	Non-current trade and other receivables (RMB mil)	Time value of money (RMB mil)	Unwinding discounted cash flow (RMB mil)	Non-current trade and other receivables after Adjustments (RMB mil)
30 June 2022	268.6	(53.3)	18.0	233.3
30 September 2022	297.2	(57.0)	20.2	260.4
Movements (a)	28.6	(3.7)*	2.2 [#]	27.1
Total revenue recognised in 1QFY2023 (b)	31.8			28.1
% of total non-current receivables (a)/(b)	90%			96%

* The movement of RMB3.7 million for time value of money adjustment has been stated on Page 23 of the unaudited financials for 1QFY2023.

The movement of RMB2.2 million has been disclosed on Page 11 of unaudited financials for 1QFY2023.

QUERY 4

The Company disclosed at Query 4 that "Of the RMB6,382,000 revenue from the Digital Infrastructure Business, the Company has collected RMB5,552,000." Thus, the balance uncollected as at 30 September 2022 would be RMB830,000. Please reconcile:

- the revenue of RMB6,382,000 with the table at Query 5 which states that the revenue recognized for the Digital Infrastructure Business is RMB6.7 million
- the collection of RMB5,552,000 with the payment receipts in July 2022 of RMB5.1 million stated in the table at Query 5 for the Digital Infrastructure Business
- the uncollected balance of RMB830,000 with the outstanding current trade receivables as at 30 September 2022 of RMB 5.3 million and the uncollected revenue of RMB1.6 million stated in the tables at Query 5.

RESPONSE:

- The Company wishes to clarify that the functional currency for the Digital Infrastructure Business is in USD and the Group's presentation currency is in RMB. The difference of approximately RMB0.3 million is due to translation difference as shown in the tables below:

	Digital Infrastructure Business RMB (mil)
Balance as at 30 September 2022	5.3
Balance as at 30 June 2022	3.7
Increase	1.6

	Digital Infrastructure Business RMB (mil)
Revenue recognized for Digital Infrastructure Business	6.4
Translation difference	0.3
Payment receipts from July to Sep 2022	(5.1)
Total	1.6

- b. The payment receipts of RMB5.6 million is the collection from 1 July 2022 to as-to-date and the payment receipts of RMB5.1 million is the collection from 1 July 2022 to 30 September 2022.
- c. Please refer to the response to Query 4a above.

QUERY 5

Please provide the full names of the 9 key personnel in the Company's response to Query 11.

RESPONSE:

The Company is of the view that providing the full name of the 9 key personal is not in the best interest of the Company and may adversely affect talent attraction and retention and may seriously affect the competitive edge of the Group.

By Order of the Board
Ryan Chiu Tzong Min
Executive Director
5 December 2022