



**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED
AND ITS SUBSIDIARIES**
(Registration Number: 40381)

Unaudited Condensed Interim Financial Statements
For the three months ended 30 September 2021

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED 30 SEPTEMBER 2021**

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RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THREE MONTHS ENDED 30 SEPTEMBER 2021

	Note	Group		Increase/ (Decrease) %
		3 months ended 30 September 2021	3 months ended 30 September 2020	
		RMB'000	RMB'000	
Revenue	4	-	15,582	*n.m
Cost of sales		-	(11,685)	*n.m
Gross profit		-	3,897	*n.m
Other income	5	2,369	2,342	1
Administrative expenses		(1,529)	(2,135)	(28)
Profit before income tax	6	840	4,104	(80)
Income tax expense	7	-	(974)	*n.m
Profit for the year		840	3,130	(73)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(12)	(6)	*n.m
Other comprehensive income for the year, net of tax:		828	3,124	(73)
Profit attributable to:				
Equity holders of the parent Company		634	2,663	(76)
Non-controlling interests		206	467	(56)
		840	3,130	(73)
Total comprehensive income attributable to:				
Equity holders of the parent Company		623	2,657	(77)
Non-controlling interests		205	467	(56)
		828	3,124	(73)
Earnings per share attributable to owners of the Company (RMB)				
- Basic and diluted	8	0.01	0.04	(1)

*n.m – not meaningful

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

		Group		Company	
	Note	30 September 2021	30 June 2021	30 September 2021	30 June 2021
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Trade and other receivables	13	251,836	251,830	-	-
Property, plant and equipment	10	163	174	-	-
Investments in subsidiaries	11	-	-	510	510
Total non-current assets		251,999	252,004	510	510
Current assets					
Other current asset	9	29,160	29,160	-	-
Amount due from subsidiaries	12	-	-	132,556	131,809
Trade and other receivables	13	51,456	48,682	-	-
Prepayments	14	141	106	134	98
Cash and cash equivalents	15	91,713	91,243	662	39
Total current assets		172,470	169,191	133,352	131,946
Total assets		424,469	421,195	133,862	132,456
LIABILITIES AND EQUITY					
Equity					
Share capital	16	192,187	192,187	192,187	192,187
Treasury shares	17	(24)	(24)	(24)	(24)
Reserves	18	(11,364)	(11,352)	93,087	93,087
Retained earnings/(Accumulated losses)		13,204	12,570	(156,545)	(155,700)
Non-controlling interests		20,787	20,581	-	-
Equity attributable to owners of the Company		214,790	213,962	128,705	129,550
Current liabilities					
Trade and other payables	19	186,040	183,594	5,157	2,906
Non-current liabilities					
Deferred tax liabilities	20	23,639	23,639	-	-
Total liabilities		209,679	207,233	5,157	2,906
Total liabilities and equity		424,469	421,195	133,862	132,456

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 30 SEPTEMBER 2021

	<u>Attributable to owners of the Group</u>								
	← Reserves →								
	Share capital	Treasury shares	Share premium	Merger reserve	Currency translation reserve	Retained earnings	Controlling interest	Non-controlling interests	Total equity
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group									
Balance at 1 July 2020 (Audited)	192,187	(24)	93,087	(102,287)	(2,385)	9,539	190,117	19,317	209,434
Total comprehensive income for the year	-	-	-	-	-	2,663	2,663	467	3,130
Exchange differences arising on translation of foreign operation	-	-	-	-	(6)	-	(6)	-	(6)
Balance at 30 September 2020	<u>192,187</u>	<u>(24)</u>	<u>93,087</u>	<u>(102,287)</u>	<u>(2,391)</u>	<u>12,202</u>	<u>192,774</u>	<u>19,784</u>	<u>212,558</u>
Balance at 1 July 2021 (Audited)	192,187	(24)	93,087	(102,287)	(2,152)	12,570	193,381	20,581	213,962
Total comprehensive income for the year	-	-	-	-	-	634	634	206	840
Exchange differences arising on translation of foreign operation	-	-	-	-	(12)	-	(12)	-	(12)
Balance at 30 September 2021	<u>192,187</u>	<u>(24)</u>	<u>93,087</u>	<u>(102,287)</u>	<u>(2,164)</u>	<u>13,204</u>	<u>194,003</u>	<u>20,787</u>	<u>214,790</u>

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 30 SEPTEMBER 2021

	← <u>Attributable to owners of the Company</u> →				Total equity RMB'000
	Share capital RMB'000	<u>Treasury shares</u> RMB'000	Share premium RMB'000	Accumulate d losses RMB'000	
<u>Company</u>					
Balance at 1 July 2020	192,187	(24)	93,087	(147,687)	137,563
Total comprehensive loss for the year	-	-	-	(1,008)	(1,008)
Balance at 30 September 2020	192,187	(24)	93,087	(148,695)	136,555
Balance at 1 July 2021	192,187	(24)	93,087	(155,700)	129,550
Total comprehensive loss for the year	-	-	-	(845)	(845)
Balance at 30 September 2021	192,187	(24)	93,087	(156,545)	128,705

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED 30 SEPTEMBER 2021

	<u>Note</u>	<u>Group</u>	
		<u>3 months ended 30 September 2021</u>	<u>3 months ended 30 September 2020</u>
		<u>RMB'000</u>	<u>RMB'000</u>
Operating activities			
Profit before income tax		840	4,104
Adjustments for:			
Depreciation of property, plant and equipment	10	11	11
Interest income	5	(73)	-
Operating cash flows before changes in working capital		<u>778</u>	<u>4,115</u>
<u>Changes in working capital:</u>			
Other current assets		-	5,531
Trade and other receivables		(2,815)	(17,975)
Trade and other payables		2,623	3,375
Cash generated from/(used in) operations		<u>586</u>	<u>(4,954)</u>
Interest received		73	-
Income tax paid		-	-
Net cash generated from/(used in) operating activities		<u>659</u>	<u>(4,954)</u>
Financing activities			
Amount due to directors		(507)	787
Amount due to non-controlling interest of a subsidiary – Bo Dao		330	4,145
Net cash (used in)/generated from financing activities		<u>(177)</u>	<u>4,932</u>
Net increase/(decrease) in cash and cash equivalents		<u>482</u>	<u>(22)</u>
Cash and cash equivalents at beginning of financial period		91,243	97,221
Effect of currency translation		(12)	(6)
Cash and cash equivalents at end of financial period	15	<u>91,713</u>	<u>97,193</u>

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Notes to the condensed interim consolidated financial statements

1. Corporate information

Raffles Infrastructure Holdings Limited (the “Company”) (Registration Number 40381) is incorporated in Bermuda domiciled in Bermuda and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the three months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the Group).

The Company is primarily engaged in the investments of infrastructure projects in Asia. Along with its subsidiary companies, the Group has established a platform providing an integrated suite of services from investments, financing to operation focused under Public-Private- Partnership (“PPP”) business model since year 2017.

2. Basis of preparation

The unaudited condensed interim financial statements for the three months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last financial statements for the financial year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

2.1 New and amended standards adopted by the Group

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 July 2021. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 30 June 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those described in the Group’s audited financial statements as at and for the year ended 30 June 2021.

(i) Revenue recognition-determining the timing of satisfaction of performance obligation

The Company provides construction services for the provincial government authority of Sichuan, China. The Group becomes entitled to invoice customers for construction of rural roads based on achieving a series of performance-related milestones.

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2.2 Use of judgements and estimates (Cont'd)

(i) Revenue recognition-determining the timing of satisfaction of performance obligation (Cont'd)

In making its judgement, management considered the detailed criteria for the recognition of revenue from the construction services, set out in SFRS(I) 15 Revenue from Contracts with Customers and, in particular, whether the Group had transferred to the buyer the control of the goods. Following the detailed assessment, management is satisfied that when a particular milestone is reached, the customer is sent a relevant statement of work, the control has been transferred and that recognition of the revenue in the current year is appropriate.

(ii) Determination of functional currency

The functional currency of the Company before 1 January 2018 was Renminbi ("RMB"). The Company's functional currency for the financial period from 1 January 2018 to 30 June 2019 was changed from RMB to Singapore dollar ("SGD"). During the financial year ended 30 June 2020, the Company changed its functional currency from SGD back to RMB.

Management has determined the Company's functional currency to be RMB because the key operating subsidiary during the current financial period (namely Bo Dao Road Construction Co. Ltd) is operating in PRC and sales are denominated in RMB.

(iii) Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows.

During the year, there is no impairment on investment in subsidiaries of the Company as the recoverable amount for this investments are considered more than the net assets of these subsidiaries.

(iv) Provision for income taxes

The Group has exposure to income taxes in the PRC of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes 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 in the period in which such determination is made.

(v) Provision for expected credit losses of trade receivables

The management considers the credit risk on trade receivables to be limited because the counterparty is a provincial government authority of China. According to the latest rating assessment by Moody's, S&P and Fitch, the credit rating of China stood at A1(Stable), A+(Stable) and A+(Stable) respectively. As such the Group does not expect credit loss from trade receivables.

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3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Business segment

As the Group operates principally in a single business segment which is the provider of infrastructure projects, no reporting by business operations is presented for both financial periods ended 30 September 2020 and 30 September 2021 respectively.

Geographical segment

As the business of the Group is engaged entirely in the PRC, no reporting by geographical location of operations is presented for both financial periods ended 30 September 2020 and 30 September 2021 respectively.

5. Other income

	Group	
	3 months ended 31 September 2021	3 months ended 31 September 2020
	RMB'000	RMB'000
Interest income- Bank deposits	73	68
Interest income- Unwinding of discount for non-current trade receivables	2,274	2,213
Government grants	22	61
	<u>2,369</u>	<u>2,342</u>

6. Profit before tax

Profit before income tax has been arrived at after charging:

	Group	
	3 months ended 31 September 2021	3 months ended 31 September 2020
	RMB'000	RMB'000
Audit fee	210	78
Depreciation of property, plant and equipment	11	11
Directors' fee – directors of the Company	263	249
Staff costs	566	1,100
Rental expenses	<u>34</u>	<u>29</u>

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7. Income tax expense

	Group	
	3 months ended 31 September 2021	3 months ended 31 September 2020
	RMB'000	RMB'000
Deferred income tax		
- Movement in temporary differences	-	974
	-	974

8. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	3 months ended 31 September 2021	3 months ended 31 September 2020
	RMB'000	RMB'000 Restated
<u>Earnings</u>		
Earnings for the purposes of basic and diluted attributable to equity holders of the Company	634	2,663
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share(RMB'000)	67,952	67,952
Earnings per share (RMB)	0.01	0.04

9. Other current asset

	30 September 2021	30 June 2021
	RMB'000	RMB'000
Asset recognised from costs incurred to fulfil a contract	29,160	29,160

Asset recognised from costs incurred to fulfil a contract refer to costs that i) relate directly to a contract or an anticipated contract which the Group can specifically identify, ii) that these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future and, iii) that these costs are expected to be recovered . Otherwise, such costs are recognised as an expense immediately.

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10. Property, plant and equipment

Group	Office equipment RMB'000	Computers RMB'000	Motor Vehicles RMB'000	Total RMB'000
Cost				
Balance at 1 July 2020	10	42	267	319
Additions	-	-	-	-
Balance at 30 June 2021	10	42	267	319
Additions	-	-	-	-
Balance at 30 September 2021	10	42	267	319
Balance at 1 July 2020	5	19	76	100
Depreciation	2	13	30	45
Balance at 30 June 2021	7	32	106	145
Depreciation	1	3	7	11
Balance at 30 September 2021	8	35	113	156
Carrying amount				
Balance at 30 September 2021	2	7	154	163
Balance at 30 June 2021	3	10	161	174

All equipment held by the Group are located in the PRC.

11. Investment in subsidiaries

	Company	
	30 September 2021	30 June 2021
	RMB'000	RMB'000
Unquoted equity shares, at cost	1,016	1,016
Allowance for impairment loss	(506)	(506)
At end of financial year	510	510

Movements in allowance for impairment loss are as follows:

	Company	
	30 September 2021	30 June 2021
	RMB'000	RMB'000
At beginning of financial year	506	506
Charge for the financial year	-	-
Written off	-	-
At end of financial year	506	506

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12. Amount due from subsidiaries

	Company	
	30 September	30 June
	2021	2021
	RMB'000	RMB'000
Current loan account		
- Amount due from subsidiaries	132,556	131,809

The amount due from subsidiaries is non-trade, unsecured, interest free and repayable on demand. The amount approximate its fair value. The amount due from a subsidiary is denominated in Renminbi.

13. Trade and other receivables

	Group	
	30 September	30 June
	2021	2021
	RMB'000	RMB'000
Non-current :		
Trade receivables		
- Third parties	242,304	242,820
Other receivables	9,532	9,010
	<u>251,836</u>	<u>251,830</u>
Current :		
Trade receivables		
- Third parties	50,552	47,823
Deposit	-	19
Value-added tax receivables	692	681
Others	212	159
	<u>51,456</u>	<u>48,682</u>
	<u>303,292</u>	<u>300,512</u>

Trade receivables pertain to receivables from government authority which will be paid over a 10-years term on straight-line method based on the contract terms.

Non-current other receivable refers to the receivables for the pre-operational costs, such as architect design fee, project inspection, testing & audit fee etc, incurred for PPP project in China.

14. Prepayments

	Group		Company	
	30 September	30 June	30 September	30 June
	2021	2021	2021	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	141	106	134	98

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15. Cash and cash equivalents

	Group		Company	
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Cash balances	4	4	-	-
Bank balances	91,709	91,239	662	39
	<u>91,713</u>	<u>91,243</u>	<u>662</u>	<u>39</u>

The currency profiles of the Group's and Company's cash and cash equivalents as at end of financial year are as follows:

	Group		Company	
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Renminbi	90,674	90,926	-	-
Bangladeshi taka	203	205	-	-
Singapore dollar	836	112	662	39
	<u>91,713</u>	<u>91,243</u>	<u>662</u>	<u>39</u>

Cash and cash equivalents of RMB90,674,000 (FY2020: RMB90,926,000) held in the People's Republic of China are subject to local exchange control regulation. These regulations places restriction on the amount of currency being exported other than through dividends.

16. Share capital

	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	Par value US\$	Number of ordinary shares '000	RMB'000	RMB'000
Authorised:				
As at (US\$100,000,000)	0.40	250,000	250,000	615,347
			30 September 2021	30 June 2021
			USD'000	USD'000
Issued and paid up:				
As at	0.40	67,960	67,960	27,181
Equivalent to RMB'000			192,187	192,187

Fully paid ordinary shares carry one vote per share and carry a right to receive dividends as and when declared by the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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17. Treasury shares

	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	Number of ordinary shares'000		USD'000	USD'000
Paid up:				
At beginning and end of the financial period/year	8	8	3	3
Equivalent to RMB'000			24	24

The Company had acquired an accumulated total of 200,000 of its own shares through purchases on SGX in 2012 and in 2014. The total amount paid to acquire the shares was RMB35,000 and has been deducted from shareholders' equity.

On 29 May 2015, the Company completed its share consolidation exercise to consolidate every fifty ordinary shares in the capital of the Company held by the shareholders into one ordinary share in the capital of the Company, to comply with the Minimum Trading Price ("MTP") requirement as implemented by the SGX-ST as an additional continuing listing requirement. The issued share capital of the Company as at 31 December 2015 comprises 8,979,791 consolidated shares, after disregarding any fraction of consolidated shares arising from the share consolidation exercise.

After the share consolidation exercise, the 200,000 treasury shares have been consolidated into 4,000 shares.

On 28 September 2018, Company completed its share split (the "Share Split") of every one existing ordinary shares in the capital of the Company into two shares. To effect the Share Split, the ordinary share par value of US\$2.00 was subdivided to US\$1.00 per ordinary share.

On 28 September 2018, in accordance with the Bermuda laws the par value of the Share was reduced (the "Share Capital Reduction") from US\$1.00 to US\$0.40.

After the Share Split and Share Capital Reduction, those 4,000 treasury shares have since been split into 8,000 shares.

18. Reserves

	Group		Company	
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Share premium	79,908	79,908	79,908	79,908
Share replacement	13,179	13,179	13,179	13,179
Currency translation reserves	(2,164)	(2,152)	-	-
Merger reserve	(102,287)	(102,287)	-	-
	(11,364)	(11,352)	93,087	93,087

(i) Share premium

The share premium represents the excess of issue price over the par value of the shares issued, net of share issue expenses.

On 28 September 2018, Company completed its share placement (the "Share Placement") of 50,000,001 new ordinary shares in the capital of the Company at the issue price of S\$0.60 per placement share.

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18. Reserves (Continued)

(ii) Merger reserve

The merger reserve represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for using the pooling-of-interest method.

19. Trade and other payables

	Group		Company	
	30 September 2021 RMB'000	30 June 2021 RMB'000	30 September 2021 RMB'000	30 June 2021 RMB'000
Trade payables				
- Third parties	28,213	28,213		-
Accrued operating expenses	4,877	5,105	570	130
Amount due to directors	678	1,185	314	362
Amount due to non-controlling interest of a subsidiary - Bo Dao	149,772	149,091	-	-
Other payables	2,500	-	4,273	2,414
Total trade and other payables	186,040	183,594	5,157	2,906

The amounts due to a directors, employees and shareholder are non-trade, unsecured, interest-free and repayable on demand.

No interest is charged on the trade and other payables. The payment term agreed was payment to the supplier upon collection from the trade receivables.

Amount due to shareholder by a subsidiary pertains to amount due to corporate shareholder by the subsidiary, Bo Dao Road Construction Co. Ltd. Amount due to shareholder is non-trade, unsecured, non-interest bearing and repayable on demand.

Other payables of RMB2.5 million (S\$0.5 million) relates to the initial deposits received from Yayuan Group ("Subscriber") in accordance with the Subscription Agreement dated on 15 September 202. The Subscription Agreement refers to the proposed subscription of 10,000,000 new ordinary shares with issue price of S\$0.20 for each new share.

The carrying amounts of accruals and other payables approximate their fair values.

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20. Deferred tax liabilities

Deferred tax liabilities relate to the infrastructure projects in China which will be taxable only when all the 26 projects from the sole contract that the Group currently has, are completed and the corresponding receivables have been collected. Movements in deferred tax liabilities during the financial year/period were as follows:

	Group	
	30 September 2021	30 June 2021
	RMB'000	RMB'000
Deferred tax liabilities		
At beginning of the year	23,639	22,629
Recognised in profit or loss	-	1,010
At end of the year	<u>23,639</u>	<u>23,639</u>

21. Significant related party transactions

Compensation of directors and key management personnel remuneration

The remuneration of directors and other members of key management during the financial period are as follows:

	Group		Company	
	3 months ended 30 September 2021	3 months ended 30 September 2020	3 months ended 30 September 2021	3 months ended 30 September 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term employee benefits	<u>566</u>	<u>566</u>	<u>263</u>	<u>249</u>

22. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	Group		Company	
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Financial assets</i>				
At amortised cost	<u>395,005</u>	<u>390,970</u>	<u>133,218</u>	<u>131,848</u>
<i>Financial liabilities</i>				
At amortised cost	<u>186,040</u>	<u>183,594</u>	<u>5,156</u>	<u>2,906</u>

Other Information Required by Listing Rule Appendix 7.2

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED 30 SEPTEMBER 2021**

OTHER INFORMATION

1. Review

The unaudited condensed interim consolidated statement of financial position of Raffles Infrastructure Holdings Limited and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended and certain explanatory notes have not been audited or reviewed.

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.

4. 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 Group did not recognise revenue in 1QFY2022 mainly due to there is no revenue recognised from the infrastructure project which refers to Public-Private Partnership ("PPP") project in China. In 1QFY2022, there are a total of four road parcels under the construction and two road parcels completed. The Group is in the process of preparing all relevant documents in relation to these two completed road parcels for the client's review and approval.

The Group's revenue for PPP project is recognised based on the first initial payment (i.e. the first 10% of total revenue recognised) from the client rather than based on the project milestones. The accounting policy for revenue recognition had been consistently applied since the date of commencement of this project. The Group anticipates total revenue of approximately RMB50.6 million to be recognised by next three months to six months upon the acceptance of the Client.

The Group also would like to highlight that there has been a significant change in key management team in our client's organisation - Xingwen Transportation Bureau in China since FY2021. There could be an unexpected delaying in reviewing and approving procedures for all current completed road parcels. To change management team in government authority is a regular practice in mainland China. Therefore, the timeline of acceptance of the completed road parcel is subject to local authority's internal process.

However, the committed project value of RMB550 million remains intact, the actual revenue recognition will grow in tandem with the milestone achievements. To date, the Project milestones for each road parcel have been closely monitored, assessed and met in an orderly manner. The Company wishes to clarify that no default on milestones have occurred as of today.

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OTHER INFORMATION (Cont'd)

Review of Financial Performance (Cont'd)

Other Income

Other income has been increased by approximately RMB0.1 million or 1% from approximately RMB2.3 million in 1QFY2021 to approximately RMB2.4 million in 1QFY2022. This is mainly attributable to the increase in the unwinding of discount in conjunction with non-current trade receivables from RMB2.1 million for 1QFY2021 to RMB2.2 million for 1QFY2022.

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. Thus, 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 FY2021.

Administrative expenses

Administrative expenses decreased by approximately RMB0.6 million or 28% from approximately RMB2.1 million in 1QFY2021 to approximately RMB1.5 million in 1QFY2022. This is mainly due to decrease in total staff’s costs by RMB0.5 million as compared to 1QFY2021 as a result of decreasing in staff headcount from 8 to 6.

Finance cost

There is no finance cost incurred in 1QFY2022 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 RMB0.8 million for 1QFY2022 compared to RMB3.1 million for 1QFY2021.

Review of Financial Position

Non-current assets

There is no significant change in non-current trade and other receivables as at 30 September 2021 as compared to 30 June 2021 since there is no revenue recognised during 1QFY2022.

the management considered the expected credit losses (“ECL”) on non-current trade and other receivables were immaterial and no default payments due were reported.

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.

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OTHER INFORMATION (Cont'd)

Review of Financial Performance (Cont'd)

Non-current assets (Cont'd)

Please refer to the table schedules below for payments received and future payments to be received:

	Current Assets FY2021 RMB mil	Non-current assets FY2021 RMB mil	Total RMB mil
Trade receivables	50.6	279.0	329.6
Less: Adjustments for time value of money	-	(47.7)	(47.7)
Add: Adjustments for unwinding of discounts cash flow	-	11.0	11.0
Other contract assets	-	9.5	9.5
Total	50.6	251.8	302.4

Payment received:

	Aug 18	Dec 18	Jan 19	July 19	Aug 19	Sep 19	Dec 19	Jan 20	Apr 20	Aug 20	Sep 20	Dec 20	Jan 21	Feb 21	Apr 21	total
Billing date	10.4	7.6		0.9	30.6		14.5			32.8		20.0				116.8
Payment date			18.0			10.0		30.0	6.0		0.5		0.7	40.0	11.6	116.8

Future billing/payment dates:

	Dec 21	Jan 22	Aug 22	Dec 22	Jan 23	Aug 23	Dec 23	Jan 24
Billing date	50.6		29.4	18.0		29.7	18.1	
Payment date		50.6			47.4			47.8
	Aug 24	Dec 24	Jan 25	Aug 25	Dec 25	Jan 26	Aug 26	Dec 26
Billing date	28.2	17.2		26.6	16.2		26.7	16.3
Payment date			45.4			42.8		
	Jan 27	Aug 27	Dec 27	Jan 28	Aug 28	Dec 28	Jan 29	Aug 29
Billing date		21.9	13.3		9.1	5.5		1.7
Payment date	43.0			35.2			14.6	
	Dec 29	Jan 30	Total					
Billing date	1.1		329.6					
Payment date		2.8	329.6					

Current assets

Trade and other receivables increased by approximately RMB2.8 million or 5.7% from approximately RMB48.7million as at 30 June 2021 to approximately RMB51.5 million as at 30 September 2021. This was mainly due to internal reclassification of the amount of approximate RMB2.8 million from non-current trade receivables to current trade receivables. In accordance with our PPP Agreement, our receipts from the client on PPP project in China are settled over 10 years instalments for each completed road parcel. Hence, this reclassification is regularly adjusted accordingly at the beginning of each new financial year.

There is no significant change in other contract assets as the relevant documents for the completed road parcels are still in the processing for the Client's review and approval. Contract assets will be only recognised upon the relevant documents for the completed road parcel being submitted for the Client's review and approval.

Current liabilities

Trade and other payables increased by approximately RMB2.5 million or 1.3% from approximately RMB183.6 million as at 30 June 2021 to approximately RMB186.1 million as at 30 September 2021.

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OTHER INFORMATION (Cont'd)

Review of Financial Performance (Cont'd)

Current liabilities (Cont'd)

During 1QFY2022, the Company received initial deposits of RMB2.5 million (S\$0.5 million) from Yayuan Group ("Subscriber") in accordance with the Subscription Agreement dated on 15 September 2021. The Subscription Agreement refers to the proposed subscription of 10,000,000 new ordinary shares with issue price of S\$0.20 for each new share.

Review of Cashflow Position

Overall, cash and cash equivalents increased by RMB0.5 million or 0.5% from RMB91.2 million as at 30 June 2021 to RMB91.7 million as at 30 September 2021. This was mainly due to net cash generated from operating activities of RMB0.7 million as a result of the initial deposits of RMB2.5 million received from the Subscriber offset against the cash used in financing activities amounting to RMB0.2 million.

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

The Group's performance for the period under review was in line with its expectations as disclosed in the Company's FY2021 annual report announced on 14 October 2021.

6. 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.

- Under the current challenging global business outlook, the Group continues to monitor current business developments mainly in China. For Trust Green City Township Development project ("Project") in Bangladesh, the Company has been engaging the MOU partners (i.e. MCC Land) on a regular basis as part of the business operations to keep abreast of the current situation. There will be postponement on the Project due to the still-raging Covid-19 pandemic in Bangladesh and other regional countries. However, there is no significant commitment or obligations for the Company on this Project as of today.

The Company will keep rigorous assessment and measurement on this project to mitigate any potential negative impact. The Company will update and disclose further as soon as there is a material development in relation to this Project.

- The Company has, on 14 September 2021, announced the termination a subscription agreement ("Subscription Agreement") with Integrated Health Ventures Pte. Ltd. (the "Subscriber") for the proposed subscription by the Subscriber of 8,000,000 new ordinary shares in the capital of the Company at the price of S\$0.25 for each New Share amounting to an aggregate Issue Price of S\$2,000,000. The termination was due to the Subscriber faced administrative issues in remitting monies from India to the Subscriber (in Singapore) for the purposes of funding the Subscription. However, the Company would like to highlight that there would be no legal, financial liabilities and obligations that will arise as per Subscription Agreement.
- On 15 September 2021, the Company has entered into a new subscription agreement ("Subscription Agreement") with Yayuan Limited (the "Subscriber") for the proposed subscription by the Subscriber of a total of 10,000,000 New Shares. in the capital of the Company at the price of S\$0.20 for each New Share amounting to an aggregate Issue Price of S\$2,000,000. The Subscriber is a third party, and it was incorporated in Hong Kong, and has a business portfolio in the sectors of FMCG, Medical, Property, and Fintech across Asia, Africa and Central America.

The Company has received the initial non-refundable deposit of SGD500,000 from the Subscriber as per Subscription Agreement. Please refer to notes to the condensed interim consolidated financial statements 19.

As announced on 18 October 2021, RegCo informed the Company that it was not able to approve the Application for this new Subscription via an official letter dated on 8 October 2021. It was further stated in the official letter that RegCo was unable to process the Application until there is clarity on the matter, after the Company commissioned and completed a special audit into the cash transactions of the Group.

In this regard the Company will make announcement accordingly on the Company's position if there is a material development on this matter.

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OTHER INFORMATION (Cont'd)

7. Dividend Information

(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.

8. If no dividend has been declared/recommendeded, 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 September 2021 because the Company believes that it is more beneficial to re-invest the profits for the rapid growth of business.

9. 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 2021.

10. 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 2021. The adoption of this new SFRS (I) did not result in any significant impact on the financial statements of the Group and Company.

11. 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.

Please refer to Notes to the condensed interim consolidated financial statements 8 for the detail.

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OTHER INFORMATION (Cont'd)

12. 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 30 September 2021	As at 30 June 2021	As at 30 September 2021	As at 30 June 2021
Net asset value per ordinary share (RMB)	3.16	3.15	1.89	1.91
Number of issued ordinary shares excluding treasury share as at end of the year	67,951,583	67,951,583	67,951,583	67,951,583

14. 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 financial period ended 30 September 2021.

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	22,900	7,048	15,852
Working capital purposes ⁽¹⁾	7,000	5,362	1,638
	29,900	12,410	17,490
	47,082	28,823	18,259

(1) Use of Placement Proceeds of S\$5.4 million for "working capital purpose", the breakdown as follow:

- i. Payroll and Staff related expenses (incl. Directors Fees) – S\$2.4 million
- ii. Operating Expenses (incl. Rental, Stationery, Entertainments, Travelling) – S\$0.8 million
- iii. Professional Fees (incl. Legal, Audit, Corporate Secretary Services etc) S\$2.2 million

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Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three-month period ended 30 September 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Eric Choo Han Kiat
Executive Director and Chief
Executive Director
12 November 2021

Leow Yong Kin
Audit Committee Chairman & Lead
Independent Director
12 November 2021