

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 FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

	The Group 3 months ended		
	30 Sep 2020 (Unaudited) RMB'000	30 Sep 2019 (Unaudited) RMB'000	Increase/ Decrease %
Revenue	15,582	-	*n.m
Cost of Sales	(11,685)	-	*n.m
Gross Profit	3,897	-	*n.m
Other Income	2,342	22	*n.m
Distribution Costs	-	-	-
Administrative costs	(2,135)	(3,301)	-35%
Other operating expenses	-	-	-
Profit/(Loss) before taxation	4,104	(3,279)	225%
Income Tax	(974)	-	*n.m
Profit/(Loss) after taxation	3,130	(3,279)	195%
Other comprehensive income			
Exchange differences on translating foreign operations, net of tax	(6)	*n.m	*n.m
Total comprehensive profit/(loss) for the period	3,124	(3,279)	195%
Net profit/(loss) attributable to:			
Equity holders of the Company	2,663	(3,279)	181%
Non Controlling Interest	467	-	*n.m
	3,130	(3,338)	194%
Total comprehensive profit/(loss) attributable to:			
Equity holders of the parent Company	2,657	(3,279)	181%
Non Controlling Interest	467	-	*n.m
	3,124	(3,279)	195%

*n.m - not meaningful

1(a)(ii) Other information

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

	30 September 2020 RMB'000 (Unaudited)	30 September 2019 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	11	10
Unwinding of discount on non-trade receivables	2,025	-
Interest income	68	22

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 Sep 2020 (Unaudited) RMB'000	30 June 2020 (Audited) RMB'000	30 Sep 2020 (Unaudited) RMB'000	30 June 2020 (Audited) RMB'000
Assets				
Non-current assets				
Property, plant and equipment	208	219	-	-
Trade and other receivables	289,051	272,700	-	-
Investment in subsidiaries	-	-	510	510
Total non-current assets	289,259	272,919	510	510
Current assets				
Trade and other receivables	53,128	51,572	-	-
Other contract assets	-	5,531	-	-
Prepayment	169	101	156	96
Amount due from subsidiary	-	-	141,032	141,073
Cash and bank balances	97,193	97,221	55	3
Total current assets	150,490	154,425	141,243	141,172
Total assets	439,749	427,344	141,753	141,682
Liabilities and equity				
Equity				
Share capital	192,187	192,187	192,187	192,187
Treasury shares	(24)	(24)	(24)	(24)
Other reserve	(11,591)	(11,585)	93,087	93,087
Retained profits/accumulated losses	12,202	9,539	(148,695)	(147,687)
Non Controlling Interest	19,784	19,317	-	-
Equity attributable to owners of the Company	212,558	209,434	136,555	137,563
Current Liabilities				
Trade and other payables	203,588	195,281	5,198	4,119
Non-Current Liabilities				
Deferred tax liability	23,603	22,629	-	-
Total liabilities	227,191	217,910	5,198	4,119
Total liabilities and equity	439,749	427,344	141,753	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 30 September 2020		As at 30 June 2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year

As at 30 September 2020		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

	30 Sep 2020 (Unaudited) RMB'000	30 Sep 2019 (Unaudited) RMB'000
Cashflow from operating activities		
Profit/(Loss) before income tax	4,104	(3,279)
Adjustments for:		
Depreciation of property, plant and equipments	11	10
Interest Income	-	(22)
Operating profit/(loss) before changes in working capital	4,115	(3,291)
Decrease/(Increased) in construction in progress	5,531	(11,069)
(Increase)/Decrease in trade and other receivables	(17,975)	9,676
Increase in trade and other payables	3,375	2,987
Cash generated used in operation	(4,954)	(1,697)
Interest received	-	22
Income tax paid	-	-
Net Cash generated used in operating activities	(4,954)	(1,675)
Cashflow from investing activity		
Acquisition of property, plant and equipment	-	(7)
Net Cash generated used in investing activity	-	(7)
Net Cash generated from/(used in) financing activities		
Amount due to directors	787	(55)
Amount due to shareholder	4,145	-
Net Cash generated from/(used in) financing activities	4,932	(55)
Net decrease in cash and cash equivalents	(22)	(1,737)
Cash and cash equivalents at beginning of financial period	97,221	104,606
Effect of currency translation	(6)	(58)
Cash and cash equivalents at end of financial period	97,193	102,811

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	Retained Profit/(accum ulated losses) 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 loss 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 loss for the period	-	-	-	-	-	-	-	-	2,663	2,663	467	3,130
Exchange differences arising on translation of foreign operation	-	-	-	-	-	-	(6)	-	-	(6)	-	(6)
Balance as at 30.09.2020 (Unaudited)	192,187	(24)	93,087	-	-	(102,287)	(2,391)	-	12,202	192,774	19,784	212,558

Statement of changes in equity for the Company

	Share Capital RMB'000	Treasury shares RMB'000	Share Premium RMB'000	Retained Profit/(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	-	-	-	(1,008)	-	(1,008)
Exchange differences arising on translation of foreign operation	-	-	-	-	-	-
Balance as at 30.09.2020 (Unaudited)	192,187	(24)	93,087	(148,695)	-	136,555

- 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 30 September 2020	67,959,583	192,187

There were no convertible shares issued by the Company as at 30 September 2020.

As at 30 September 2020, the Company held 8,000 of its issued shares as Treasury shares. (30 September 2019: 8,000).

- 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 30 September 2020	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 is no sales, transfers, disposal, cancellation and / or use of treasury shares by the Company as at 30 September 2020.

- 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.

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

	As at 30 September 2020	As at 30 September 2019
Profit/(Loss) attributable to equity holders of the Company (RMB'000)	2,663	(3,279)
Weighted average number of ordinary shares excluding treasury shares ('000)	67,952	67,952
Profit/(Loss) per share (RMB) – basic and diluted	0.04	(0.05)

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 30 September 2020	As at 30 June 2020 (Restated)	As at 30 September 2020	As at 30 June 2020
Net asset value per ordinary share (RMB)	3.13	3.08	2.01	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

In September 2020, the Group has recognised a revenue of RMB17.3 million upon client's acceptance of additional one road parcel. As the payment will be collected over 10 years, a discount rate has been used for the effect of time value of money and had reduced the revenue by RMB1.8 million against the non-current trade receivables.

Other Income

Other income increased by approximately RMB2.1 million or more than 100% from approximately RMB22,000 in 1Q2020 to approximately RMB2.2 million in 1Q2021 was mainly attributable to unwinding of discount in conjunction with non-trade receivables of RMB2.0 million in 1Q2021.

Administrative expenses

Administrative expenses decreased by approximately RMB1.2 million or 35.3% from approximately RMB3.3 million in 1Q2020 to approximately RMB2.1 million in 1Q2021 is mainly attributed to legal and professional fees relating to the Special Audit and resumption of trading incurred in 1Q2020 as well as significantly reduced in travelling costs in 1Q2021 as a result of Covid-19 pandemic.

Finance cost

There is no finance cost incurred in 1Q2021 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

As a result of the above, the Group registered a net profit attributable to equity owners of the Company of RMB0.8 million as compared to the net loss of RMB3.3 million in 1Q2020.

Review of Financial Position

Non-current assets

Trade and other receivables increased by approximately RMB16.4 million or 6.0% from approximately RMB272.7 million as at 30 June 2020 to approximately RMB289.1 million as at 30 September 2020 was mainly due to construction expenses incurred which will be invoiced to the client upon completion of the project. 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 increased by approximately RMB1.6 million or 3.0% from approximately RMB51.6 million as at 30 June 2020 to approximately RMB53.1 million as at 30 September 2020. This was mainly due to an additional completed road parcel has been reviewed and approved by the client and to be collected from the client within 12 months as per the contract.

Other contract asset reported Nil as at 30 September 2020 compared RMB5.5 million as at 30 June 2020 as a result of revenue recognition due to client acceptance of the parcel.

Current liabilities

Trade and other payables increased by approximately RMB8.3 million or 4.3% from approximately RMB195.3 million as at 30 June 2020 to approximately RMB203.6 million as at 30 September 2020. These increased were mainly attributable to increase in due to increase in trade payables of RMB2.21 million as well as increase in amount due to a shareholder by a subsidiary of RMB4.1 million. 宜宾路桥 is a shareholder of Bo Dao and also the main contractor for the project. The payment arrangement with 宜宾路桥 is upon receipt of payment from customer.

Review of Cashflow Position

Overall, there is no significant changes in cash and cash equivalents.

Net cash flows used in operating activities of approximately RMB5.0 million for 1Q2021 was mainly due to changes in working capital for receivables and payables.

Net cash generating from financing activities of approximately RMB4.9 million was mainly attributable to amount due to a shareholder and directors.

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.

On 08 May 2020, the Company has entered into a Memorandum Of Understanding with the Army Welfare Trust of the People's of Bangladesh in relation to the Trust Green City township development project. The relevant parties are reviewing and negotiating the terms. The process has taken longer than planned, mainly due to the Covid-19 situation.

On 02 November 2020, the Company has successfully entered a Joint Venture with Raffles Financial Private Limited, with its principal activities focused around advisory and management services.

The partners are commencing to conduct due diligence work on projects that are potential at this stage.

The Company will announce as and when there is any significant update on these.

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/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 2020 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 September 2020.

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 first quarter ended 30 September 2020, 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	22,900	6,980	15,920
Project Investment	7,000	3,877	3,123
Working capital purposes ⁽¹⁾	29,900	10,857	19,043
	47,082	27,270	19,812

(1) Use of Placement Proceeds of S\$3.9 million for "working capital purpose", the breakdown as follow:

- i. Payroll and Staff related expenses (incl. Directors Fees) – S\$1.7 million
- ii Operating Expenses (incl. Rental, Stationery, Entertainments, Travelling) – S\$0.6million
- iii. Professional Fees (incl. Legal, Audit, Corporate Secretary Services etc) S\$1.6 million

BY ORDER OF THE BOARD
Eric Choo Han Kiat
Executive Director and CEO
14 November 2020