

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) refers to its Audited Financial Statements dated 11 October 2019 (the “**Audited FS**”) and its Unaudited Financial Statements announced on 29 August 2019 (the “**Unaudited FS**”) for the financial period ended 30 June 2019.

Pursuant to Rule 704(6) of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to announce the information in relation to the material variances between the Audited FS and the Unaudited FS that resulted from the adjustments and reclassifications of accounts proposed by the external auditor and subsequently made by the Group.

The details and explanation of the material variances between the Audited FS and the Unaudited FS are set out below:

	Audited RMB'000	Unaudited RMB'000	Variances RMB'000	Note
Consolidated Statement of Comprehensive Income (Extract)				
Revenue	189,071	208,864	(19,793)	1
Income tax expenses	(11,658)	(16,606)	4,948	1
Consolidated Statement of Financial Position (Extract)				
<u>Non-current assets</u>				
Trade and other receivables	152,482	-	152,482	1,2
<u>Current assets</u>				
Contract assets	88,329	-	88,329	2
Trade and other receivables	25,755	388,765	(363,010)	2,3
Prepayment	87	858	(771)	2
<u>Current liabilities</u>				
Trade and other payables	175,726	278,903	(103,177)	2,3
Deferred tax liabilities	11,658	16,606	(4,948)	4
<u>Equity</u>				
Share capital	192,187	286,830	(94,643)	5
Treasury shares	(24)	(35)	11	5
Reserves	(9,997)	(23,175)	13,178	5
Accumulated losses	(14,468)	(82,876)	68,408	1,5
Non-controlling interest	16,429	18,228	(1,799)	4

Consolidated Cash Flow Statement (Extract)

Net cash flows from operating activities	(198,350)	(44,257)	(154,093)	6
Net cash flows from investing activities	(327)	(322)	(5)	7
Net cash flows from financing activities	303,968	149,871	154,097	6

Company Statement of Financial Position (Extract)

Non-current assets				
Investment in subsidiaries	510	1,016	(506)	8

Equity

Share capital	192,187	286,830	(94,643)	5
Treasury shares	(24)	(35)	11	5
Reserves	94,696	81,529	13,167	5
Accumulated losses	(145,801)	(226,760)	80,959	5

Notes:

1. *Revenue* and *Non-Current Receivables* decreased by RMB19.8 million due to the adjustments made to the agreed amount of consideration for the effects of the time value of money. As a result of the adjustments, the *Income Tax* expenses and the *Net Profit* after tax decreased by RMB4.9 million and RMB14.8 million respectively.
2. Reclassification and adjustments of *Trade and Other Receivables* which includes the adjustment as explained in Note 1 above, *Prepayment* and *Contract Assets* (road parcels that are still under construction and ones yet to be accepted by the client).
3. Adjustments of RMB103.2 million in the *Current Trade and Other Receivables* and *Trade and Other Payables* accounts due to double taken up of the accounting entries in the entity level.
4. *Deferred Tax Liabilities* and *Non-Controlling Interest* decreased by RMB6.8 million and RMB2.5 million respectively due to the adjustment as explained in Note 1 above.
5. Reclassification of *Share Capital* to *Treasury Shares*, *Reserves* and *Accumulated Losses* due to the following corporate exercises on 28 September 2018:
 - a. **The Share Capital Reduction:** The par value of shares was reduced from US\$1.00 to US\$0.40. This resulted in a reduction of RMB81.5 million in *Share Capital* and *Treasury Shares*. This amount was offset against the *Accumulated Losses* in full.
 - b. **The Share Placement:** The Company completed a share placement at S\$0.60 per share with an issuance of 50,000,001 new ordinary shares, recording the new par value of US\$0.40 per placement share. This resulted in an increase in *Share Capital* and *Share Premium* of RMB137.9 million and RMB13.2 million respectively.
6. Net differences were mainly due to the reclassification of *Other Payable* to amounts due to corporate Shareholder by a subsidiary and Directors; changes in receivables and payables.
7. Net differences were mainly due to acquisition of a subsidiary and disposal of previously owned subsidiaries.

8. An impairment loss of RMB0.5 million was recognised for the investment in subsidiaries.

By Order of the Board
Eric Choo Han Kiat
Executive Director and Chief Executive Officer
11 October 2019